

# RAJ RAYON 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 )

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Date: 6/9/2022

To,

<b>The Secretary</b> <b>BSE LIMITED</b> P J Towers Dalal Street, Fort, Mumbai 400 001	<b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Listing Department Exchange Plaza, 5 <sup>th</sup> Floor, Bandra-kurla Complex, Bandra (East), Mumbai – 400 051.
<b>Company Code No. : 530699</b>	<b>Company Code : RAJRILT</b>

Dear Sir/Madam,

**Sub: Annual Report for the financial year 2021-22 including Notice of the 29<sup>th</sup> Annual General Meeting pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We wish to inform that the 29<sup>th</sup> Annual General Meeting (“AGM”) of Raj Rayon Industries Limited (“the Company”) will be held on Friday, 30<sup>th</sup> September, 2022, at 11:00 A.M. through Video Conferencing / Other Audio-Visual Means facility (“VC/OAVM”). Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the Financial Year 2021-22 along with the Notice of 29<sup>th</sup> AGM of the Company. The aforesaid documents can be downloaded from the Company’s website at:

Documents	Link
Annual Report	<a href="https://www.rajrayon.com/Pdf/Annual%20Report%202022.pdf">https://www.rajrayon.com/Pdf/Annual%20Report%202022.pdf</a>
29th AGM notice	<a href="https://www.rajrayon.com/Pdf/29th%20Annual%20General%20Meeting%20in%20Annual%20Report.pdf">https://www.rajrayon.com/Pdf/29th%20Annual%20General%20Meeting%20in%20Annual%20Report.pdf</a>

Kindly place the same in your records.

Thanking you,

**FOR RAJ RAYON INDUSTRIES LIMITED**



**RAJKUMAR SATYANARAYAN AGARWAL**  
**MANAGING DIRECTOR**  
**DIN: 00395370**





## NOTICE

**Notice** is hereby given that the **29<sup>th</sup>Annual General Meeting** of the members of **Raj Rayon Industries Limited** will be held on Friday, September 30, 2022 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means (“VC” / “OAVM”) Facility to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2022 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors’ and the Auditors’ thereon and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

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

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

3. **APPOINTMENT OF BAGARIA & CO. LLP CHARTERED ACCOUNTANTS, (FIRM REGISTRATION NO - 113447W/W-100019701) AS STATUTORY AUDITORS UNDER CASUAL VACANCY**, and in this regard, if thought fit, pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139(8) and 142 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or enactment thereof for the time being in force) Bagaria & Co. LLP Chartered Accountants (Firm Registration No -113447W/W-100019701), Mumbai be and is hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. MKPS & Associates Chartered Accountant (Firm Registration No.: 302014E) and will hold office till the conclusion of 30<sup>th</sup> Annual General Meeting of the Company for the FY 22-23.

**RESOLVED FURTHER THAT** Bagaria & Co. LLP Chartered Accountants (Firm Registration No -113447W/W-100019701), Mumbai have confirmed their eligibility to be appointed as Statutory Auditors in terms of provisions of Section 141 of the Act and Rule 4 of the Rules



and having a valid certificate issued by the Peer Review Board of Institute of Chartered Accountants of India (ICAI) at a remuneration as may be fixed by Board of Directors of the Company in consultation with the said Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto.”

#### **SPECIAL BUSINESS:**

##### **4. RATIFICATION OF REMUNERATION TO COST AUDITORS:**

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

“**RESOLVED THAT** pursuant to the provisions of section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration payable to M/s. C. Sahoo & Co., Cost Auditor appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditor to conduct the audit of the cost records of the company for the financial year ending 31<sup>st</sup> March, 2023 amounting to Rs. 1,00,000/- plus out of cost expenses, and tax as applicable be and is hereby ratified.”

##### **5. RATIFICATION AND CONTINUATION OF APPOINTMENT OF PROF. RAMESH CHANDRA AGARWAL (DIN: 09364549) AS AN INDEPENDENT DIRECTOR**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16, 17, 17(1A) and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, the appointment of Prof. Ramesh Chandra Agarwal (DIN: 09364549) as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021 made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 be and is hereby ratified and approved for continuation of his appointment on attaining the age of 75 years in the month of June, 2022 by the members of the Company.”



**6. RATIFICATION OF APPOINTMENT OF MR VINODKUMAR BAJRANGLAL DALMIA (DIN.: 03018994) AS AN INDEPENDENT DIRECTOR FOR TERM OF FIVE YEARS**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16 and 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, the appointment of Mr. Vinodkumar Bajranglal Dalmia (DIN.: 03018994) as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021 made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 be and is hereby ratified and approved by the members of the Company.”

**7. RATIFICATION OF APPOINTMENT OF MR. KAILASHNATH JEEVAN KOPPIKAR (DIN: 03195681) AS AN INDEPENDENT DIRECTOR FOR TERM OF FIVE YEARS**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Regulation 16 and 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time, the appointment of Mr. Kailashnath Jeevan Koppikar (DIN: 03195681) as an Independent Director for a period of five years w.e.f. 7<sup>th</sup> February, 2022 made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 be and is hereby ratified and approved by the members of the Company.”

**8. RATIFICATION OF APPOINTMENT AND APPROVE REMUNERATION OF MR. RAJKUMAR SATYANARAYAN AGARWAL (DIN: 00395370) AS MANAGING DIRECTOR OF THE COMPANY:**

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



**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajkumar Satyanarayan Agarwal (DIN: 00395370), be and is hereby appointed as the as Managing Director (‘MD’) of the Company for a period of Five years commencing from October 19, 2021 made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Rajkumar Satyanarayan Agarwal be and is hereby approved and ratified by the members of the Company:

**I. Tenure of appointment**

For a period of Five years commencing on October 19, 2021 to October 18, 2026.

**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. 1,00,000/- p.m. (***for a period of Three years w.e.f 19.10.2021 pursuant to schedule V***) which includes all benefits and reimbursements as may be permitted under the applicable tax laws.

**IV. Performance Incentive**

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

**V. Reimbursement**

On actual basis

**VI. 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.

**VII. Other benefits**

- a. Company shall provide a car with driver for official use and all expenses relating to fuel, maintenance and driver will be reimbursed on actual basis.
- b. Company shall provide mobile and telephone facility at office.

**VIII. 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;



- 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 abide by the Code of Conduct applicable to the Board Members of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Rajkumar Satyanarayan Agarwal, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.

**9. RATIFICATION OF APPOINTMENT AND APPROVE REMUNERATION OF MR. SANDIIP SATYANARAYAN AGARWWAL (DIN:00395348) AS CFO AND WHOLE TIME DIRECTOR OF THE COMPANY**

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

**“RESOLVED THAT** pursuant to provisions of Sections 196, 203 and other applicable provisions of Companies Act, 2013 (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) as amended from time to time, the appointment of Mr. Sandiip Satyanarayan Agarwwal (DIN:0039 5348) as CFO of the Company w.e.f. October 19, 2021 and Whole Time Director w.e.f 7<sup>th</sup> February, 2022 for a term of five years made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Sandiip Satyanarayan Agarwwal be and is hereby approved and ratified by the members of the Company:

**Terms of Appointment:**



1. Compensation of Rs. 1,00,000/- (Rupees One Lakhs Only) per month (**for a term of Three Years**) The compensation as mentioned above shall be inclusive of all perquisites, benefits, contribution to provident fund, allowances and reimbursements. Income Tax or any other statutory deductions will be made at source.
2. Tenure: 5 years w.e.f 7th February, 2022 to 6th February, 2027.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Sandiip Satyanarayan Agarwal, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

#### **10. RATIFICATION OF APPOINTMENT OF MRS. SAPNA RAJKUMAR AGARWAL (DIN: 00437469) AS NON-EXECUTIVE WOMAN DIRECTOR 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 260 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013 and in accordance with the provisions contained in the Articles of Association of the Company read with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other laws/statutes as applicable regarding a Woman Director on the Board of the Company, the appointment of Mrs. Sapna Rajkumar Agarwal (DIN.: 00437469) as a Director of the Company, liable to retire by rotation, made pursuant to the ‘Resolution Plan’ submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench (“NCLT”) via order clause No. 5 (VII) dated 5<sup>th</sup> October, 2021 be and is hereby ratified by the members of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution.”

#### **11. APPROVAL OF RELATED PARTY TRANSACTION:**

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

**“RESOLVED THAT,** pursuant to the provisions of Section 188(1) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with the provisions of Regulation 23 of the





Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as per Omnibus approval of the Audit Committee of the Company, consent be and is hereby accorded to the Company for entering into any contract / arrangement / transactions with SVG Fashions Private Limited (SVG) – up to Rs. 900 Crs , Rajwada Silk Mills LLP- up to 5 Crs, Binaykia Synthetics Ltd- up to Rs. 5 Crs , Deepak Synthetics Pvt Ltd – up to Rs. 5 Crs, Venkateshwar Udyog & Finance Private Limited – up to Rs. 5 Crs , for a period from October 01, 2022 to September 30, 2023, as detailed in the explanatory statement and conditions as may be decided by the Board of Directors of the Company

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

## **12. BORROWING IN EXCESS OF PAID- UP CAPITAL & FREE RESERVES:**

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

**"RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company at 21<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2014 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), or any statutory modification or re-enactment thereof, the Board of Directors of the Company (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) is hereby authorised to borrow from time to time as it may think fit, by way of loans or any other financial facilities from, or issue of bonds, debentures or other securities whether convertible into equity/preference shares and/or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity/preference shares to, bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs.4,000 Crores (Rupees Four Thousand Crores).



**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds matters and things and to sign all such agreements, documents, papers and writings as may be deemed necessary, expedient or desirable to give effect to above resolutions.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

### **13. MORTGAGE / CREATE CHARGE ON THE ASSETS OF THE COMPANY:**

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

**"RESOLVED THAT** in supersession of the resolution passed by the shareholders of the Company at 21<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2014 and pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), or any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee thereof as may be authorized by the Board of Directors for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable properties of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/investment institution(s), bank(s), insurance Company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the debentures, loans or finance and other credit facilities availed by the Company up to a sum not exceeding Rs.4000 Crores (Rupees Four Thousand Crores).

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof as may be authorized by the Board of Directors be and is hereby authorized to finalise the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and/or movable properties of the Company on such terms and conditions as may be decided by the Board of Directors for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution."

### **14. DELETION OF THE OTHER OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION**

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

**"RESOLVED THAT** pursuant to the provisions of section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Members be and is hereby accorded for deleting the Other Objects Clauses i.e. III(C) 56 to III(C) 87 of the Memorandum of Association of the Company.



**RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary and expedient, including filing the requisite E-forms with Ministry of Corporate Affairs, submission of documents with any regulatory authorities for giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto.”

#### **15. SUBSTITUTION OF HEADINGS, SUB HEADINGS AND REFERENCES IN MEMORANDUM OF ASSOCIATION**

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

“**RESOLVED THAT** pursuant to the provisions of section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Members be and is hereby accorded for:

Renaming the Clause III (A) and III (B) of the Memorandum of Association (MOA) of the Company, as under:

*Clause III (A) – The objects to be pursued by the Company on its incorporation are:*

*Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:*

*Amending the heading of the MOA of the Company by replacing the words “Companies Act, 1956” with “Companies Act, 2013.”*

**RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary and expedient, including filing the requisite E-forms with Ministry of Corporate Affairs, submission of documents with any regulatory authorities for giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto.”

#### **16. AMENDMENT OF THE LIABILITY CLAUSE OF MEMORANDUM OF ASSOCIATION**

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

“**RESOLVED THAT** pursuant to the provisions of section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Members be and is hereby accorded for altering the Clause



IV of the Memorandum of Association of the Company by replacing the existing Clause IV with the following new Clause IV:

*IV. "The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them."*

**RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary and expedient, including filing the requisite E-forms with Ministry of Corporate Affairs, submission of documents with any regulatory authorities for giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto."

#### **17. AMENDMENT OF THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION OF MEMORANDUM OF ASSOCIATION**

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

**"RESOLVED THAT**, pursuant to the provisions of section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Members be and is hereby accorded for substituting existing Clause III (A) "the Objects to be pursued by the Company on its incorporation" of the Memorandum of Association of the Company with the following new objects specified in Clause III (A)":

Clause III (A)

1. To carry on the business of whether by wholesale or retailer as, buyers, sellers, exporters, importers, merchandisers, traders, coordinators, distributors, agents, brokers, stockists, commission agents, auctioneers, trustees, forwarders, dealers, concessionaires, processors, reproprocesses, tanners, dressers, weavers, dyers, jobbers, contractors, spinners, knitters, combers, manufacturers, producers, assemblers, finishers, packers, processors, texturisers, retailers, wholesalers, suppliers, representatives, sub agents, inquiry agents, publicity and advertising agents in India and abroad of all kinds of apparels, dresses, clothers, outfits, garments, textiles, fabrics, yarns, fibbers, silk, cotton, hemp, jute, linen, fibbers, woollens, acrylic, viscose, waste, silks, hemp, linen, suiting, shirting dress materials corduroy, carpet, blankets, curtains, ribbons, towels, handkerchiefs, scarves, tapestry, shawls, ready-made garments, leather wears, leather goods, shoes, wearing apparels, neck-ties, gloves, overcoats, rain coats, rugs, cosmetics, wigs, sweaters, knitwears, hosiery goods, under garments, dresses, embroideries, plastics, rubbers, canvas goods, village industries, cottage industries, home industries, handicrafts, brasswares, handlooms, antiques, decorators, knitwears, hosiery, shoes, wearing apparels, dress material, umbrellas, mufflers, chesters, nets, socks, hats, belts, caps, bags, purses, sports goods, varity bags, buttons, zips, fasteners, buckles, cuff-links, pipings, borders, lining, supports, attachments, pads, hooks,



accessories and tools, trims, synthetic polyester, polyethylene, polypropylene, silk, artificial silk, wool silk and other material and all fibres, synthetic artificial & natural fibbers, nylon, rayon, jute and any other fibbers or fibrous materials textiles substance allied product, by-products and substitutes for all or any of them and to treat and utilize any waste arising from any such manufacture production or process and blends and mix thereof and to deal in all kinds of natural/manmade fibres and manmade fibre yarns of all kinds, manmade fibre cords of all kinds and manmade fibre fabrics of all kinds, mixed with or without mixing, synthetic blends with natural or manmade materials fibres like woolen, cotton, metallic or any other fibres of vegetable, mineral or animal origin, manufacturing such manmade fibres and manmade fibre products of all description and kinds with or without mixing fibres of other origin as described above, by any process using petrochemicals of all description or by using vegetable or mineral oils or products of all description required to produce such natural or manmade fibres, polyesters, polimide, acrylic, polynetic, polyacrylic, or any other substance, suiting, shirtings, Home Decor Fabric Furnishing such as Muslin, Linen and Khadi -Textured, Viscose Crepe Silk, Satin, Bagh Cotton or Maheshwari Silk, Cotton Ikat, Chanderi etc. and dress materials including the preparation of dyeing or coloring of any of the said substances and artificial silk, rayon, nylon or any similar substance, composite textile mills handlooms or power looms.

2. To carry on the trades or business of spinner, knitters, doubling, weavers, ginner, pressers, balers of silk, combing, scouring, sizing, bleaching, coloring, dyeing, printing, texurising, twisting, and finishing, working or manufacturing in whatever way, linen manufacturers of cotton, synthetic, wool, silk, flax, hemp, jute, artificial silk, rayon, terylene, doubling of yarns, nylon, terene, decron, staple fibres and other suitable fabrics, fibers or textile substances, whether animal, vegetable or mineral in any state and whether similar to the foregoing substances or not and to treat and utilize and deal in any waste arising from any such operations, whether carried out by the company or otherwise and also of makers of vitriol and of bleaching, dyeing and finishing materials and the buying, selling and dealing in all or any of the aforesaid substances. To do embroidery weather by machine or handmade on all types of embroidery fabrics as per the customers' requirements.
3. To buy, contract for, sell or send for sale in the whole world, cotton, waste, droppings, fly, silk, wool, jute, hemp and other fibrous articles; to deal in all materials and things necessary or useful for dyeing, printing and bleaching purposes and generally to deal in all or any of the fabrics, articles and things and to generate, consume, purchase, sell, supply and distribute electricity by erection/installation of wind or hydel or thermal or solar or atomic or any other sources in India or elsewhere;

**RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary and expedient, including filing the requisite E-forms with Ministry of Corporate Affairs, submission of documents with any regulatory authorities for giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto.”



**18. SUBSTITUTION OF CLAUSE III (B) “THE MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)” OF THE MEMORANDUM OF ASSOCIATION**

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

“**RESOLVED THAT** pursuant to the provisions of section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Members be and is hereby accorded for substituting Clause III (B) “the Matters which are necessary for furtherance of the objects specified in Clause III (A)” by deleting existing Clause III(B)3 to III(B)55 of the Memorandum of Association of the Company and inserting new Clause III (B) 1 to III (B) 25 as mentioned below:

Clause III (B)

1. To attain the main Object, to purchase such thing or articles as may be required.
2. To negotiate and/or enter into agreements and contracts with individuals, companies, corporations, and other organizations, foreign or Indian for obtaining or providing technical, financial, or any other assistance for carrying out all or any of the objects of the Company, and also for the purpose of activating research, development of manufacturing projects on the basis of know how and/or financial participation and for technical collaboration and to acquire or provide necessary formulas, patent rights etc. for furthering the objects of the Company.
3. To register, apply for purchase or otherwise acquire, sell, let or grant or true to account any patents, trademarks, designs, letters or patents, concessions, licenses, invention, rights and privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited, or any part interest therein, and to manufacture and produce and trade and in all machinery, plant, articles appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any such patents, trademarks, designs, letter patents, licenses inventions, rights or privileges, as aforesaid for the attainment of the main objects.
4. To amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company or any other company, subject to the provisions of Section 391 to 394 of the Companies Act, 1956.
5. To construct, purchase, hire, let, acquire, maintain, alter enlarge, buy or sell any lands, buildings, workshops, offices, mills, plants, machinery, furniture and fixtures, godowns, laboratories and other property assets (movable and/or immovable), rights and effects of any description for the main objects.



6. To acquire or enter into any arrangement with from any Government, State or Authority, license, concessions, grants, decree, rights, powers and privileges or other form of statutory or official authority whatsoever, which may seem to the Company capable of being turned to account for its purposes and to hold, use, explore, survey, cultivate, work manage, improve develop and turn to account the same and to lease, mortgage, sell abandon, deal with or otherwise dispose of any part thereof.
7. To grant annuities, persons allowances, donations, provident fund, stock options, gratuities and bonus to any employees (including Directors and ex- Directors) of the Company or the relations, connections or dependents of any such persons and to establish or support associations, institutions or non-political bodies, clubs, schools, funds, schemes and trusts, (religious, scientific, educational, provident or otherwise) which may be considered and calculated to benefit any such persons or otherwise advance the interests of the Company or of its members and to establish and contribute any scheme for the purpose by trustees of shares in the Company to be held for the benefit of the Company's employees and to lend money to the Company's employees and to support or subscribe to any charitable objects and institutions and to clubs, societies of funds.
8. To employ experts and consultants to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights for the attainment of the main objects to remunerate any person Consultant or Company for services rendered or promotion of the Company or the conduct of its business.
9. To borrow or raise or secure moneys for the purpose of financing the business of the Company in such manner as the Company shall think fit and in particular by the creation, execution grant or issue of any mortgage debenture stocks or bonds (perpetual or otherwise) either at par, premium or discount and either redeemable or irredeemable, secured upon all or any part of the undertaking rights and properties of the Company, Present and future, including its uncalled capital of the called but unpaid capital of the Company and to purchase, redeem, pay off or satisfy such securities subject to the Act and Banking Regulation Act, 1949 and directives issued by Reserve Bank of India.
10. To acquire by purchase lease, concession, grant, licence or otherwise such lands, buildings, minerals, mines, waterworks, plant, machinery, stock-in-trade, stores, rights, privileges, easements and other property as may from time to time be deemed necessary for carrying on the business of the Company, and to build or erect upon any land of Company how-so-ever acquired such factories, workshops, warehouses, offices, residences and other buildings, and to erect such machinery and construct such roads, ways, branches or sidings, bridges, reservoirs, water courses, hydraulic works and other works and conveniences.
11. To make any loan to any person, to receive money, securities or valuable on deposit at interest or otherwise from persons having dealing with the company or not on any



terms whatsoever, and provided the Company shall not carry on the business of banking as defined under the Banking (Regulations) Act, 1949, and the granting of such loans shall not tantamount to carry on of banking business, subject to the provision of the Act, and Direction issued by the R.B.I.

12. To finance, enter into partnership or into any arrangement including the promotion of companies or establishment of firms either in India or in any other country abroad for sharing profits, interests, co-operation, joint venture or reciprocal concession, with any person, firm or company in India or in any other country abroad, carrying on or about to carry on or engage in any business or transaction which the company is authorised to carry or on engage in.
13. To open any kind of account in any Bank and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, warrants, debentures and other negotiable or transferable instruments.
14. To establish, provide, maintain and conduct or otherwise subsidise research laboratories, and experimental workshops, for scientific and technical researches, experiments and tests of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions, by providing, subsidising, and endowing or assisting laboratories, workshops, libraries, lecture, meetings, and conferences and by providing or contributing to the award of scholarships, prizes and grants to students or otherwise generally to encourage, promote and reward studies, researches, investigations, experiments, texts and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
15. To support, donate, contribute or subscribe to any charitable, benevolent or public object or any other general or useful object or any institution, society or club or any other body or to any other object which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company has business connection and to give or award pensions, annuities, gratuities and super annuities or other allowances or benefits or charitable aid to any persons who are have been Directors of or who are or have been employed by or who are serving or have served the company and to the wives, children and other relatives and dependents of such persons or to make payment towards insurances and to set up, establish, support and maintain super annulation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such person or persons, and their wives, widows, children and other relatives and dependents, but not intended to serve any political Cause or purpose.
16. To send out to foreign countries, Directors, employees or any other persons for investigating the possibilities of any business or trade, for procuring and buying any machinery or establishing trade connections or in promoting the interest of the company and to pay all expenses incurred in this connection and to establish branches, local register or to establish any firm or firms or promote any company or companies at places in or outside India as may be thought fit by the Company.





17. To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such considerations as the Company may think fit, and in particular for shares (fully or paid up), debentures, debenture stock or securities of any other company, whether promoted by this Company for the purpose or not and to improve, manage, develop, exchange, lease, dispose of turn to account or otherwise deal with all or any part of the property and rights of the Company.
18. Subject to the provisions of Section 52 of the Companies Act, 2013 to place, to reserve or to distribute as dividend or bonus among the members or otherwise to apply as the Company may from time to time think fit, any money's belonging to the Company including those received by way of premium on shares or debentures issued by the Company at a premium and moneys arising from the reissue of the Company's forfeited shares.
19. To act as agents, subagents, commission agents, representatives, merchants, traders, stockists, sales, organisers for any person, firm or corporation as deemed necessary for fulfilment or any of the objects specified herein above.
20. To appoint trustees (whether a person, firm or a Company) to held securities on behalf of and to protect the interest of the Company and to establish trusts.
21. To give publicity to the business and products of the company and its constituents and associates, and popularise brands in India and foreign markets by means of advertisements in the press, pamphlets, handbills, circulars advertisement real, posters, cinema slides, on radio or television, by publication of books, periodicals and magazines, by purchase and exhibition of works of art, by granting rewards, prize and donations and by other suitable means.
22. To institute and to defend any suit, appeal, application for review or revision or any other application of any nature whatsoever, to take out executions, to enter into agreements, to refer to arbitration and to enforce and where need be to contest any award and for all such purposes to engage or retain counsels, attorneys and agents and when necessary to remove them.
23. To appoint Directors and Managers in the company and in any subsidiary Company or any other Company in which this Company is or may be interested. To pay the remuneration, sitting fees as per the applicable laws and regulation.
24. To enter into arrangement, to take all necessary or proper steps with Governments or with other Authorities Imperial, Supreme, National and Local Municipal or otherwise of any place to which the company may have interests and to carry on any negotiation or operations for the purpose of directly or Indirectly carrying out the objects of the company or effecting any modification in the constitution of the company or furthering the interest of its members and to make representations against any such steps taken by any other company firm or person which may be considered likely directly or



Indirectly to prejudice the interests of the company or its members and to assist the promotion of, whether directly or indirectly any legislation which may appear to be in the interest of the company and to make representation against and resist whether directly or indirectly, any legislation which may seem disadvantageous to the Company, any charters, contracts, decrees rights, loans privileges or concessions which the company may think desirable to obtain and carry out or exercise and comply with the same.

25. To do all or any of the above things directly or indirectly to enhance the value of any of the company's property and rights for the time being, and/or as may appear to the directors to incidental or conducive to the attainment of the above objects or any of them in any part of the world as principal, agents, contractors, or trustees or otherwise and by or through trustees, agents, or otherwise either alone or in conjunction with others.

**RESOLVED FURTHER THAT** any one of the Directors and Company Secretary of the Company be and are hereby severally authorized, on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary and expedient, including filing the requisite E-forms with Ministry of Corporate Affairs, submission of documents with any regulatory authorities for giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto.”

#### **19. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE COMPANY AND CONSEQUENTIAL AMENDMENT IN MEMORANDUM OF ASSOCIATION 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 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded for reclassification of the Authorised Share Capital of the Company by cancellation of unissued shares of one class i.e Non- Cumulative preference Shares of Rs. 100/- each and increase in shares of another class i.e in equity shares Re. 1/- each from existing Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 56,00,00,000 (Fifty Six Crore Equity Shares of Re. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each; 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each to Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Re. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each and 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each ranking *pari passu* in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.



**RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V(a) of the Memorandum of Association of the Company by substituting in its place and stead the following:-

**“V (a).** The Authorised share capital of the Company is Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Rs. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each; 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each.”

**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**By order of the Board**  
**RAJKUMAR SATYANARAYAN AGARWAL**

**MANAGING DIRECTOR**  
**DIN: 00395370**

**Place: Mumbai**  
**DATE: 12/08/2022**

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

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) relating to special business to be transacted at the ensuing Annual General Meeting (“AGM”) is annexed hereto.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm and continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 29<sup>th</sup> AGM of the Company is being conducted through VC/OAVM



Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 29<sup>th</sup> AGM shall be Registered Office of the Company.

3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 29<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 29<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 29<sup>th</sup> AGM.
5. The Members may join the 29<sup>th</sup> AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 10.45 A.M. IST i.e. 15 (fifteen) minutes before the time scheduled to start the 29<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 29<sup>th</sup> AGM. Members may note that the VC/OAVM Facility, allows participation of at least 1,000 Members on a ‘first come first served’ basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the 29<sup>th</sup> AGM without any restriction on account of ‘first come first served’ basis.
6. The attendance of the Members participating in the 29<sup>th</sup> AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Friday, September 23, 2022.
8. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars issued by the MCA and SEBI Circular, the Annual Report for the year 2021-22 including Notice of the 29<sup>TH</sup> AGM of the Company, *inter alia*, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.



Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars issued by MCA and SEBI Circular, the Annual Report including Notice of the 29<sup>th</sup> AGM of the Company will also be available on the websites the Company at <http://www.rajrayon.com/>, of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of Link Intime India Private Limited at <https://instavote.linkintime.co.in>.

9. Since the 29<sup>th</sup> AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, Link Intime India Private Limited.
11. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/Registrar and Share Transfer Agent.
12. Ms. Riddhi Shah, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
13. During the 29<sup>th</sup> AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act, and MOA as amended and existing MOA.
14. In terms of the applicable provisions of the Act and Rules thereto, the Company has obtained e-mail addresses of its Members and have given an advance opportunity to every Member to register their e-mail address and changes therein from time to time with the Company for service of communications/documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.

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

15. In case of joint holders attending the 29<sup>th</sup> AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



16. Securities of listed companies would be transferred in dematerialised form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.

**VOTING:**

17. In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 29<sup>th</sup> AGM using electronic voting system ('remote e-voting') and e-voting (during the 29<sup>th</sup> AGM), provided by Link Intime India Private Limited ("Link Intime") and the business may be transacted through such voting.

Only those Members who will be present in the 29<sup>th</sup> AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 29<sup>th</sup> AGM.

The voting period begins on **Tuesday, September 27, 2022 (9.00 AM IST)** and ends on **Thursday, September 29, 2022 (5.00 PM IST)**. During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on **Friday, September 23, 2022** may cast their votes electronically. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 29<sup>th</sup> AGM and holds shares as of the cut-off date **i.e. Friday, September 23, 2022**, may obtain the login ID and password by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if a Member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

The Scrutinizer shall, immediately after the conclusion of voting at the 29<sup>th</sup> AGM, first count the votes cast during the 29<sup>th</sup> AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the 29<sup>th</sup> AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same.

The Results declared along with the report of the Scrutinizer shall be placed on the website of Link Intime India Private Limited (<https://instavote.linkintime.co.in>) and on the Company's website at <http://www.rajrayon.com/> immediately. The result will also be displayed on the Notice Board of the Company at its Registered Office. The Company shall simultaneously forward the results to National Stock Exchange of India Limited



and BSE Limited, where the shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the 29<sup>th</sup> AGM i.e. September 30, 2022.

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

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

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, September 27, 2022 (9.00 AM IST) and ends on Thursday, September 29, 2022 (5.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on Friday, September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

- (i) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders



holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"><li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>





<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"><li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li></ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy)



Bank Details OR Date of Birth (DOB)	format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the **Event ID: 220426** for the relevant **RAJRAYON INDUSTRIES LIMITED** on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@rajrayon.com](mailto:investors@rajrayon.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors@rajrayon.com](mailto:investors@rajrayon.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

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



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

**(B) INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE 29<sup>th</sup> AGM THROUGH INSTAMEET:**

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

► Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

• Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit**

**Beneficiary ID**

• Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character**

**DP ID followed by 8 Digit Client ID**

• Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

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

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

**(C) INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING 29<sup>th</sup> AGM:**

1. Shareholders who would like to speak during the meeting must register their request by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@tmrvl.com](mailto:cs@tmrvl.com), at least before 48 hours prior to the date of AGM.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.



4. Other shareholder may ask questions to the panel list, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panel list by switching on video mode and audio of your device.

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

**(D) INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE 29<sup>TH</sup> AGM THROUGH INSTAMEET:**

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

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

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in



their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

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

### **Item No.3**

As envisaged by the section 139(8) of the Companies Act, 2013 (“Act”) casual vacancy caused by the resignation of auditors can only be filled up by the Company in the general meeting. The Audit committee and Board of the Company recommends the appointment of Bagaria & Co. LLP, Chartered Accountants (Firm Registration No – 113447W/W-100019701) as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. MKPS & Associates Chartered Accountant (Firm Registration No.: 302014E) effecting from closing working hours of 12<sup>th</sup> August, 2022 after signing of first quarter results of the Company. Bagaria & Co. LLP, Chartered Accountants appointed to hold office till the conclusion of ensuing Annual General Meeting of the Company.

Further, Bagaria & Co. LLP, Chartered Accountants have confirmed their eligibility for being appointed as Statutory Auditors in terms of provisions of Section 141 of the Act and Rule 4 of the Rules and certificate issued by the Peer Review Board of Institute of Chartered Accountants of India (ICAI).

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

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

### **Item No.4**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. C. Sahoo & Co., Cost Auditor as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2023 at a remuneration of Ra.1,00,000/- (Rupees One Lakh only) plus out of cost expenses, and tax in connection with the aforesaid audit.

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

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.





**The Board recommends the Ordinary Resolution set out at Item No.4 for the approval of Members.**

**Item No.5:**

Pursuant to the 'Resolution Plan' (RP) submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") via clause No. 5 (VII) of order dated 5<sup>th</sup> October, 2021, the Company has appointed Prof. Ramesh Chandra Agarwal (DIN: 09364549) on 19<sup>th</sup> October, 2021 as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021.

According to provisions of section 149(10) read with Schedule IV of the companies Act, 2013, the Company requires to seek approval of the members of the Company for appointing non-executive director/independent director for term of five years by passing of special resolution by the members of the company.

The extract of provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be read as below:

*No listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.*

According to the said provisions, the Company requires to seek prior approval of the members of the Company before appointing non-executive director who has attained the age of seventy five years by passing of special resolution, however the Company was under IBC and the Company has appointed Prof. Ramesh Chandra Agarwal (DIN: 09364549) as an Independent Director of the Company pursuant to the NCLT order and based on NCLT order the Approval of Members is considered as deemed, the Board has appointed Prof. Ramesh Chandra Agarwal (DIN: 09364549) in compliance of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was intimated to exchange and mentioned in Board Resolution.

The Board on account of good corporate governances and initiative decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of his appointment w.e.f 19<sup>th</sup> October, 2021 and continuation of his appointment on attaining the age of 75 years on 1<sup>st</sup> June 2022, to comply with section 149(10) read with Schedule IV of the companies Act, 2013 and Regulation 17(1A) and 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Prof. Ramesh Chandra Agarwal as an Independent Director of the Company.



**Accordingly, the Board recommends passing of the resolution as set at Item No. 5 of the Notice as a Special Resolution.**

Except Prof. Ramesh Chandra Agarwal, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**Item No.: 6 and 7**

Pursuant to the 'Resolution Plan' (RP) submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA)), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") via clause No. 5 (VII) of order dated 5<sup>th</sup> October, 2021, the Company has appointed Mr. Vinodkumar Bajranglal Dalmia (DIN: 03018994) and Mr. Kailashnath Jeevan Koppikar (DIN: 03195681) as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021 and w.e.f. 7<sup>th</sup> February, 2022 respectively.

According to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company requires to regularize the appointment of Board personnel within three months from the date of appointment or in next General Meeting whichever is early by passing of special resolution, however the Company was under IBC and the Company has appointed Mr. Vinodkumar Bajranglal Dalmia (DIN: 03018994) and Mr. Kailashnath Jeevan Koppikar (DIN: 03195681) as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021 and w.e.f. 7<sup>th</sup> February, 2022 respectively, pursuant to the NCLT order and based on NCLT order the Approval of Members is considered as deemed, the Board has appointed Mr. Vinodkumar Bajranglal Dalmia (DIN: 03018994) and Mr. Kailashnath Jeevan Koppikar (DIN: 03195681) as an Independent Director for a period of five years w.e.f. 19<sup>th</sup> October, 2021 and w.e.f. 7<sup>th</sup> February, 2022 respectively in compliance of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was intimated to exchange and mentioned in Board Resolution.

The Board on account of good corporate governances and initiative decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of their appointment w.e.f 19<sup>th</sup> October, 2021 and 7<sup>th</sup> February, 2022 respectively and to comply with section 149(10) read with Schedule IV of the companies Act, 2013 and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Accordingly, the Board recommends passing of the resolution as set at Item No. 6 and 7 of the Notice as a Special Resolution.**

Except Mr. Vinodkumar Bajranglal Dalmia and Mr. Kailashnath Jeevan Koppikar, none of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**Item No.: 8**



Pursuant to the 'Resolution Plan' (RP) submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") via clause No. 5 (VII) of order dated 5th October, 2021, the Company has appointed Mr. Rajkumar Satyanarayan Agarwal (DIN.: 00395370) as a Managing Director of the Company w.e.f. 19th October, 2021 for a period of five years on the remuneration as mentioned for a period of three years from the date of appointment, pursuant to schedule V of the Act, and on such terms and conditions as set out in the proposed resolution.

Pursuant to the NCLT order and based on NCLT order, the Approval of Members is considered as deemed, the Board has appointed Mr. Rajkumar Satyanarayan Agarwal (DIN.: 00395370) as a Managing Director of the Company w.e.f. 19th October, 2021 for a period of five years in compliance of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the same was intimated to exchange and mentioned in Board Resolution.

The Board on account of good corporate governances and initiative, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Rajkumar Satyanarayan Agarwal (DIN.: 00395370) as a Managing Director of the Company w.e.f. 19th October, 2021 for a period of five years and approval of his remuneration and to comply with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for a term of three Years.

**Accordingly, the Board recommends passing of the resolution as set at Item No. 8 of the Notice as a Special Resolution.**

Except Mr. Rajkumar Satyanarayan Agarwal, Mrs. Sapna Rajkumar Agarwal- Non-executive Director, Mr. Sandiip Satyanarayan Agarwal- WTD and CFO, none of the other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

#### **Item No.: 9**

Pursuant to the 'Resolution Plan' (RP) submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") via clause No. 5 (VII) of order dated 5th October, 2021, the Company has appointed Mr. Sandiip Satyanarayan Agarwal (DIN.: 00395348) CFO of the Company w.e.f. 19th October, 2021 and Whole Time Director of the Company w.e.f. 7<sup>th</sup> February, 2022 for a period of five years on the remuneration as mentioned for a period of three years from the date of appointment, pursuant to schedule V of the Act, and on such terms and conditions as set out in the proposed resolution.

Pursuant to the NCLT order and based on NCLT order, the Approval of Members is considered as deemed, the Board has appointed Mr. Sandiip Satyanarayan Agarwal (DIN.: 00395348) CFO of the Company w.e.f. 19th October, 2021 and Whole Time Director of the Company w.e.f.



7<sup>th</sup> February, 2022 for a period of five years in compliance of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the same was intimated to exchange and mentioned in Board Resolution.

The Board on account of good corporate governances and initiative, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Sandiip Satyanarayan Agarwwal (DIN.: 00395348) CFO of the Company w.e.f 19<sup>th</sup> October, 2021 and Whole Time Director of the Company w.e.f. 7<sup>th</sup> February, 2022 for a period of five years and approval of his remuneration and to comply with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for a term of three Years.

**Accordingly, the Board recommends passing of the resolution as set at Item No. 8 of the Notice as a Special Resolution.**

Except, Mr. Sandiip Satyanarayan Agarwwal- WTD and CFO, Mrs. Sapna Rajkumar Agarwal- Non-executive Director, Mr. Rajkumar Satyanarayan Agarwal MD, none of the other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

**Item No.: 10**

Pursuant to the 'Resolution Plan' (RP) submitted by SVG FASHIONS PRIVATE LIMITED (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") via clause No. 5 (VII) of order dated 5<sup>th</sup> October, 2021, the Company has appointed Mrs. Sapna Rajkumar Agarwal (DIN.: 00437469) as a Director of the Company w.e.f. 19<sup>th</sup> October, 2021, liable to retire by rotation.

Pursuant to the NCLT order and based on NCLT order, the Approval of Members is considered as deemed, the Board has appointed Mrs. Sapna Rajkumar Agarwal (DIN.: 00437469) as a Women Non-Executive Director of the Company w.e.f. 19<sup>th</sup> October, 2021, liable to retire by rotation, in compliance of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 161 and any other applicable provisions of the Companies Act, 2013 and the same was intimated to exchange and mentioned in Board Resolution.

The Board on account of good corporate governances and initiative, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mrs. Sapna Rajkumar Agarwal (DIN.: 00437469) as a Director of the Company w.e.f. 19<sup>th</sup> October, 2021, liable to retire by rotation.

**Accordingly, the Board recommends passing of the resolution as set at Item No. 10 of the Notice as an Ordinary Resolution.**



Except Mrs. Sapna Rajkumar Agarwal- Non-executive Director, Mr. Rajkumar Satyanarayan Agarwal, Mr. Sandiip Satyanarayan Agarwal- WTD and CFO, none of the other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

#### **Item No. 11**

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions, effective 1st April, 2022, provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed Rs. 1,000 crores or 10% of the annual turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The Company, in order to further its business interests, enters into various transactions with its related parties. Amongst these transactions, the estimated value of transactions with SVG Fashions Private Limited (SVG) – up to Rs. 900 Crs , Rajwada Silk Mills LLP- up to 5 Crs, Binaykia Synthetics Ltd- up to Rs. 5 Crs , Deepak Synthetics Ltd – up to Rs. 5 Crs, Venkateshwar Udyog & finance Private Limited – up to Rs. 5 Crs mentioned , for a period from October 01, 2022 to September 30, 2023, a related party(ies) under Regulation 2(1)(zb) of the Listing Regulations, is expected to exceed the materiality threshold as stated above.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 12<sup>th</sup> August, 2022, on the recommendation and ominous approval (subject to Members approval) of the Audit Committee, recommended for the approval of the Members, entering into material related party transactions with SVG Fashions Private Limited, Rajwada Silk Mills LLP, Binaykia Synthetics Ltd, Deepak Synthetics Ltd, Venkateshwar Udyog & finance Private Limited for a period from October 01, 2022 to September 30, 2023, as set out in the Resolution.

These transactions will be entered in the ordinary course of business and on arm's length basis

Further as per the provisions of Section 188 (1) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and provisions of Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as recommended and approved, defined as material related party transaction by the Audit Committee, prior approval of the shareholders of the Company is required for entering into contracts or agreements with related party transaction(s).

**Other details of the transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given hereunder**

1	Name of the related party	SVG Fashions Private Limited, Rajwada Silk Mills LLP,
---	---------------------------	----------------------------------------------------------



		Binaykia Synthetics Ltd, Deepak Synthetics Ltd, Venkateshwar Udyog & finance Private Limited
2	Name of Director and KMP interested	Mr. Rajkumar Satyanarayan Agarwal, Managing Director, Mrs. Sapna Rajkumar Agarwal, Director and Mr. Sandiip Satyanarayan Agarwal, WTD and CFO
3	Nature of relationship	Directors and their relatives are Directors and Members in the Company (ies)/ entities
4	Nature of contract and estimated value	Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, Providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise
5	Terms of contract	for a period from October 01, 2022 to September 30, 2023
6	Monetary Value	Internal purchase/sale of goods and providing/availing services/using resources/entering into agreement for use of properties, Providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise <ul style="list-style-type: none"><li>• SVG Fashions Private Limited (SVG) - up to Rs. 900 Crs ,</li><li>• Rajwada Silk Mills LLP- up to 5 Crs,</li><li>• Binaykia Synthetics Ltd- up to Rs. 5 Crs ,</li><li>• Deepak Synthetics Ltd - up to Rs. 5 Crs,</li><li>• Venkateshwar Udyog &amp; finance Private Limited - up to Rs. 5 Crs</li></ul>
7	Any advance paid	No
8	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	Generally accepted in the market
10	Justification as to why the related party transaction is in the interest of the Company	The Company and Related Parties have been engaged in textile business and supply of fabrics and spinning Yarn. The entities vast



		experience and strategic capabilities that it has developed in this area have enabled it to become the largest exporter in India.  The proposed transactions will aid the growth of the Company's business.
11	Details of valuation or other external party report, if such report has been relied upon	Not applicable
12	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	As the Company was under IBC the Company was not having any turnover in last financial year.

**Accordingly, the Board recommends passing of the resolution as set at Item No. 11 of the Notice as a Special Resolution.**

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

**Members may note that pursuant to the provisions of the Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve this Resolution.**

**Item No. 12 and 13:**

Pursuant to Section 180 (1) (c) of the Companies Act, 2013 ("the Act") a Special Resolution was passed at the 21<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, the Shareholders of the Company had authorised the Board of Directors of the Company to borrow moneys for the purpose of the Company's business in excess of the paid-up capital of the Company and its free reserves, provided the sum or sums so borrowed and remaining outstanding at any point of time not to exceed Rs. 3,500 Crores (Rupees Three Thousand Five Hundred Crores).

Keeping in view, the Company's existing and future financial requirements and to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs.4,000 Crores (Rupees Four Thousand Crores).



Pursuant to Section 180(1)(c) of the Act, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting by a Special Resolution.

Accordingly, consent of the Members is being sought for borrowings in excess of the paid-up capital and free reserves of the Company.

Further, pursuant to Section 180(1)(a) the Act, a Special Resolution was passed at the 21<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, the Shareholders of the Company had authorised the Board of Directors of the Company to create mortgage, charge on or hypothecate its property(ies), both movable and immovable, to secure borrowings upto Rs.3,500 Crores (Rupees Three Thousand Five Hundred Crores).

In order to facilitate securing the enhanced borrowings upto Rs.4,000 Crores (Rupees Four Thousand Crores) envisaged under Section 180 (1) (c) of the Act, and contained in Item No. 6 it would be necessary to create charge on the assets or whole of the undertaking of the Company.

Section 180(1)(a) of the Act, provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting. Creation of charge on the assets of the Company is construed as disposal of undertaking.

**The Board recommends the Special Resolution set forth in Item No. 12 and 13 of the Notice for approval of the Members.**

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

#### **Item Nos. 14 to 16**

In order to comply with the provisions of section 4 of the Companies Act, 2013, the Company proposes to alter the clauses of Memorandum of Association (MOA). The proposed modifications in MOA are carried out to give effect to the provisions of the Companies Act, 2013.

Pursuant to provisions of section 13 of the Companies Act, 2013, the approval of shareholders of the Company is required by way of a special resolutions for the proposed alteration in the Memorandum of Association of the Company, as mentioned in agenda item nos. 8, 9 and 10 of this Notice.

A copy of the existing and altered MOA will be available for inspection at the Annual General Meeting and such copy will also be made available for inspection in physical or in electronic form during the business hours i.e. from 9:30 a.m. to 6:30 p.m. except Saturday, at the corporate office of the Company.





**The Board recommends the passing of Special Resolutions set forth in Item Nos. 14, 15 and 16 of the Notice for approval of the Members.**

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

**Item No. 17**

The Board of Directors of the Company at its meeting held on August 12, 2022 has decided to enlarge the operational business activities in textile business. Accordingly it is proposed to amend the existing Clause III (A) "Objects to be pursued by the Company on its incorporation of the Company" of Memorandum of Association of the Company to include the widen route in current textile business of the Company.

Pursuant to provisions of section 13 of the Companies Act, 2013, the approval of shareholders of the Company is required by way of a special resolution for the proposed alteration in the Memorandum of Association of the Company, as mentioned in agenda item no. 11 of this Notice.

A copy of the existing and altered MOA will be available for inspection at the Annual General Meeting and such copy will also be made available for inspection in physical or in electronic form during the business hours i.e. from 9:30 a.m. to 6:30 p.m. except Saturday, at the corporate office of the Company.

**The Board recommends the passing of Special Resolution set forth in Item No. 17 of the Notice for approval of the Members.**

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

**Item No. 18**

In order to comply with the provisions of section 4 of the Companies Act, 2013, the Company proposes to alter the clauses of Memorandum of Association (MOA). The proposed modifications in MOA are carried out to delete existing i.e. clause no. III(B)3 to III(B)55 and inserting new Clause III (B) 1 to III (B) 25 (as given in the resolution).

Pursuant to provisions of section 13 of the Companies Act, 2013, the approval of shareholders of the Company is required by way of a special resolution for the proposed alteration in the Memorandum of Association of the Company, as mentioned in agenda item no. 12 of this Notice.



A copy of the existing and altered MOA will be available for inspection at the Annual General Meeting and such copy will also be made available for inspection in physical or in electronic form during the business hours i.e. from 9:30 a.m. to 6:30 p.m. except Saturday, at the corporate office of the Company.

**The Board recommends the passing of Special Resolution set forth in Item No. 18 of the Notice for approval of the Members.**

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

**Item no. 19**

The present Authorised Share Capital of the Company is Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) comprising of 56,00,00,000 Fifty Six Crore Equity Shares of Rs. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each; 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each

Considering the conversion and MPS requirements of the Company, the Board at its Meeting held on 12th August, 2022, had accorded its approval for reclassification of the Authorised Share Capital of the Company by cancellation of unissued shares of one class i.e Non-Cumulative preference Shares of Rs. 100/- each and increase in shares of another class in equity shares Re. 1/- each pursuant to which the Capital reclassified **FROM** existing Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 56,00,00,000 (Fifty Six Crore Equity Shares of Re. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each; 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each **TO** Rs. 86,00,00,000/- (Rupees Eighty Six Crore only) divided into 60,00,00,000 (Sixty Crore Equity Shares of Re. 1/- (Rupee One only) each ; 1,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – A of Rs. 100/- each and 25,00,000 Compulsory Convertible Preference Shares (CCPS) – Class – B of Rs. 100/- each, subject to shareholders' approval.

It is therefore proposed to reclassify the Authorised Share Capital of the Company by reclassifying unissued capital to 4,00,00,000 (Four Crore) equity share of Re.1/- each ranking *pari passu* with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V (a) of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

Pursuant to provisions of section 13 of the Companies Act, 2013, the approval of shareholders of the Company is required by way of an Ordinary Resolution for the proposed alteration in the Memorandum of Association of the Company, as mentioned in agenda item no. 19 of this Notice.



A copy of the existing and altered MOA will be available for inspection at the Annual General Meeting and such copy will also be made available for inspection in physical or in electronic form during the business hours i.e. from 9:30 a.m. to 6:30 p.m. except Saturday, at the corporate office of the Company.

**The Board recommends the passing of Ordinary Resolution set forth in Item No. 14 of the Notice for approval of the Members.**

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.



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

<b>Particulars</b>	<b>Mr. Rajkumar Satyanarayan Agarwal</b>	<b>Mr. Sandiip Satyanarayan Agarwal</b>	<b>Ms. Sapna Rajkumar Agarwal</b>	<b>Prof. Ramesh Chandra Agarwal</b>	<b>Mr. Vinodkumar Bajranglal Dalmia</b>	<b>Mr. Kailashnath Jeevan Koppikar</b>
DIN	00395370	00395348	00437469	09364549	03018994	03195681
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Birth	26/10/1965	14/12/1971	02/11/1965	01/06/1947	20/12/1954	04/04/1967
Date of Appointment	19/10/2021	19/10/2021 (As a CFO ) 07/02/2022 (As WTD) &	19/10/2021	19/10/2021	19/10/2021	07/02/2022
Designation	Managing Director	Whole Time Director and CFO	Director (Non-executive Women)	Independent Director	Independent Director	Independent Director
Qualifications	Bachelor of Commerce	He is master in business administration from NMIMS University, Mumbai	Bachelor of Commerce	B.Com, CAIIB, F.C.A., Chartered Accountant	Bachelor of Commerce	A graduate from Grant Medical College, Mumbai with a PGDBA from Narsee Monjee Institute of Management Studies (NMIMS), Mumbai,
Expertise in specific function area	Having completed his Bachelors in Commerce from Sydenham College Mumbai, Mr.	Having completed his MBA from NMIMS University, Mr. Sandiip has been involved in the	Self-Professional in Fashion Industry and having a knowledge about the fashion and	35 years in banking industry and work in almost all fields of Banking, Academia, Other Financial	45 years of experience in paper and textiles industries. He is Chairman &	Senior Media and Entertainment management professional



	<p>Rajkumar is a hands-on business administrator and has been a part of the Indian Textile industry for more than 3 decades now. As someone who understands the finer nuances of the Industry, Mr. Rajkumar has been at the forefront of diversifying SVG's value chain. Being a fitness enthusiast, he introduced sports-wear fabrics to SVG's line of products and has led the segment to make it one of their core offerings. He has been a firm believer in providing customised solutions to customers instead of sheer commodities &amp; aims to create a greater impact towards this with Raj Rayon</p>	<p>textile industry for over 25 years now. As someone who introduced weaving to SVG's value chain, Mr. Sandiip later went on to establish a global presence for SVG's woven fabrics. A textile aficionado, he is credited with re-energising the texturising business for SVG. Fuelled by an innovative approach, he is now taking his passion for texturising one step further by giving a new life to Raj Rayon Industries.</p>	<p>quality check of the products.</p> <p>She is the role model for all the business houses to having a great work life balance.</p>	<p>Sector and Human resources.</p>	<p>founder of lions club of Malad and Borivali collage, charity trust, the trust is managing Prahladrai Dalmia Lions College of commerce and economics having more than 6000 students. He is one of the trustees of Rajasthan Seva Sadan which is running multiple education institutes.</p>	<p>with 30+ years of experience in Content creation and production across media, Planning and Strategy, Commercial and Operations, Animation, PR, Re-structuring, Key account management, Relationship Management.</p>
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	Industries.					
Number of Meetings of Board attended during the year	5	5	5	5	5	1
Terms & Conditions of Appointment / Re- appointment & Remuneration sought to be paid or last drawn	He shall not be liable to retire by rotation	He shall be liable to retire by rotation	She shall be liable to retire by rotation	He shall not be liable to retire by rotation	He shall not be liable to retire by rotation	He shall not be liable to retire by rotation
Directorship held in other companies	<ul style="list-style-type: none"> <li>• Binaykia Synthetics Limited</li> <li>• Deepak Synthetics Pvt. Ltd.</li> <li>• SVG Fashions Private Limited</li> <li>• Seth Industries Private Limited</li> <li>• Sunflag Filaments Limited</li> <li>• Venkateshwar Udyog &amp; Finance Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Binaykia Synthetics Limited</li> <li>• Deepak Synthetics Pvt Ltd</li> <li>• Svg Fashions Private Limited</li> <li>• Sunflag Filaments Limited</li> <li>• SVG Denims Limited</li> <li>• Venkateshwar Udyog &amp; Finance Private Limited</li> </ul>	SVG Fashions Private Limited	-	Kiran Print Pack Limited and SVM Properties Private Limited	Rudraa Entertainment Private Limited
Membership/Chairmanships of the committees in other companies	-	-	-	-	-	-
Relationship with existing	Husband of Mrs. Sapna Rajkumar	Brother of Mr. Rajkumar	Wife of Mr. Rajkumar	Not related	Not related	Not related



Directors of the Company	Agarwal, Non-executive Director and brother of Mr. Sandiip Satyanarayan Agarwal, WTD & CFO of the Company	Satyanarayan Agarwal, Managing Director and brother in law of Mrs. Sapna Rajkumar Agarwal, Non-executive Director of the Company	Satyanarayan Agarwal, Managing Director and sister in law of Mr. Sandiip Satyanarayan Agarwal, WTD & CFO of the Company			
Number of shares held in company	70,00,000 (1.27%)	70,00,000 (1.27%)	35,00,000 (0.63%)	Nil	Nil	Nil



## ADDITIONAL INFORMATION FOR ITEM NO. 8 & 9

The details as required under Clause (IV) to second proviso of section II A of part II of Schedule V of the Companies Act, 2013 are given below:

<b>I</b>		<b>General Information</b>	
(1)	Nature of industry	The Company is engaged in the business of Manufacturing and Marketing of Textiles Yarns.	
(2)	Date or expected date of commencement of commercial production	The Company is an existing company and is in operations since 1993.	
(3)	In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.	
(4)	Financial performance based on given indicators	EPS: Rs. 2807/- Return on net worth: Evasion of net worth	
(5)	Foreign investments or collaborators, if any	Nil	
<b>II</b>		<b>Information about the appointee:</b>	
		Mr. Rajkumar Satyanarayan Agarwal, Managing Director	Mr. Sandiip Satyanarayan Agarwal, Whole Time Director
(1)	Background details	Mr. Rajkumar Satyanarayan Agarwal aged 57 years, is a graduate He is holding position of Managing Director of the SVG Group. He has been at the helm of the company for the last 30 years.	Mr. Sandiip Satyanarayan Agarwal, aged 55 years and is master in business administration from NMIMS University, Mumbai. He has rich experience of 25 years of in the textile industry.
(2)	Past Remuneration	N.A.	N.A.





	(3)	Recognition or awards	His leadership the company diversified into ready-made garment manufacturing with core focus on sport apparels.	He is the founder and chairperson of “Karma”, the home furnishing division of SVG Group with a vision of establishing the SVG Brand as an identifiable household
	(4)	Job profile and his suitability	He has been involved with almost all mega initiatives of the group through its growth journey of the SVG.	He is involved in growth of SVG since decades and have identified the own brands for development of products.
	(5)	Remuneration proposed	Rs. 1,00,000/-per month which includes all benefits and reimbursements as may be permitted under the applicable tax laws.	Rs. 1,00,000/-per month which includes all perquisites, benefits, contribution to provident fund, allowances and reimbursements.
	(6)	Comparative remuneration profile with respect to industry, size of Company, profile of the position and person	It's a just a minimum goodwill amount for new executive Board members on account of discharge of their duties and performing their roles in the Company to start up the new move of the company after IBC.	



	(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Except receiving remuneration as Managing Director Mr. Rajkumar Satyanarayan Agarwal does not have any other direct or indirect pecuniary relationship with the Company, except holding Shares in the Company. Mr. Rajkumar Satyanarayan Agarwal is husband of Mrs. Sapna Rajkumar Agarwal, Non-executive Director and brother of Mr. Sandiip Satyanarayan Agarwal, WTD & CFO of the Company. He is also in Promoter of the Company.	Except receiving remuneration as Whole Time Director and CFO Mr. Sandiip Satyanarayan Agarwal does not have any other direct or indirect pecuniary relationship with the Company, except holding Shares in the Company. Mr. Sandiip Satyanarayan Agarwal is brother of Mr. Rajkumar Satyanarayan Agarwal, Managing Director and brother in law of Mrs. Sapna Rajkumar Agarwal, Non-executive Director of the Company. He is also in Promoter of the Company.
<b>III. Other information</b>				
	(1)	Reasons of loss or inadequate profits	The Company was under IBC.	
	(2)	Steps taken or proposed to be taken for improvement	The Company started its operational proficiency and trying to increase production and sales to achieve sustainable margins and profitability in near future.	
	(3)	Expected increase in productivity and profits in measurable terms	Though the Company plans to increase its revenues and profits by initiating the production process and operational activities.	
<b>IV. Other information</b>				



	(1) Remuneration package of the managerial person	As detailed in the resolutions mentioned in the Notice of AGM.
	(2) Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2021-22.	The requisite details of remuneration of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2021-22 of the Company.
	(3) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	N.A.

**By order of the Board**  
**RAJKUMAR SATYANARAYAN AGARWAL**

**MANAGING DIRECTOR**  
**DIN: 00395370**

**Place: Mumbai**  
**DATE: 12/08/2022**

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



# 29<sup>th</sup> ANNUAL REPORT 2021-2022

## RAJ RAYON INDUSTRIES LIMITED

L17120DN1993PLC000368

*“Trust, Quality and Excellence”*

|| Address ||

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



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## COMPANY INFORMATION

### BOARD OF DIRECTORS:

*(Appointed by Mr. Abhishek Nagor, Insolvency Professional Resolution Professional for M/s Raj Rayon Industries Limited post NCLT order)*

Mr. RAJKUMAR SATYANARAYAN AGARWAL  
(Managing Director-Chairperson)

Mrs. SAPNA RAJKUMAR AGARWAL  
(Non-Executive - Non Independent Director-  
Woman Director)

Mr. SANDIIP SATYANARAYAN AGARWAL  
(Whole Time Director and Chief Financial  
Officer)

Mr. VINODKUMAR BAJRANGLAL DALMIA  
(Non-Executive - Independent Director)

Prof. RAMESH CHANDRA AGARWAL  
Non-Executive - Independent Director

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

### The dissolved Board / KMP resigned on 19<sup>th</sup> October, 2021 pursuant to NCLT order

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)

### 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](http://www.rajrayon.com)

Email: [investors@rajrayon.com](mailto:investors@rajrayon.com)

### PLANT LOCATION:

Survey No. 177/1/3 (Registered office)  
including Survey No. 161/1, 161/2, 164/3 &  
162/3, 177/1/4 Village - Surangi, District -  
Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230  
(INDIA)

### 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. MKPS & Associates  
Chartered Accountant

### PROPOSED AUDITORS:

Bagaria & Co. LLP,  
Chartered Accountants

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. CHINTAN DHAROD

### LISTING AND CODE

BSE Limited- 530699  
NSE- RAJRILTD

### BANKER

Bank of Baroda



## BOARD'S REPORT

To  
The Members,  
**RAJ RAYON INDUSTRIES LIMITED**

Your Directors have pleasure in presenting 29<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended **31<sup>st</sup> March 2022**.

### 1. FINANCIAL RESULTS

Particular	For the financial year 2021-22 (Amount in Rs. Lakhs.)	For the financial year 2020-21 (Amount in Rs. Lakhs.)
Revenue from Operations	5.50	NIL
Other Income	0.04	95.61
<b>Total Income</b>	<b>5.54</b>	<b>95.61</b>
Less: Depreciation & Amortization Expenses	2798.91	3,550.36
Less: Employee Benefits Expenses	5.59	0
Less: Finance Cost	0.32	0
Less: Other Expenses	236.48	23.07
Total Expenses	<b>3041.30</b>	<b>3573.43</b>
Profit/ (Loss) before exceptional items and tax	<b>(3035.76)</b>	<b>(3,477.82)</b>
Less: Exceptional Items	<b>67113.12</b>	<b>0</b>
Profit/ (Loss) before tax	<b>64077.36</b>	<b>(3,477.82)</b>
<b>Tax Expenses</b>	<b>0</b>	<b>0</b>
Tax adjustment for earlier years	0	0
Profit/(Loss) after Tax	<b>64077.36</b>	<b>(3,477.82)</b>

### REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the financial year under review the Company has earned total revenue of Rs.5.54/- Lakhs as compared to the previous years' revenue of Rs. 95.61/- Lakhs. The Company has incurred a net profit after tax of Rs. 64077.36/- Lakhs after considering exceptional items as compared to the previous years' Net Loss of Rs. (3,477.82) Lakhs. The exceptional items on account of gains recognised in accordance with the approved resolution plan in the year under review. Your Directors are continuously looking for avenues for future growth of the company.

### DIVIDEND:

In absence of adequate amount of profits for the year ended 31<sup>st</sup> March, 2022 and past accumulated losses, your directors do not recommend payment of any dividend for the year ended 31<sup>st</sup> March, 2022.

### SHARE CAPITAL OF THE COMPANY:

During the financial year under review, there was change in the paid up share capital of the Company in terms of the Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 05<sup>th</sup> October, 2021, received on 7<sup>th</sup> October 2021 ("said Order") as follows:



- 1) Cancellation of 118,035,930 Equity Shares of Re. 1/- each fully paid up capital of erstwhile Promoters;
- 2) Cancellation of shares held by public which is less than 100 in numbers or in fraction and allotment of one equity share in place of 100 equity shares. Accordingly 2282495 Equity shares of Re.1/- each allotted to public and 226,135,575 Equity shares of Re.1/- each cancelled;
- 3) Cancellation of 14,000,000- 15% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of Rs. 10/- each fully paid up issued at a premium of Rs. 20/- per share to M/s. Nakoda Limited on 25<sup>th</sup> February, 2013 ;
- 4) Pursuant to NCLT plan for allotment of CCPS to financial creditors the Board has done Reclassification of the existing Authorised Share Capital of the Company **FROM** Rs. 86,00,00,000/- (Rupees Eighty Six Crore ) divided in to 71,00,00,000 (71 Crore) Equity Shares of Re. 1/- each and 1,50,00,000 (One Crore Fifty Lakhs) Non- Cumulative preference Shares of Rs. 10/- each **TO** 56,00,00,000 (56 Crore) Equity Shares of Re. 1/- each , 26,00,000 Compulsory Convertible Preference Shares (CCPS) and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each.
- 5) Issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors;
- 6) Issued 54,90,00,000 Equity Shares having a face value of Re. 1/- aggregating to Rs. 54,90,00,000/- (Fifty-Four Crores Ninety Lakhs) on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited; and
- 7) Issued of 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.

After considering aforesaid changes as on 31<sup>st</sup> March, 2022, the paid up share capital of the Company was Rs. 22,82,495/- divided into 22,82,495 equity shares of Re. 1/- each.

#### **CHANGES POST FINANCIAL YEAR:**

Post financial year 2021-22 as on the date of this report and as per the Resolution Plan , the Company has allotted of 1,00,000 Compulsory Convertible Preference Shares (CCPS) - CLASS – A to financial creditors of Rs. 100/- each as issued by way of conversion of amount owing to financial creditors.

#### **REASON FOR SUSPENSION FROM TRADING:**

In reference to the Standard Operating Procedure (SOP) imposed on the company in addition to capital reduction of equity shares of erstwhile promoters/promoter group and Cancellation of shares held by public as mentioned in the earlier in share capital of the Company and in reference to pursuant to “NCLT” Order dated 5<sup>th</sup> October, 2021, the Shares of the Company were suspended from trading on the platform of NSE and BSE from the record date i.e. 26<sup>th</sup> October, 2021. The suspension of trading was removed and the trading in the equity shares further permitted w.e.f. 31<sup>st</sup> March, 2022.

#### **DEPOSITS:**

During the financial year under consideration, your Company has not accepted any public deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

#### **INTERNAL CONTROL SYSTEM AND ADEQUACY:**





The Board has adopted the policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of financial disclosures.

The Company's Internal Audit department evaluates the efficiency and adequacy of internal control system and gives its report and recommendations to the Chairman of Audit Committee and based on Internal Audit Report the corrective actions are taken.

#### THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board at present consists of 6 Directors. The Board of Directors is duly constituted. The details of present directors appointed pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5<sup>th</sup> October, 2021, received on 7<sup>th</sup> October, 2021 and accordingly constitution is as below:

Name of Director	Designation	Date of Appointment
Rajkumar Satyanarayan Agarwal	Managing Director	19/10/2021
Sapna Rajkumar Agarwal	Non- Independent Director-Non executive	19/10/2021
Sandiip Satyanarayan Agarwal	Whole Time Director/Executive and CFO	CFO on 19/10/2021 and WTD w.e.f.07/02/2022
Ramesh Chandra Agarwal	Independent Director	19/10/2021
Vinodkumar Bajranglal Dalmia	Independent Director	19/10/2021
Kailashnath Jeevan Koppikar	Independent Director	07/02/2022

During the year, Eight Board Meetings held. The dates of Board Meetings along with attendance of each Director are given below:

Sr. No	Date of Board Meeting	Name of suspended Board members and Attendance details			
		Rajkumari Kanodia*	Banti Parasar*	Rajendraprasad Rampratap Sharma*	Mayadhar Ravindar Mahakud*
1.	01/07/2021	Present	Present	Present	Present
2.	13/08/2021	Present	Present	Present	Present

\* **Mr. Sushil kumar Radheshyam Kanodia** attended Board meetings on a capacity of CEO and CFO of the Company and **Mr. Abhishek Nagori** as Insolvency Professional viz 01/07/2021 and 13/08/2021.

Sr. No	Date of Board Meeting	Name of new Board members and KMP and Attendance details					
		Rajkumar Satyanarayan Agarwal	Sapna Rajkumar Agarwal	Sandiip Satyanarayan Agarwal **	Ramesh Chandra Agarwal.	Vinod kumar Bajranglal Dalmia	Kailashnath Jeevan Koppikar
3.	19/10/2021	Present	Present	Present	Present	Present	-
4.	02/11/2021	Present	Present	Present	Present	Present	-
5.	11/11/2021	Present	Present	Present	Present	Present	-
6.	07/02/2022	Present	Present	Present	Present	Present	Present



7.	14/02/2022	Present	Present	Present	Present	Present	Leave of Absence
8.	21/03/202	Present	Present	Present	Present	Present	Present

\*Erstwhile Directors and KMP resigned from the Board w.e.f. 19/10/2021 pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5/10/2021, received on 07/10/2021.

\*\*Appointed as WTD of the Company w.e.f. 07/02/2022 and attended Board meeting from 19/10/2021 till 11/11/2021 on a capacity of being a Chief Financial Officer of the Company.

As the Company is under Corporate Insolvency Resolution Process Mr. Abhishek Nagori as the Resolution Professional ("RP") was a Chairman for all the Board meetings and Committee meetings till the execution of RP i.e. till 19.12.2021.

Details of all the Committee along with their composition and meetings held during the year under review are given in the Corporate Governance Report. The intervening gap between the companies was within the period prescribed under the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Separate meetings of Independent Directors, pursuant to Section 149 (7) read with Schedule VI of the Companies Act, 2013 was held on 14<sup>th</sup>February, 2022.

#### **COMMITTEES OF THE BOARD:**

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted three committees of the Board, namely:

1. Audit Committee
2. Stakeholders Relationship Committee, and
3. Nomination and Remuneration Committee

Details of all the Committees along with their charters, composition and meetings held during the financial year under review are provided in the Report on Corporate Governance, forming part of this Annual Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **(a) Retirement by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mrs. Sapna Rajkumar Agarwal (DIN: 00437469), Woman Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her reappointment.



(b) **Appointment of Directors and KMP:** The new board members and KMP was appointed as per details given under head of THE **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**.

The Company has appointed Mr. Chintan Mukesh Dharod as a Company Secretary and Compliance officer of the Company w.e.f. 19/10/2021 pursuant to the approval of Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5<sup>th</sup> October, 2021, received on 7<sup>th</sup> October, 2021.

(c) **Cession:** The old/ suspended board members and KMP resigned w.e.f 19/10/2021 as per details given under head of THE **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**.

Brief resume of the director proposed to be appointed / re-appointed or to whose remuneration is to be approved as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings is given in the Notice convening the 29<sup>th</sup> Annual General Meeting of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **STATUTORY AUDITORS:**

M/s. Chaturvedi & Patel Chartered Accountant Firm registration no.: 121351W, had expressed their inability to continue as the Statutory Auditors of the Company, as their term of peer review is expired.

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. MKPS & Associates, Chartered Accountants (Firm Registration No. 302014E) was appointed for the period of 5 years at the 28<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2021. Accordingly,



the appointment of M/s. MKPS & Associates, Chartered Accountants (Firm Registration No. 302014E) was approved by members of the Company as the Statutory Auditors of the Company to hold office from the conclusion of 28<sup>th</sup> Annual General Meeting held for the year ended 31<sup>st</sup> March, 2021 until the conclusion of the FY 2025-2026 of the Company.

M/s. MKPS & Associates, Chartered Accountants have furnished a certificate of their eligibility under Section 141 of the Act and the Companies (Audit and Auditors) Rules 2014, confirming that they are eligible for continuance as Statutory Auditors of the Company.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark except receipt of balance confirmation and the same was address by the management.

#### **FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013:**

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

#### **SECRETARIAL AUDIT:**

The provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Riddhi Shah a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2021-22. The Secretarial Audit Report (MR-3) is annexed herewith as Annexure -A.

With respect to observations made by the Secretarial Auditors in their report, we would like to state as follows:

<b>Sr. No.</b>	<b>Observations</b>	<b>Explanation of Board of Directors</b>
1.	The delay in filing the June 2021 results by one day	The June 2021 results was prepared by Resolution Professional and suspended Board so there was a delay due to administrative issues
2.	Delay in filing the Regulation 31 i.e. shareholding pattern within the period prescribed September 2021	Due to non-payment of RTA fees the data was not provided by RTA on time
3.	Web Site non-functional and updates till the new Board has been appointed	New Board has updated and in process of doing updation on website as per LODR
4.	The Company secretary was not appointed for the period 1.4.2021 till 19.10.2021	The Company was not in compliance with Regulation 6(1) of LODR and Section 203 of the Companies Act till 19.10.2021

Your Company always endeavor to comply with all the applicable rules and regulations.

#### **FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluation of working of committees of Board of Directors.

Executive Directors were evaluated on the basis of targets / criteria given to them by the board from time to time as well as per their terms of appointment. Independent Directors, being evaluated



by entire board except of Director being evaluated ,on meeting their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV of the Companies Act, 2013. Chairman and other Non-Independent Directors were being evaluated by Independent Directors, who also reviewed the performance of secretarial department. Performance evaluation of the Committees and that of its members in effectively discharging their duties, were also being carried out by board.

The overall performance of Chairman, Executive Directors and Non-Executive Directors of the Company is satisfactory. The review of performance was based on criteria of performance, knowledge, analysis, quality of decision making etc.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR):**

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

### **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.

### **MATTER LISTED WITH NCLT**

**BRIEF HISTORY:** The State Bank of India has filed the petition with NCLT Ahmedabad under section 7 of the Insolvency and Bankruptcy Code the same was admitted and the Corporate Insolvency Resolution Process ("CIRP") application filed against Raj Rayon Industries Limited and appointed Mr. Abhishek Nagori as the Resolution Professional ("RP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

However, the power of the Board was suspended with effect from 23/01/2020. The NCLT order also provided for a moratorium with effect from 23<sup>rd</sup> 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.

### **PROGRESS RESOLUTION PLAN:**

The Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED was approved by The National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide order dated 05th October, 2021.

### **IMPLEMENTATION OF PLAN:**

Pursuant to the said Approved Resolution Plan, the following key changes have taken place since last financial year and as on the date of this report under the Chairmanship of Mr. Abhishek Nagori, the Resolution Professional ("RP") of each Board and committee meetings held till the new Board members appointment as per said plan:



- 1) There was change in the constitution of Board and Key Managerial personnel's, details of which given under head of THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL of this report;
- 2) There was change in the constitution of various committees of the Board, details of which given under Corporate Governance Report forming part of this Annual Report;
- 3) Cancellation of 118,035,930 Equity Shares of Re. 1/- each fully paid up capital of erstwhile Promoters;
- 4) Cancellation of shares held by public which is less than 100 in numbers or in fraction and allot one equity share in place of 100 equity shares. Accordingly 2282495 Equity shares of Re.1/- each allotted to public and 226,135,575 Equity shares of Re.1/- each cancelled;
- 5) Cancellation of 14,000,000- 15% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of Rs. 10/- each fully paid up issued at a premium of Rs. 20/- per share to M/s. Nakoda Limited on 25<sup>th</sup>February, 2013 ;
- 6) Reclassification of the existing Authorised Share Capital of the Company from Rs. 86,00,00,000/- (Rupees Eighty Six Crore ) divided in to 71,00,00,000 (71 Crore) Equity Shares of Re. 1/- each and 1,50,00,000 (One Crore Fifty Lakhs) Non- Cumulative preference Shares of Rs. 10/- each TO56,00,00,000 (56 Crore) Equity Shares of Re. 1/- each , 26,00,000 Compulsory Convertible Preference Shares (CCPS) and 4,00,000 Non- Cumulative preference Shares of Rs. 100/- each.
- 7) Issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors;
- 8) Issued 54,90,00,000 Equity Shares having a face value of Re. 1/- aggregating to Rs. 54,90,00,000/- (Fifty-Four Crores Ninety Lakhs) on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited; and
- 9) Issued of 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.
- 10) The New Board members and management took the in charge of the factory and started revamping the machineries and manpower. Management is expecting that the production will start soon and company will come up with bright colours.

Your directors would like to additionally inform to members that upon allotment of issued shares of the Company as mentioned in aforesaid point no. 8 and 9, M/s SVG Fashions Private Limited and the entities defined by it will take control over the Company and be classified as new Promoters of the company, subject to the approval of Stock Exchanges on reclassification of promoters where the shares of the Company are listed.

We further state that the implementation of approved Resolution Plan is in process as per the NCLT Order as on date of this report and the Company will update about the further progress on said plan to the members as per statutory requirements.

#### **SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

Your Company does not have any subsidiary, joint venture or associate Company.

#### **CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by SEBI. The report on Corporate Governance as prescribed in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of



Corporate Governance along with a declaration signed by the Chairman and Managing Director stating that Members of the Board and Senior Management Personnel have affirmed the compliance vide Code of Conduct of the Board and Senior Management is attached to the report on Corporate Governance.

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

#### **COST AUDITOR:**

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. C SAHOO & CO., Proprietor Mr. Chandra Mani Sahoo Mem. No.: 18011 Practicing Cost Accountant Firm Registration No. (100665) as the Cost Auditor to conduct the Cost Audit for the financial year 2022-23 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) plus out of cost expenses and tax as applicable. A resolution seeking approval of the members for ratifying the remuneration payable to the Cost Auditor for financial year 2022-23 is provided in the Notice of the ensuing 29<sup>th</sup> Annual General Meeting.

#### **COST RECORDS:**

The Cost accounts and records will now be maintain for the FY 22-23 and for previous FY i.e. 21-22 were not required to be maintained under Section 148 (1) of Act during the year under review as the Company has not initiate the production.

#### **INTERNAL AUDITOR:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee the Company has appointed M/s N.R Tibrewala & Co. LLP, Chartered Accountants Firm Registration No. (W100608) as the Internal Auditor of the Company for the financial year 2021-2022. Internal Auditor submits their reports to the Audit Committee on quarterly basis.

Based on the report of internal auditor, management undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

#### **EXTRACT OF THE ANNUAL RETURN**

As required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the copy of Annual Return as on 31<sup>st</sup> March, 2022 will be placed on the website of the Company and can be accessed on companies web site at [www.rajrayon.com](http://www.rajrayon.com).

#### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows

##### **A) Conservation of energy:**



- We have Installed Air Preheater in the Exhaust of the Heaters which Reduces the Power Load to Heat the Air for Combustion of the Fuel in the Heaters & reduce the Flue Gas Temperature too.
- We Have Installed Air Coolers for the Condensation of the Vapours of the Process Column which Ultimately reduces the Water Purification Cum Power cost to Treat it from Bore well to the Condition where it can be Made Useable for the Process, also the Natural Cooling Reduces the Power Load of the Fans too of the Cooling Towers .
- We have been using the IE3 Motors for More Energy Savings.
- We have Designed the Continuous Polymerisation Plant Building is Such a way that the required Ventilation of Air is achieved without use of Exhaust Fans to remove the heat of the Building. This results in reduced capex and regular energy costs.
- All the old Electrical panels, Cables, transformers have been replaced by new latest technology equipment which will be more efficient and reduce monthly energy bills.
- New Variable frequency drives have been installed to ensure high efficiency and optimum use of energy.
- All new lights that are being installed are low power consuming LED type fittings.
- Elimination of Tedious process for movement of main raw materials;

The main raw material for the plant will be PTA which was previously coming in bags due to various reasons. We will bring PTA in tankers to our plant which will save the cost of transportation, cost of bags, handling costs and also electrical energy consumed during transportation to the height via electrical hoists. This will also save costs incurred due to pilferage during transportation of bags.

It was observed during regular cost audit exercise, that due to the temperature difference during day & night, It is possible to stop 50% electrical fans of all coolers in the night. This translates in considerable energy saving during the night.

Similarly regular energy savings are achieved by optimizing the plant process parameters & process activity due to reduced loads on all the cooling towers & chillers.

The company has also increased the use of electricity free turbo vent in place of electrical operated exhaust fan resulting in 100% savings.

## **B) Technology absorption**

The company has purchased new H.T. Power capacitor banks which will increase the power factor to nearly 1 and reduce energy costs.

### **Melt Transfer Line:**

We have already installed a direct melt transfer line to the POY plant which will bypass the process of making chips and save the energy consumed for cooling the polymer and cutting into chips, packing and transporting to POY area and re-heating and extruding at the PoY stage. This will be in addition to the assured uninterrupted supply to the POY lines for better production efficiency.

### **Installing new POY plant**

We are in the process of installing new POY production lines with better quality, higher efficiency and lower energy consumption and material wastage.

## **(C) Foreign exchange earnings and Outgo:**





There are no Foreign exchange earnings and Outgo during the year under review.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:**

The Provisions with respect to Corporate Social Responsibility (CSR) as per provisions of Section 135 of Companies Act, 2013 read with rules framed thereunder was not applicable to the Company in the financial year under review.

However, your Company is enthusiastic to serve the society at large, which it will do in the coming years.

#### **LISTING AND DEMATERIALISATION:**

The Equity Shares of the Company are listed on the BSE Limited & NSE Limited. Shareholders are requested to convert their holdings to dematerialized form to derive its benefits by availing the demat facility provided by NSDL and CDSL.

#### **DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria for Independence as laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016.

#### **COMPANY'S POLICY ON NOMINATION, APPOINTMENT, REMUNERATION AND EVALUATION:**

The Current policy is to have an appropriate proportion of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. On March 31, 2022, the Board consists of six board members including CFO and three are independent directors. The Company has framed a Nomination, Remuneration and one Nominee Director and Evaluation Policy.

#### **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 Financial Year 2021-22.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **RELATED PARTY TRANSACTIONS:**

All the related party transactions which were entered by the Company during the financial year were done on arm's length basis and were in the ordinary course of business of the Company. Also there are no materially significant related party transactions made by the company with Directors,



Key Managerial Personnel, Promoter or any other designated persons which may conflict with the interest of the Company at large.

In accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Related Party Transaction Policy and the same is uploaded on the Company's website at: [https://www.rajrayon.com/Pdf/Policy%20\\_Related%20party%20transcation.pdf](https://www.rajrayon.com/Pdf/Policy%20_Related%20party%20transcation.pdf)

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The Board of directors have agreed to forego any remuneration since the plan is still under implementation. Pursuant to that disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided in the Annual Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are required to be provided in the Annual Report. However there were no employees who were in receipt of remuneration for which details need to be disclosed.

#### **UNCLAIMED DIVIDEND:**

Your Company would like to bring to the notice of the shareholders that the unpaid dividend which needs to be transferred to Investor Education & Protection Fund as per Section 125 of the Companies Act, 2013 was not done as there was no records available relating to the shareholders whose dividend are unpaid and hence the balance is lying in the Banks' unpaid dividend Account.

#### **ADDITIONAL DISCLOSURES UNDER COMPANIES ACT, 2013:**

- a) The Company has not issued any bonus shares, sweat equity shares, shares with differential voting rights and equity shares on rights basis during the year under review.
- b) The Company does not accept any deposit from its public.
- c) It is not proposed to transfer any amount to reserves.
- d) There was no change in the nature of business during the year under review.
- e) The provisions regarding receipt of remuneration or commission from holding or subsidiary of the Company are not applicable and hence, the disclosure under Section 197 (14) is not required.
- f) The Company has not received any complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- g) The Company has not bought back its shares, pursuant to the provisions of Section 68 of Act and the Rules made thereunder.
- h) The Company has not issued any warrants, debentures, bonds or any non-convertible securities.



- i) The financial statements of the Company were not revised.
- j) The Company has not failed to implement any corporate action.
- k) The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- l) As there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013, no Voting rights were directly exercised by the employees of the Company.
- m) Except the implementation of the CIRP Process as per the Approved Resolution Plan as explained earlier:
  - i. There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
  - ii. There are no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Annual Report.
  - iii. There is no application made / proceeding pending under the Insolvency and Bankruptcy Code, 2016.
  - iv. There was no instance of one-time settlement with any Bank or Financial Institution.
  - v. The Company was not required to carry out valuation of its assets.

#### **ACKNOWLEDGEMENTS:**

Your Directors' would like to express their grateful appreciation for assistance and co-operation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff members and Workers of the Company.

**For and on behalf of the Board of the Directors**

**RAJKUMAR SATYANARAYAN AGARWAL**  
**Managing Director**  
**00395370**

**SANDIIP SATYANARAYAN AGARWAL**  
**Whole Time Director and CFO**  
**00395348**

**Place: Mumbai**  
**Date: 30/05/2022**



Annexure -A  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

[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 31<sup>st</sup> March 2022 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 31<sup>st</sup> March 2022 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;
- (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;
  - 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 BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

*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 RP has written a letter to SEBI,*



*Exchanges, Depositories, RTA regarding waiver of fees and penalties. On confirmation and receipt of benpos and data from the depository and RTA, the Company shall file the compliances with stock exchanges.*

*Pursuant to Resolution Plan (RP) by National Company Law Tribunal Ahmedabad Bench vide order dated 05<sup>th</sup> October, 2021, received on 7<sup>th</sup> October 2021, the following actions were taken:*

- 1. The Board of the Company was reconstituted and previous Board resigned w.e.f. 19<sup>th</sup> October, 2021.*
- 2. Reconstitution of various Committees of the Company w.e.f. 19<sup>th</sup> October, 2021.*
- 3. Appointed Chief financial officer (CFO) w.e.f. 19<sup>th</sup> October, 2021.*
- 4. Reclassify the Authorised Capital of the Company for execution of resolution plan.*
- 5. The Company has appointed the internal auditors w.e.f 11<sup>th</sup> November, 2021 for financial year 2021-2022.*
- 6. Completed the reduction in share capital of the company as per Resolution Plan.*

*However:*

- 1. The Company has not appointed Cost Auditor in the year under review.*
- 2. There was delay in filing the June 2021 results with NSE and BSE by one day.*
- 3. There was delay in filing shareholding pattern within the period prescribed for September 2021 as per Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- 4. Web Site was non-functional till November 2021 and not updates but new management has assured to do the same.*
- 5. The Company has not appointed the KMP- Company Secretary under section 203 of the Companies Act, 2013 in last financial year. During the year the Company has appointed Company Secretary on 19<sup>th</sup> October, 2021.*
- 6. The company has not dispatched the Annual Report for FY 2020-21 but emailed for the same has been sent to the shareholders whose email ids was available.*
- 7. There was a delay in filing DIR-12 and associate eforms with MCA for appointment of new Board and other matter, as informed by management the delay was due to non – cooperation of suspended board for providing the technical support to affix digital signature of e-forms.*
- 8. The Newspaper publications of financial results are not published for June 2021 as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*Further post appointment Mr. Abhishek Nagori as Insolvency Professional (IP) the Board is dissolved and Board is working as per order of IP and NCLT till October 19, 2021.*

I further report that:

The Board of Directors of the Company is duly constituted. The Board has one women Director. During the period under review, the Board of the Company was reconstituted w.e.f 19<sup>th</sup> October, 2021 pursuant to Resolution Plan by National Company Law Tribunal Ahmedabad Bench vide order dated 5<sup>th</sup> October, 2021, received on 7<sup>th</sup> October 2021.

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 was no instance of:

- (i) Public/Right/Preference issue of shares / debentures / sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Further, my report of even dated to be read along with the following clarifications:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, were followed provide as reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws and regulations and happening
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**Date: 30/05/2022**

**Place: Mumbai**

**Riddhi Krunal Shah**

**C P No.: 17035**

**UDIN No - A020168D000430842**

**Note:**

*I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this report.*



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT

The economic development of India is greatly dependent on export earning of Textile Industry. India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimise the value chain, leveraging strategic partnerships and strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

However, the COVID-19 pandemic had challenged the textile industry drastically which is now on a revival stage. Increasing demand for apparel from the fashion industry coupled with the growth of e-commerce platforms is expected to drive the market growth over the forecast period. The textile industry is an ever-growing market, with key competitors being China and India. China is the world's leading producer and exporter of both raw textiles and garments. India is the third largest textile manufacturing industry and is responsible for more than 6% of the total textile production, globally. The rapid industrialization in the developed and developing countries and the evolving technology are helping the textile industry to have modern installations which are capable of high-efficient fabric production.

### OPPORTUNITIES & THREATS

#### Opportunities

The black swan event has affected the Indian textile & apparel industry, in terms of both trade and domestic consumption. The spread of the virus initiated in China has made the world rethink on their supply chain plans and most of them are likely to opt for India as an obvious option to china since especially now that the socio-political situation in china going further south. The Indian government is also realising the potential and has announced PLI scheme for the synthetic textile industry which will give a major boost of confidence to potential buyers from Europe and US. The EU and the US, which are huge markets for textile & apparel products are likely to become key partners of India in the near future.

#### Threats

The major threat lurking today is the volatile situation in Ukraine and Taiwan. After nearly two years of pandemic disruption, the fashion & textile industry is once again finding its feet. Companies are adapting to new consumer priorities, and digital is providing a nexus for growth. Still, the industry faces significant challenges amid supply-chain disruption, patchy demand and persistent pressure on the bottom line. The Company will strive to remain fundamentally strong by way of reducing costs and maintain only sustainable debt.

The industry is expected to weather the challenges and is expected to generate revenue and employment in a global perspective.





### **Labour force and employment:**

The Textile Industry provides direct employment to over 50 million people. Even though the pandemic had disturbed the labour and employment situation, it is back on its feet with a renewed vigour and work from factory and office is back on the cards for most corporates.

Import & Exports of raw material and readymade garment:

The High sea freight costs have adversely impacted exports globally and Indian textile importers have turned to domestic suppliers, thereby increasing demand locally.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

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

### **OUTLOOK**

The Company expects to be on a profitable growth thrust on gearing up of operational activities at production levels.

### **INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY.**

- RRIL's well-defined organisation structure, policy guidelines, predefined authority levels and an extensive system of internal controls, ensure optimal utilisation and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations.
- RRIL has adequate system of internal control in place to ensure that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly.
- RRIL's internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with laws, regulations and policies, plans and statutory requirements.
- RRIL has an strong budgetary control system. Actual performance is reviewed with reference to the budget by the management on an ongoing basis.
- RRIL's Audit Committee of the Board reviews the findings and recommendations of the internal auditor.

The system is improved and modified continuously to meet changes in business conditions, statutory and accounting requirements.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the financial year under review the Company has earned total revenue of Rs.5.54/- Lakhs as compared to the previous years' revenue of Rs. 95.61/- Lakhs. The Company has incurred a net profit after tax of Rs. 64077.36/- Lakhs after considering exceptional items as compared to the previous years' Net Loss of Rs. (3,477.82) Lakhs.



The net worth of the company became positive due to written off the loans pursuant to resolution plan approved by NCLT.

### **Research & Development:**

The Company always strives to be innovative and cost competitive, aided by its fully equipped R & D facilities. It will gain support from its parent company by way of market feedback on demand and immediate feedback on the quality so that the company can develop product specifications and quality as per requirements of the market. Besides producing microfibre and regular POY of Denier range fine to coarse, the Company's has the flexibility to produce various products like Full Dull, Semi Dull, Bright Yarns, Doped Dyed Yarn, recycled yarns, Fire Retardant and Anti Microbial yarns.

### **Quality Management:**

RRIL gearing up to ensure that product quality is comparable to the best in the industry and quality improvement measures are being put in place to enhance quality of its various polyester yarns and polyester chips as per customer requirements.

### **Environment and Safety:**

Being conscious of the need for environmentally clean and safe operations, the Company conducts its operations ensuring safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company recognises that Human 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 at the plants.

### **RISKS AND CONCERNS:**

The Company was under Corporate Insolvency Resolution Process in the year under review and is in path of initiating the process for operational activities to start on full stretch basis and soon it will come out of the progress on plans for the safeguarded the interest of shareholders.

In view of management, the broader trends in the economy are expected to have a direct impact on your Company's growth prospects as well as on stage of transforming the business in different textile products. Inflation is expected to remain elevated for the foreseeable future, driven by war-induced commodity price increases and broadening price pressures. In addition, the anticipated increase in interest rates by Central Banks in the coming year are also expected to lower growth and exert pressure on economies particularly those in emerging markets.

In these circumstances, the ability to successfully navigate cost pressures would have a significant bearing on the overall performance of your Company. Diminishing purchasing power and affects demand due to the economic circumstances may adversely impact the market for textiles and



apparel resulting in the movement to value-for-money options which will result in higher volumes but lower profitability in commodity products.

#### **KEY RATIOS:**

In accordance with the SEBI (Listing Obligations and Disclosures Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in Key sector-specific financial ratios.

<b>Ratios</b>	<b>2021-22</b>	<b>2020-21</b>
Debtors Turnover	0	0
Inventory Turnover	0	0
Interest Coverage Ratio	-9611.506	-
Current Ratio	1.960	0.026
Debt Equity Ratio	0	-1.171
Operating Profit Margin (%)	-	-
Net Profit Margin (%)	-	-
Return on Net Worth (%)	-86.286	5.743

details of any change in Return on Net Worth (%) as compared to the immediately previous financial year along with a detailed explanation thereof.

#### **FORWARD LOOKING STATEMENTS:**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business, if any and other ancillary factors.

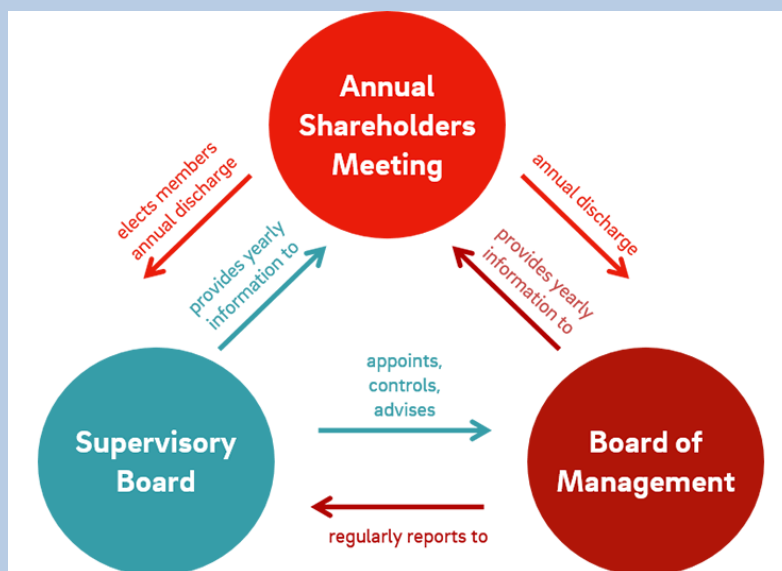


## CORPORATE GOVERNANCE REPORT

### I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes in the concept of transparency and fairness. Adequate timely disclosure, professionalism and accountability form the keystone of our Corporate Governance Policy. The Company values, practices and implements ethical and transparent business practices aimed at building trust amongst various stakeholders. The company believes that Corporate Governance is a significant element in improving efficiency and growth as well as enhancing investor confidence. The Company endeavours to constantly improve on these aspects.

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



The Board has developed the corporate governance framework to fulfil their responsibility.

This framework ensures that we make timely disclosures and share accurate information regarding our financials and performance.

### II. BOARD OF DIRECTORS

#### A. Composition of the Board:

The Board of Directors provide strategic direction and thrust to the operations of the Company. As on 31<sup>st</sup> March, 2022, the Board has 6 directors with optimum combination of Executive/Non- Executive/Independent Directors. The Executive Director is Chairperson of the Company who is the promoter of the Company and the numbers of independent directors are one-half of the total number of directors. None of the Directors on the Board is a Member in more than 10 Committees and Chairman of more than 5 Committees (as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the companies in which he is a Director. Hence, the Company complies with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 norms for Composition of Board of Directors.



## B. Details of Board of Directors:

During the review period, the Board met 7 times on 01/07/2021, 12/08/2021, 19/10/2021, 02/11/2021, 11/11/2021, 07/02/2022 and 14/02/2022.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2022 are given herein below.

Name of the Director	Category of Director	No. of Board Meetings held	No. of Board Meetings attended	Names of Listed companies where the person is director and the category of directorship as on 31st March 2022	Committee Memberships	Committee Chairmanships	Last Annual General Meeting attended 30/09/2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mrs. Rajkumari Sushil kumar Kanodia	Promoter Director & women Director (upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Rajendraprasad Rampratap Sharma	Independent Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Banti Parasar	Independent Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Mayadhar Ravindar Mahakud	Managing Director(upto 19/10/2021)	2	2	N.A.	N.A.	N.A.	YES
Mr. Rajkumar Satyanarayan Agarwal	Managing Director (appointed w.e.f. 19/10/2021)	5	5	1*	0	0	N.A.
Ms. Sapna	Director	5	5	1*	2	0	N.A.



Rajkumar Agarwal	(appointed w.e.f. 19/10/2021)						
Mr. Sandiip Satyanarayan Agarwal	Whole Time Director and CFO (appointed w.e.f. 19/10/2021)	5	5	1*	0	0	N.A.
Prof. Ramesh Chandra Agarwal	Independent Director (appointed w.e.f. 19/10/2021)	5	5	1*	2	1	N.A.
Mr. Vinodkumar Bajranglal Dalmia	Independent Director (appointed w.e.f. 19/10/2021)	5	5	2*#	2	1	N.A.
Mr. Kailashnath Jeevan Koppikar	Independent Director (appointed w.e.f. 19/10/2021)	2	1	1*	0	0	N.A.

\*The directorship includes the directorship of the Company.

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

The Board was reconstituted by appointing new board members on the board of the company pursuant to Resolution Plan submitted by SVG FASHIONS PRIVATE LIMITED approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide its Order dated 05th October, 2021 and accordingly the old board members resigned from the Company. All independent directors were resigned pursuant to aforesaid NCLT order before the expiry of their terms and there were no other material reason.

The New Independent Directors were appointed as per National Company Law Tribunal, Ahmedabad Bench ("NCLT") Order dated 05th October, 2021 wherein members approval was deemed, pursuant to which the Board has considered it's approved by the member under regulation 17 (1A) and 17(1C) of LODR.

**Note:**

The Committees considered for the purpose of calculation of membership and/or chairmanship as discussed above are those as specified in the Listing Regulations i.e Audit Committee and Stakeholder Relationship Committee.

**C. Other Provisions: Disclosure of relationships between directors *inter-se***

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non-Executive Director during the year ended 31<sup>st</sup> March 2022. Except, Mr. Rajkumar Satyanarayan Agarwal, Managing Director is husband of Ms. Sapna Rajkumar Agarwal, who holds position of Non-Executive/Woman Director and brother of Mr. Sandiip Satyanarayan Agarwal, Whole time director and CFO of the Company no other director share any relationship with other directors. Further, the Company has not paid any sitting fees for attending the Board and/or the Committee meetings and commission for the year under review.

The information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available to the Board. The Audit Committee of the Board of Directors periodically reviews the compliance report submitted by the Managing Director



regarding compliance with the various laws applicable to the Company. The Company has a succession plan in place for appointment to the board of directors and senior management.

#### **D. Number of shares and convertible instruments held by Non-Executive Directors**

None of the Non-executive directors of the company holds any shares/convertible instruments of the Company except Ms. Sapna Agarwal as mentioned in Notice of AGM.

#### **E. Skills/Expertise/Competencies**

In accordance with Regulation 34(3) read with Part C of Schedule V of SEBI Listing Regulations, the Board has identified the following skills/expertise/ competencies as required in the context of its

business(es) and sector(s) for it to function effectively and which are taken into consideration while nominating candidates to serve on the Board of the Company:

<b>Sr. No .</b>	<b>Name of the Director</b>	<b>Skills/Expertise/ Competencies</b>
1.	Mr. Rajkumar Satyanarayan Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, Commitment
2.	Mr. Sandiip Satyanarayan Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, decision making and Commitment
3.	Ms. Sapna Rajkumar Agarwal	Industry knowledge/experience, Interpersonal skills & self-driven professional
4.	Mr. Vinodkumar Bajranglal Dalmia	Industry knowledge/experience, Interpersonal skills, Leadership and technical Expertise
5.	Prof. Ramesh Chandra Agarwal	Industry knowledge/experience & technical Expertise, Interpersonal skills, decision making and Commitment
6.	Mr. Kailashnath Jeevan Koppikar	Industry knowledge/experience & technical Expertise, Interpersonal skills, Ethics, Commitment

#### **F. Familiarisation programmes for Independent Director**

To familiarize new Independent Directors with the strategy, operations and functions of our Company, the Company's presentation on strategy, operations, product offerings, markets, organization structure, finance, human resources, technology, etc. is given at the time of their induction and thereafter during the Board meetings and/or committees thereof. Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://www.rajrayon.com/Pdf/Familiarisation-programmes-for-independent-directors.pdf>

#### **G. Criteria for appointment of Independent Directors:**

The Nomination and Remuneration Committee while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company also confirms that all the Independent Directors of the Company have complied with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, regarding enrollment in the Data Bank for Independent Directors as required under Notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs in this regard.



### Separate Meeting of Independent Directors:

Schedule IV, of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligation Disclosure Requirement) Regulations, 2015 mandates that Independent Directors of the Company should hold at least one separate meeting in a year without the presence of Non-independent Directors and members of the Management. During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2022, *inter alia* to discuss:

- review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- to assess the quality, quantity and timeliness of flow of information between the company management and the Board.
- During the financial year Separate Independent Directors Meeting was held on 14<sup>th</sup> February, 2022.

The Non-Executive Directors/Independent Directors were not paid Sitting Fees for Meeting of the Board or Committee attended by them/or any commission during the year under review.

### III. TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Formal Letter of appointment has been given to Independent Directors at the time of their appointment/re-appointment. The terms and conditions of appointment/re-appointment of Independent Directors has been disclosed on the website of the Company at <https://www.rajrayon.com/Pdf/Letter-of-Appointment-of-Independent-Director.pdf>

### IV. AUDIT COMMITTEE

- 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.
- 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.
- Meeting held and attendance:** During the year under review, Audit Committee met 4 times on 1<sup>st</sup> July, 2021, 13<sup>th</sup> August, 2021, 11<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022 with a gap of not more than 120 days. The details of the meetings attended by the Directors are given below:

Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 <sup>th</sup> October, 2021)	2
Mr. Banti Parasar	Member (upto 19 <sup>th</sup> October, 2021)	2
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 <sup>th</sup> October, 2021)	2





Prof. Ramesh Chandra Agarwal	Chairman (appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Mr. Vinodkumar Bajranglal Dalmia	Member(appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Ms. Sapna Rajkumar Agarwal	Member(appointed w.e.f.19 <sup>th</sup> October, 2021)	2

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. Meeting held and Attendance:** During the year under review, the Nomination & Remuneration Committee met two times on 11<sup>th</sup> November, 2021 and 7<sup>th</sup> February, 2022. The composition of the Committee along with the details of the meeting attended by the Directors is given below:

Name of member	Member/ Chairman	Number of Meetings held & Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 <sup>th</sup> October, 2021)	0
Mr. Banti Parasar	Member (upto 19 <sup>th</sup> October, 2021)	0
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 <sup>th</sup> October, 2021)	0
Mr. Vinodkumar Bajranglal Dalmia	Chairman (appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Prof. Ramesh Chandra Agarwal	Member(appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Mrs. Sapna Rajkumar Agarwal	Member(appointed w.e.f.19 <sup>th</sup> October, 2021)	2

#### VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

The role of the Stakeholders Relationship Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. During the year under review, the composition of the Stakeholders Relationship Committee of the Board comprised the following Non-Executive Directors.

- a. Meeting Held and attendance:** During the year under review, the Committee met four times on 1<sup>st</sup> July, 2021, 13<sup>th</sup> August, 2021, 11<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.



Name of member	Member/ Chairman	Number of Meetings Held and Attended
Mr. Rajendraprasad Rampratap Sharma	Chairman (upto 19 <sup>th</sup> October, 2021)	2
Mr. Banti Parasar	Member (upto 19 <sup>th</sup> October, 2021)	2
Mr. Mayadhar Ravindar Mahakud	Member (upto 19 <sup>th</sup> October, 2021)	2
Mr. Vinodkumar Bajranglal Dalmia	Chairman (appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Prof. Ramesh Chandra Agarwal	Member (appointed w.e.f.19 <sup>th</sup> October, 2021)	2
Mrs. Sapna Rajkumar Agarwal	Member (appointed w.e.f.19 <sup>th</sup> October, 2021)	2

The Committee meets at intervals to consider Shareholders' complaints. However, during the year under review the Company has not received any request for share transfers/complaints or matters required to be considered/approved at the committee meeting.

Mr. Chintan Dharod, Company Secretary and Compliance Officer of the Company hold designation of the compliance officer w.e.f. 19th October, 2021.

#### **Number of Shareholder complaints received during the year:**

During the year under review, no investor complaints were received by the Company.

#### **VII. REMUNERATION OF DIRECTORS:**

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2021-22 except Mrs. Sapna Rajkumar Agarwal, Non-Executive Director, who is wife of Mr. Rajkumar Satyanarayan Agarwal, Managing Director and sister in law of Mr. Sandiip Satyanarayan Agarwal, WTD and CFO of the Company.

Further except Company secretary none of the KMP received any remuneration as the Company was under IBC and underdress to stat its production.

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

- a) There are no separate service contracts with any of the directors. The tenure of office of the Managing Director and Whole Time / Executive Directors for five years and remuneration is for three years from their respective dates of appointment, and can be terminated by either party by giving one month's notice in writing. There is no separate provision for payment of severance fees;
- b) No stock options are offered to any of the Directors of the Company; and
- c) The Company was under IBC, the old Board members have not received any remuneration in the year under review.



## VIII. 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 Business considered in the AGM/EGM
2018-2019	30-09-2019	Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230	10.00 am	Appointment of Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), as the Managing Director of the Company
2019-2020	12-03-2021	VCOM	4.00 pm	Nil
2020-21	30-09-2021	VCOM	4.00 pm	Nil

## IX. Disclosures

- a. **Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.**

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

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

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. However as the company was under IBC the penalties wherever possible was waived by the authorities.

- c. **Vigil Mechanism**

Pursuant to the requirement of the Companies Act 2013 and provisions of Listing Agreement applicable to the Company, your Company has adopted Vigil mechanism (Whistle Blower Policy) for complying with the Company's Code of Conduct and Ethics, and particularly to assuring that business is conducted with integrity and that the Company's financial information is accurate. Details of the Vigil Mechanism are given in the Directors' Report and no personnel has been denied access to the Audit Committee. The whistle blower Policy is available on the Company's website and can be accessed through the link: <https://www.rajrayon.com/Pdf/Whistle-Blower-Policy.pdf>

- d. **Compliance with Non - Mandatory Requirements**

The Company is compliant with non- Mandatory requirements of Regulation 27(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the extent it is applicable to the Company.



- i. The Chairperson is an executive director.
- ii. The Company is in the regime of unmodified opinions on financial statements.
- iii. The Internal Auditor reports directly to the Audit Committee in all functional matters.

**e. Subsidiary Companies:** The Company does not have any subsidiary.

**f. Disclosures on materially significant related party transactions**

The Company has not entered into any related party transactions during the year under review as the Company was under IBC which form a part of the financial statements as required under Ind AS-24 and the same forms part of this Annual Report. However, as on the reporting date, the Company has entered into related party transactions upon implementation of NCLT order and these transactions are not having any potential conflict with the interests of the Company at large. The Policy on Materiality of Related Party Transaction and Dealing with Related Party Transactions is available on the Company's website and can be accessed through the [link: https://www.rajrayon.com/Pdf/Policy%20\\_Related%20party%20trancation.pdf](https://www.rajrayon.com/Pdf/Policy%20_Related%20party%20trancation.pdf)

**g. Commodity price risk or foreign exchange risk or hedging activities:**

The risks are tracked and monitored on a regular basis. However, the during the Financial Year 2021-22 the company has not started any operational activities accordingly company has nothing to termed in the matter.

**h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of LODR, 2015**

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.

**i. Details of total fees paid to statutory auditors**

Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditors are as follows:

Particular	Financial Year 2021-22 (INR in Lakhs)
Audit Fees	4.31

**j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. The below table provides details of complaints received/disposed during the financial year 2021-22:

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year.	NIL



### k. Recommendations of Committees

The Board of Directors confirm that during the year they have accepted all mandatory recommendations received from its Committees.

### l. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.

### m. Disclosure of Loans and Advances

During Financial Year 2021-22, the Company have not given any Loans and advances in the nature of loans to firms/companies in which directors are interested.

## X. Means of communication

Publication of Quarterly Results	Quarterly Results are not published in newspapers but the same are displayed on the Company's website <a href="http://www.rajrayon.com">www.rajrayon.com</a> .
Website	<a href="http://www.rajrayon.com">www.rajrayon.com</a> 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 are a web-based application designed by NSE for corporates. BSE Corporate Compliance & the Listing Centre BSE Listing is a web-based application designed by BSE for Corporates.  All periodical compliance filings, <i>inter alia</i> , shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.  Corp filing: Various Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are also posted on <a href="http://www.corpfiling.co.in">www.corpfiling.co.in</a> .



SEBI Complaints Redress System (SCORES)	The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and its current status.
Whether it also displays official news releases	Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.rajrayon.com.
Annual Report	Annual Reports are sent to each shareholder at their address registered or on their e-mail address registered with the Company/RTA/Depositories.
The presentations made to institutional investors or to the analysts	N.A.

#### 14. GENERAL SHAREHOLDER INFORMATION:

AGM Date	Friday, 30.09.2022
Time	Business Hours 11.00 a.m.
Venue	Video Conferencing / Other Audio Visual Means ("VC" / "OAVM")
Registered office	Survey No. 177/1/3, Village-Suranghi, Dist-Silvassa, Dadra & Nagar Haveli(U.T.)- 396230(INDIA)
Plant Location	Survey No. 177/1/3 (Registered office) including Survey No. 161/1, 161/2, 164/3& 162/3, 177/1/4 Village - Suranghi, District - Silvassa, Dadra & Nagar Haveli (U.T.) - 396 230 (INDIA)
Listing Fees	The Company has paid the Listing Fees of the exchanges for FY 21-22.
Financial Year	April 1, 2021 to March 31, 2022
Book Closure Date	NA
Dividend	Not Declared for the Financial Year 2021-22
Listing of Stock Exchange	BSE Limited National Stock Exchange of India Limited
Stock Code	BSE-530699 NSE Symbol- RAJRILTD
Demat ISIN No.	INE533D01032
CIN	L17120DN1993PLC000368



Financial Calendar	<b>Financial Year:</b> <b>1<sup>st</sup>April,2022 to 31<sup>st</sup>March,2023</b> Results for the quarter ending June Midweek of August Results for quarter ending September Midweek of November Results for quarter ending December Midweek of February Results for year ending March 31, Last week of May, Annual General Meeting September
Registrars and Transfer Agents(R&TA):	<b>LINK INTIME INDIAPRIVATE LIMITED</b> 247,LalBahadur Shastri Marg, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra-400083 Phone:02249186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
Address for Correspondence	For Transfer/ transmissionofshares,changeofaddress/bankmandatedetailsforphysicalshares, receipt of dividend warrant, loss of share certificates etc., should be addressed to: <b>Link Intime India Private Limited</b> 247, Lal Bahadur Shastri Marg, Surya Nagar, GandhiNagar,VikhroliWest,Mumbai,Maharashtra400083 Phone:02249186000 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>(OR)</b> <b>Directly to the Company to: Company Secretary &amp; Compliance Officer</b> <b>Raj Rayon Industries Ltd. Registered office:</b> Survey No. 177/1/3, Village - Surangi, Dist. - Silvassa, Dadra & Nagar Haveli (UT), Silvassa , Dadra & Nagar Haveli, 396230 E-mail:investors@rajrayon.com Tel Nos: 0260-09998802192

**Market Price Data:** High & Low price of equity shares on the BSE Limited with BSE Sensex is as under:

Month	Company's Shares price at BSE*		BSE Sensex (Points) *	
	High	Low	High	Low
April 2021	0.22	0.19	50,375.77	47,204.50
May 2021	0.25	0.20	52,013.22	48,028.07
June 2021	0.35	0.22	53,126.73	51,450.58
July 2021	0.33	0.27	53,290.81	51,802.73
August 2021	0.36	0.26	57,625.26	52,804.08
September 2021	0.32	0.21	60,412.32	57,263.90
October 2021	0.40	0.27	62,245.43	58,551.14
November 2021	0	0	61,036.56	56,382.93
December, 2021	0	0	59,203.37	55,132.68
January 2022	0	0	61,475.15	56,409.63
February 2022	0	0	59,618.51	54,383.20
March 2022	2.24	1.29	58,890.92	52,260.82

\* Source: [www.bseindia.com](http://www.bseindia.com)



**Share Transfer System:** Pursuant to the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, SEBI has mandated that, securities can be transferred only in dematerialized mode, except in case of transmission or transposition of the securities. Further, SEBI has fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Therefore, the members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

**Distribution of shareholding as at 31<sup>st</sup> March, 2022:**

Slab of Shares		Shareholders	Percentage (%)	Total shares	Percentage (%)
From	To				
1	500	20611	97.3503	904851	39.6431
501	1000	347	1.639	273544	11.9844
1001	2000	124	0.5857	186602	8.1754
2001	3000	41	0.1937	103253	4.5237
3001	4000	11	0.052	37107	1.6257
4001	5000	10	0.0472	46792	2.0500
5001	10000	12	0.0567	93109	4.0793
10001	and above	16	0.0756	637237	27.9184
<b>Total</b>		<b>21172*</b>	<b>100.000</b>	<b>2282495</b>	<b>100.000</b>

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

**Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2022, about 99.62% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd. and NSE.

**Compliance Officer:** The Company has appointed Mr. Chintan Mukesh Dharod w.e.f. 19<sup>th</sup> October, 2021, Company Secretary and Compliance Officer of the Company. Mr. Sushil Kumar Radheshyam Kanodia, the CEO & CFO of the Company ceased to be the Compliance Officer upon change in composition of Board who resigned w.e.f. 19<sup>th</sup> October, 2021.

**Shareholding pattern of the Company as on 31st March 2022**

	Category	Number of Shares Held	Percentage holding
<b>A.</b>	<b>Promoters' Holding</b>		
<b>1.</b>	<b>Promoters</b>		
	-Indian Promoters	Nil	0.00
	-Foreign Promoters	Nil	0.00
<b>2.</b>	<b>Persons acting in Concert</b>	Nil	0.00
	<b>Sub-Total (1+2)</b>	<b>Nil</b>	<b>0.00</b>
<b>B.</b>	<b>Non-Promoters' Holding</b>		
<b>3.</b>	<b>Institutional Investors</b>		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance	11,669	0.51
	Companies (Central/ State Govt. Institutions, Non-Institutions)	Nil	Nil





	Government Institutions	Nil	0.00
	NBFCs registered with RBI	813	0.04
	c. FIIs (Foreign Institutional Investors)	Nil	0.00
	<b>Sub-Total</b>	<b>Nil</b>	<b>Nil</b>
<b>4.</b>	<b>Others</b>		
	a.Private Sector Corporate Bodies and others	392,925	17.21
	b. Indian Public	178,5617	78.23
	c. NRI	91,471	4.01
	<b>Grand Total</b>	<b>22,82,495</b>	<b>100.00</b>

#### **Credit Ratings:**

The Company has not obtained any credit rating during the financial year.

#### **Convertible Instrument:**

The Company has not issued any American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs).

The Company has issued of 1,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – A to financial creditors viz., State Bank of India and Phoenix ARC Private Limited, of Rs. 100/- each by way of conversion of amount owing to financial creditors and 25,00,000 Compulsory Convertible Preference Shares (CCPS) CLASS – B of Rs.100/- each to M/s SVG Fashions Private Limited.

#### **Code for Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

#### **CEO/CFO Certification**

The Chief Executive Officer & Chief Financial Officer have certified to the Board in accordance with uniform Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2022 is annexed and forms part of this Report.

#### **Disclosures with respect to demat suspense account/ unclaimed suspense account:**

The details of share in Demat Suspense Account / Unclaimed Suspense Account are mentioned below:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil



(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 170 Equity shares of Re.1 each \*

*\*170 Equity shares were transferred on 14<sup>th</sup> March, 2022 on account of reduction of capital of the company as approved by Hon'ble National Company Law Tribunal, Ahmedabad bench, vide order dated 5<sup>th</sup> October, 2021.*

(e) The voting rights on these shares will remain frozen till the rightful owner of such shares claims the shares.

#### **DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT**

This is to certify that the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been uploaded on the Company's website

All the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31<sup>st</sup> March, 2022.

**For Raj Rayon Industries Limited**

**RAJKUMAR SATYANARAYAN AGARWAL**  
Managing Director  
00395370

**SANDIIP SATYANARAYAN AGARWWAL**  
Whole Time Director and CFO  
00395348

**Place: Mumbai**  
**Date: 30/05/2022**



## CORPORATE GOVERNANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

I have examined the compliance of Corporate Governance by **M/s. RAJ RAYON INDUSTRIES LIMITED** ("the Company") for the Financial Year ended 31st March, 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the Financial Year ended 31st March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable except:

- 1. The Company has not appointed Cost Auditor in the year under review.*
- 2. There was delay in filing the June 2021 results with NSE and BSE by one day.*
- 3. There was delay in filing shareholding pattern within the period prescribed for September 2021 as per Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- 4. Web Site was non-functional till November 2021 and not updates but new management has assured to do the same.*
- 5. The Company has not appointed the KMP- Company Secretary under section 203 of the Companies Act, 2013 in last financial year. During the year the Company has appointed Company Secretary on 19<sup>th</sup> October, 2021.*
- 6. The company has not dispatched the Annual Report for FY 2020-21 but emailed for the same has been sent to the shareholders whose email ids was available.*
- 7. There was a delay in filing DIR-12 and associate eforms with MCA for appointment of new Board and other matter, as informed by management the delay was due to non - cooperation of suspended board for providing the technical support to affix digital signature of e-forms.*



8. *The Newspaper publications of financial results are not published for June 2021 as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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

**Riddhi Krunal Shah**  
**C.P. No. : 17035**  
**M.No.20168**  
**PR No.2037/2022**

**Place: Mumbai**  
**Date: 30/05/2022**

**Note:**

*I have partially conducted online verification and examination of records, as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.*



**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 2021-22 and certify that:

- a. These statements to the best of our knowledge and belief:
  - I. Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
  - II. Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.
- d. We have also indicated to the Auditors and the Audit Committee.
  - I. Significant changes in Internal Controls with respect to financial reporting during the year.
  - II. Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.
- e. To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

**For Raj Rayon Industries Limited**

**RAJKUMAR SATYANARAYAN AGARWAL**  
**Managing Director**  
**00395370**

**SANDIIP SATYANARAYAN AGARWWAL**  
**Whole Time Director and CFO**  
**00395348**

**Place: Mumbai**  
**Date: 30/05/2022**



**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 INDIA (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this certificate in accordance with Regulation 34(3) read with Schedule V Para C sub Clause (10)(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In my opinion and to the best of my knowledge and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to us by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified for the financial year ended 31<sup>st</sup> March 2022 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.

<b>SR. NO.</b>	<b>NAME OF THE DIRECTOR</b>	<b>DIN</b>	<b>DATE OF APPOINTMENT IN THE COMPANY</b>
1.	MR. RAJKUMAR SATYANARAYAN AGARWAL	00395370	19/10/2021
2.	MR. SANDIIP SATYANARAYAN AGARWAL	00395348	07/02/2022
3.	MS. SAPNA RAJKUMAR AGARWAL	00437469	19/10/2021
4.	MR. VINODKUMAR BAJRANGLAL DALMIA	03018994	19/10/2021
5.	PROF. RAMESH CHANDRA AGARWAL	09364549	19/10/2021
6.	MR. KAILASHNATH JEEVAN KOPPIKAR	03195681	07/02/2022

Ensuring the eligibility for the appointment or continuity of every Director on the Board of above referred Company is the responsibility of the management of the Company. My responsibility is to express an opinion as stated above based on the verification. This certificate is neither an assurance as to the future viability of the Company or effectiveness with which the management has conducted the affairs of the Company.

**Riddhi Krunal Shah**  
**C.P. No. : 17035**  
**M.No.20168**  
**PR No.2037/2022**

**Date: 30/05/2022**  
**Place: Mumbai**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Raj Rayon Industries Limited**

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Raj Rayon Industries Limited** ('the Company'), which comprises of Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of 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 effects of the matter described in the **Basis for Qualified Opinion** section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- a) We have not received direct bank confirmations from the banks and hence in view of pending confirmations from banks we are unable to comment on the impact, if any, on the financial statement arising out of such confirmations and reconciliation thereof with the books of accounts.

#### Emphasis of Matter

- a) We draw attention to Note No. 27, 28 and 37 of the accompanying financial statements, wherein the company has interalia disclosed the facts w.r.t. the implementation of the NCLT approved resolution plan under the Insolvency and Bankruptcy Code (IBC), 2016 and the consequential relinquishment / realignment of the rights, risks and responsibilities of the company and all other stakeholders including financial and operational creditors, of which necessary effect has been considered in the said financial statements;

Our opinion is not modified in respect of the above.

#### 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.



Considering that the operational activities are to be resumed and there are minimal operations as at the reporting date, we have determined the matters described below to be the key audit matters to be communicated in our report:

<b>Key Audit Matters</b>	<b>How addressed in our audit</b>
<p><b>Assessment of Useful life of the PPE</b> The company has certain PPE which are being acquired by it under the resolution process under IBC. These assets were acquired from the erstwhile management after the operations were suspended and the assets were lying un-operational. These PPE constitute a major part of the total assets of the company and hence the value as well as the charge as depreciation has been considered as a key audit matter.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ol style="list-style-type: none"> <li>Verifying the value / carrying amount of the PPE with the valuation reports of the third party valuers;</li> <li>Checking the management assessment of the realisable value</li> <li>Checking the rates used for depreciation vis-à-vis the rates as specified in the Companies Act, 2013.</li> </ol>

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the financial statement and our auditor's report thereon. The same was not made available till the date of our report.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the





financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters:**

- (i) The financial statements of the Company for the year ended 31st March, 2021, were audited by the predecessor auditor; whose report dated 26<sup>th</sup> July, 2021 expressed a qualified opinion on those statements. The qualification in the report of the previous auditors, unless otherwise reported, has been addressed due to the resolution process as described hereinafter and management actions thereafter.
- (ii) We draw your attention to note no 27 and 28 of the financial statements which describes the implementation of the resolution plan pursuant to approval by National Company Law Tribunal by an Order dated 5<sup>th</sup> October 2021 and the resultant impacts of the same on the financial statements for the year ended March 31, 2022.

Our opinion is not modified in respect of the matters specified in "Other Matters" paragraph above.

#### **Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order" "CARO" ), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, 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 and records.
- (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows 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, except for matters described in the 'Basis for Qualified Opinion' para stated above;
- (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as Directors in terms of Section 164(2) of the Act.
- (f) 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".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Pursuant to the NCLT Order dated 5<sup>th</sup> October 2021, the Company does not have any pending litigation which would impact its financial performance.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

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

**Place: Mumbai  
Date: May 30, 2022**

**Narendra Khandal  
Partner  
Membership No. 065025  
UDIN: 22065025AJXBES1249**



**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of The RAJ RAYON INDUSTRIES LIMITED of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of RAJ RAYON INDUSTRIES LIMITED (“the Company”) as of March 31, 2022 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, 2022.

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 MKPS & Associates  
Chartered Accountants  
Firm registration No. -302014E**

**Place: Mumbai  
Date: May 30, 2022**

**Narendra Khandal  
Partner  
Membership No. 065025  
UDIN: 22065025AJXBES1249**



**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Raj Rayon Industries Limited of even date:**

- i. (a) In respect of Company’s Property, Plant and Equipment (PPE) and Intangible Assets:
  - A. The fixed assets register and other records of the Company needs to be updated for, showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and right of use assets.
  - B. The Company has not maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, physical verification of the assets has not been carried out during the year.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the scanned copies of the title deeds of the immovable properties pledged with the bankers as security against borrowings, we report that the title deeds of the immovable properties that have been pledged as security against borrowings and other facilities availed by the Company, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The Company does not hold any physical inventories. Accordingly, paragraph 3(ii)(a) of the order is not applicable.
  - (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3(ii)(b) of the order is not applicable.
- iii. According to the information and explanations given to us, during the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made during the year. The Company has not provided any guarantee and security during the year.



- v. In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is 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 books of account maintained by the Company, and are of the opinion that, prima facie, the prescribe accounts and records have not been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues as referred in clause vii(a) above which has not been deposited on account of any dispute as all disputed dues have been waived off by the NCLT order dated 5<sup>th</sup> October 2021.
- viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders except the dues which has been settled according to NCLT Order dated 5<sup>th</sup> October 2021 and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (b) The Company is not declared as willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the company does not have any subsidiary(ies) and hence the reporting requirements under sub-clause (e) and (f) of clause 3(ix) of the order are not applicable.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer hence, the requirement to report on clause 3(x)(a) of the Order is not applicable.





- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares pursuant to the NCLT Order 5<sup>th</sup> October 2021. Accordingly, the Company was not required to comply with the requirements of section 42 and section 62 of the Companies Act, 2013. The Company has not made any private placement of shares or fully or partly convertible debentures during the year or in the recent past.
- xi. (a) During our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) During the year, no report under sub section 12 of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government.
- (c) Based on our audit procedures performed and according to the information and explanations given to us, no whistle blower complaints received during the year by the Company and hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard.
- xiv. (a) In our opinion and based on our examination, though the company is required to have an internal audit system under section 138 of the Act, it does not have the same established for the year.
- (b) The company did not have an internal audit system for the period under audit. We were unable to obtain internal audit reports of the company, hence the internal audit reports have not been considered by us.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the “Companies in the Group” as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.



- xviii. There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, having regard to the order of the NCLT referred to at Note No. 27 & 28 of the accompanying financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act.
- (b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

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

**Place: Mumbai  
Date: May 30, 2022**

**Narendra Khandal  
Partner  
Membership No. 065025  
UDIN: 22065025AJXBES1249**



# RAJ RAYON INDUSTRIES LIMITED

## Balance Sheet as at 31st March 2022

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

	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	8,868.07	12,568.24
Capital Work in progress	3	581.35	
Financial Assets			
Investments	4	-	10.02
Other financial assets	5	0.30	777.11
Other Non-current assets	6	370.03	268.51
<b>Total Non-current assets</b>		<b>9,819.75</b>	<b>13,623.88</b>
<b>Current Assets</b>			
Inventories	7	-	60.38
Financial Assets			
Trade Receivables	8	0.05	1,477.89
Cash and Cash Equivalents	9	9.00	5.86
Bank Balances other than Cash and	10	1.21	1.21
Cash Equivalents			
Other financial assets	11	-	1.72
Other Current Assets	12	404.12	362.34
<b>Total Current Assets</b>		<b>414.38</b>	<b>1,909.40</b>
<b>Total Assets</b>		<b>10,234.13</b>	<b>15,533.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital		22.82	3,464.54
Other Equity		3,495.43	(64,023.65)
<b>Total Equity</b>		<b>3,518.26</b>	<b>(60,559.11)</b>
<b>Share Application Money pending Allotment</b>		<b>6,504.49</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	-	2,400.00
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>2,400.00</b>
<b>Current Liabilities</b>			
Financial liabilities			



Borrowings	14	-	68,538.72
Trade Payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		16.88	85.82
Other Financial Liabilities	16	190.31	5,067.51
Other Current Liabilities	17	4.19	-
Provisions	18	-	0.35
Current tax liabilities (net)	19	0.01	-
<b>Total Current Liabilities</b>		<b>211.38</b>	<b>73,692.39</b>
<b>Total Liabilities</b>		<b>211.38</b>	<b>76,092.39</b>
<b>Total Equity and Liabilities</b>		<b>10,234.13</b>	<b>15,533.28</b>

**Significant accounting policies and Key accounting estimates and judgements**  
See accompanying notes to the financial statements

#### Significant Accounting Policies

The accompanying notes are an integral part of these standalone financial statements  
As per our Report of even date

#### For MKPS & Associates

Chartered Accountants

ICAI Firm Registration Number: 302014E

#### Narendra Khandal

Partner

Mem. No. 065025

Mumbai

May 30, 2022

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

#### Rajkumar Agarwal

Managing Director

DIN: 00395370

May 30, 2022

#### Sandiip Agarwwal

WTD & CFO

DIN: 00395348

May 30, 2022

#### Chintan Dharod

Company Secretary

May 30, 2022



## RAJ RAYON INDUSTRIES LIMITED

### Statement of Profit and Loss for the year ended 31st March 2022

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

Particulars	Note	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from Operations	20	5.50	-
Other Income	21	0.04	95.61
<b>Total Income (I)</b>		<b>5.54</b>	<b>95.61</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-	-
Employee Benefits Expense	24	5.59	2.52
Finance Costs	25	0.32	-
Depreciation and Amortisation Expense	3	2,798.91	3,550.36
Other Expenses	26	236.48	20.55
<b>Total Expenses (II)</b>		<b>3,041.30</b>	<b>3,573.43</b>
<b>Profit Before Tax and Exceptional Items (I-II)</b>		<b>(3,035.76)</b>	<b>(3,477.82)</b>
Exceptional Items	27	67,113.12	-
<b>Profit Before Tax</b>		<b>64,077.36</b>	<b>(3,477.82)</b>
<b>Tax Expense</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Current taxes relating to earlier years		-	-
<b>Profit for the period</b>		<b>64,077.36</b>	<b>(3,477.82)</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Re measurement of defined benefit plans		-	-
- Income tax expense / (benefit) related to items that will not be reclassified to Profit and loss		-	-
<b>Total Other comprehensive income (Net of Tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive income for the Year</b>		<b>64,077.36</b>	<b>(3,477.82)</b>



Earnings per equity share of face value  
of ₹ 10 each

Basic EPS (In ₹)

2,807.34

(1.00)

Diluted EPS (In ₹)

2,807.34

(1.00)

Significant Accounting Policies 1

See accompanying Notes to the Financial  
Statements 1 to 39

As per our Report of even date

**For MKPS & Associates**

Chartered Accountants

ICAI Firm Registration Number: 302014E

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

**Rajkumar Agarwal**

Managing Director

DIN: 00395370

May 30, 2022

**Sandiip Agarwwal**

WTD & CFO

DIN: 00395348

May 30, 2022

**Narendra Khandal**

Partner

Mem. No. 065025

Mumbai

May 30, 2022

**Chintan Dharod**

Company Secretary

May 30, 2022



# RAJ RAYON INDUSTRIES LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2022

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

	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and Extraordinary Items	64,077.36	(3,477.82)
<b>Adjustment for:</b>		
Depreciation	2,798.91	3,550.36
Provision for Bad & Doubtful Debts	-	-
Exceptional Item	(67,113.12)	-
Exchange Rate Change	-	-
(Profit) / Loss on Sale of Fixed Asset	-	-
Rent Income	-	-
Interest / Other Income	(0.04)	(3.17)
Expenses for Increase in Authorised Share Capital	-	-
Finance Costs	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>(236.89)</b>	<b>69.37</b>
<b>Adjustment For:</b>		
Changes in Working Capital'		
(Increase)/ Decrease in Trade Receivables	(0.05)	11.58
(Increase)/ Decrease in Financial and Other Assets	(467.90)	14.25
Increase/ (Decrease) in Trade Payables	16.88	(1.11)
Increase/ (Decrease) in Financial and Other liabilities	21.89	(92.18)
<b>Cash Used in Operations</b>	<b>(666.08)</b>	<b>1.91</b>
Direct Taxes Paid	-	-
<b>Cash Flow Before Extraordinary Items</b>	<b>(666.08)</b>	<b>1.91</b>
Extraordinary Items	-	-
<b>NET CASH FLOW USED IN OPERATING ACTIVITIES</b>	<b>(666.08)</b>	<b>1.91</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(408.73)	-
Sale of Fixed Assets	-	-
Investments / (Maturity) of FD₹	-	-
Interest / Other Income	0.04	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(408.69)</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		



Repayment of Long Term Borrowings	(5,326.59)	-
Share Application Money pending Allotment	6,404.49	
Change in Working Capital Borrowing from Banks	-	3.17
Interest & Other Borrowing Cost	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,077.91</b>	<b>3.17</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3.14</b>	<b>5.08</b>
Effect Of Foreign Exchange On Cash And Cash Equivalent	-	-
Opening Balance of Cash and Cash Equivalents	5.86	0.78
Closing Balance of Cash and Cash Equivalents	9.00	5.86

As per our Report of even date

**For MKPS & Associates**

Chartered Accountants

ICAI Firm Registration Number: 302014E

**Narendra Khandal**

Partner

Mem. No. 065025

Mumbai

May 30, 2022

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

**Rajkumar  
Agarwal**

Managing  
Director

DIN: 00395370

May 30, 2022

**Sandiip  
Agarwal**

WTD & CFO

DIN: 00395348

May 30, 2022

**Chintan Dharod**

Company Secretary

May 30, 2022





## **RAJ RAYON INDUSTRIES LIMITED**

### **Notes on Financial Statements for the year ended 31st March, 2022**

#### **1. CORPORATE INFORMATION**

Raj Rayon Industries Limited (“the company”) is a limited company domiciled and incorporated in India and its shares are publicly traded on the Bombay stock exchange (BSE) and National Stock Exchange (NSE), in India. The registered office of the company is situated at survey No. 177/1/3, Village Surangi, Dadra & Nagar Haveli, Silvassa-396230, India. Company is engaged in the business of manufacturing and trading of polyester chips, polyester yarn and processed yarn.

Pursuant to an application made by State Bank of India, the Hon’ble National Company Law Tribunal, Ahmedabad bench (“Adjudicating Authority”), vide its order dated 23rd January, 2020, had ordered the commencement of the corporate insolvency resolution (“CIR”) process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the “Code”).

Pursuant to its order dated 05th October, 2021 (“NCLT Order”), the Adjudicating Authority approved the resolution plan (“Approved Resolution Plan”) submitted by M/s SVG Fashions Private Limited (“Resolution Applicant”) (“RA”) for the Company under Section 31 of the Insolvency and Bankruptcy Code, 2016 (“Code”). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

Further, as per the terms of the approved Resolution Plan, a Management Committee/ Supervision Committee (MC/SC) is required to be constituted which shall comprise of 4 (four) members: (a) 1 (one) member appointed by the Resolution Applicant or his representative; (b) 2 (two) members appointed by CoC; and (c) Resolution Professional, the Monitoring Committee was accordingly been formed to maintain the Company as a going concern and to supervise the implementation of the Approved Resolution Plan.

#### **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 (“IndAS”) 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:**

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:**

#### **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 their coverable amount and the reduction is recognized impairment loss in the statement or 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 or 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 plans is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third pa 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 or 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 participants 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 rights 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 carting 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 or 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 or 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 assets recoverable amount is the higher of an assets or Cash generating Units (CGU) fair value less costs or 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 or disposal, recent market transactions are taken into account. I found such Transactions can be identified, an appropriate valuation model issued. These calculations are corroborated by valuation multiples or other available fair value indicators.

#### h) Define Benefit Parts:

The costs 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 or mutual developments in the future. These include the determination of the discount rate; futures are 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 assumption sare reviewed at each reporting.

### **2.5 Property, Plant and Equipment:**

Property, plant and equipment are carried at cost of acquisition or construction, net of Goods and Service 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 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 leasehold 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 the 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 dates at fair value of the leased property or lower of the present value or the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. Lease payments are apportioned between finance charges and reduction of 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 the 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 the 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 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 present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or the amount of the liability 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 into 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 – De recognition:

A financial asset (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 has 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 and losses are 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 all allowances and exemptions under the provision of the applicable income Tax Laws. Current tax assets and current tax liabilities are offset, and presented as net.

Deferred Tax is recognized on differences between the carrying amounts of 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 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 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 are 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.



**RAJ RAYON INDUSTRIES  
LIMITED**

**NOTES ON FINANCIAL STATEMENTS for the year ended 31st March, 2022**

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

**Note 3 (a): Property, Plant & Equipment's**

PARTICULARS	GROSS CARRYING VALUE AS ON APRIL 1, 2021	ADDITIO NS	DISPOSAL / ADJUSTMENT	GROSS CARRYING VALUE AS ON MARCH 31, 2022	ACCUMULATED DEPRECIATION AS ON APRIL 1, 2021	DEPRECIATION FOR THE PERIOD	DISPOSAL / ADJUSTMENT	Adjustment on recalculation	ACCUMULATED DEPRECIATION AS ON MARCH 31, 2022	CARRYING VALUE AS ON MARCH 31, 2022	CARRYING VALUE AS ON MARCH 31, 2021
<b>Tangible Assets</b>											
Land	279.79	-	-	279.79	-	-	-	-	-	279.79	279.79
Air Condition System	510.13	-	510.13	-	484.55	0.03	(484.59)	-	-	-	25.57
Electrical Installation	3,333.84	-	3,333.84	-	2,955.41	43.66	(2,999.06)	-	-	-	378.44
Factory Building	6,448.26	-	-	6,448.26	2,309.93	205.28	-	1,264.42	3,779.63	2,668.64	4,138.33
D. G.Sets	190.96	-	190.96	-	117.72	3.90	(121.62)	-	-	-	73.24
Plant & Machinery	45,821.00	-	20,547.65	25,273.35	38,197.15	1,279.64	(20,089.70)	(0.00)	19,387.09	5,886.25	7,623.84
Furniture & Fixtures	146.02	-	146.02	-	136.57	0.39	(136.96)	-	-	-	9.46
Vehicle	36.38	-	36.38	-	34.56	-	(34.56)	-	-	-	1.82
Office Equipment's	30.33	-	30.33	-	29.01	0.02	(29.03)	-	-	-	1.32
Computers	89.28	-	89.28	-	87.70	0.12	(87.82)	-	-	-	1.59
Office Premises	45.39	-	-	45.39	10.55	0.76	-	0.69	12.01	33.39	34.84
<b>Total Tangible Assets</b>	<b>56,931.39</b>	<b>-</b>	<b>24,884.59</b>	<b>32,046.80</b>	<b>44,363.15</b>	<b>1,533.80</b>	<b>(23,983.33)</b>	<b>1,265.11</b>	<b>23,178.73</b>	<b>8,868.07</b>	<b>12,568.24</b>

**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	-	-
<b>Gross Total Fixed Assets</b>	<b>56,938.89</b>	<b>-</b>	<b>24,884.59</b>	<b>32,054.30</b>	<b>44,370.65</b>	<b>1,533.80</b>	<b>(23,983.33)</b>	<b>-</b>	<b>23,186.23</b>	<b>8,868.07</b>	<b>12,568.24</b>

**Capital Work in progress****Particulars**

As at April 1, 2020

-

As at March 31, 2021

-

As at March 31, 2022

581.35

- 3.1:** Pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, State Bank of India had taken over the possession of the properties. Subsequent to NCLT Order, the possession and the original title documents of the properties have been handed over to the management and the encumbrances on the said assets of the Company shall stand permanently extinguished on completion of procedural formalities as provided in the NCLT order and resolution plan.
- 3.2:** The Company 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 statements.

**RAJ RAYON INDUSTRIES LIMITED****Notes on Financial Statements for the year ended 31st March, 2022**

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

**10 Equity Share Capital**

Particulars	No. of Shares	Amount in ₹ Lakhs
<b>As at 1st April, 2020</b>	<b>34,64,54,000</b>	<b>3,464.54</b>
Changes in equity share capital during the year	-	-
<b>As at 31 March, 2021</b>	<b>34,64,54,000</b>	<b>3,464.54</b>
Changes in equity share capital during the year	-	-
Reduction in Share Capital by reduction in Number of Shares	<b>(34,41,71,505)</b>	<b>(3,441.72)</b>
<b>As at 31st March, 2022</b>	<b>22,82,495</b>	<b>22.82</b>

In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.

**11 Other Equity**

₹ in Lakhs

	<u>Reserves and Surplus</u>					Total
	Securities Premium	Capital Reserve	Retained Earnings	Debt instruments through OCI	Equity Instruments through OCI	
<b>Balance as on 1st April 2020</b>	<b>7,630.73</b>	<b>114.47</b>	<b>(68,291.03)</b>	-	-	<b>(60,545.83)</b>
Profit/(loss) for the year	-	-	-	-	-	-
Other Comprehensive Income / (loss)	-	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	<b>(3,477.82)</b>	-	-	<b>(3,477.82)</b>
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-
<b>Balance as on 31st March 2021</b>	<b>7,630.73</b>	<b>114.47</b>	<b>(71,768.85)</b>	-	-	<b>(64,023.65)</b>
Profit/(loss) for the year	-	-	-	-	-	-
Reduction in Share Capital by reduction in Number of Shares	-	3,441.72	-	-	-	3,441.72
Other Comprehensive Income / (loss)	-	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	-	-	<b>64,077.36</b>	-	-	<b>64,077.36</b>
Dividends paid (incl. dividend distribution tax)	-	-	-	-	-	-
Transfer to General Reserves	-	-	-	-	-	-
<b>Balance as on 31st March 2022</b>	<b>7,630.73</b>	<b>3,556.19</b>	<b>(7,691.48)</b>	-	-	<b>3,495.43</b>

There is addition in Capital Reserve due to reduction of face value of equity shares amounting to ₹ 34,41,71,505.



## 10 Equity Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Authorised</b>		
71,00,00,000 (71,00,00,000) Equity Shares of Rs 1/- each	-	-
1,50,00,000 (1,50,00,000) Preference Shares of Rs. 10/- each	-	-
<b>Total</b>	-	-
<b>Issued, subscribed and fully paid up</b>	-	-
34,64,54,000 (34,64,54,000) Equity Shares of Rs. 1/- each fully paid	22.82	3,464.54
<b>Total</b>	22.82	3,464.54

### a) Reconciliation of number of shares

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount in ₹ Lakhs	No. of Shares	Amount in ₹ Lakhs
Shares outstanding at the beginning of the year	34,64,54,000	3,464.54	34,64,54,000	3,464.54
Add/(Less): Shares Issued during the year				
Reduction in Share Capital by reduction in Number of Shares	-3,442	(3,441.72)	-	-
Shares outstanding at the end of the year	34,64,50,558	22.82	34,64,54,000	3,464.54

In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.

Details of Shareholders holding more than 5% equity shares in the Company

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding

**Fully paid Equity Shares of Rs.1 each held by:**

Raj Money Market Limited	-	-	9,47,20,930	27.34
Fine Fashion Private Limited	-	-	2,16,61,258	6.25
Jitendra B Salecha (HUF)	-	-	2,06,44,848	5.96

**11 Other Equity**

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Securities Premium</b>		
As per Opening Balance	7,630.73	7,630.73
Changes during the year	-	-
<b>Closing Balance</b>	<b>7,630.73</b>	<b>7,630.73</b>
<b>Capital Reserve</b>		
As per Opening Balance	114.47	114.47
Reduction in Share Capital by reduction in Number of Shares	3,441.72	-
<b>Closing Balance</b>	<b>3,556.19</b>	<b>114.47</b>
<b>Retained Earnings</b>		
As per Opening Balance	(71,768.85)	(68,291.03)
Total Comprehensive Income	64,077.36	(3,477.82)
<b>Closing Balance</b>	<b>(7,691.48)</b>	<b>(71,768.85)</b>
<b>Total</b>	<b>3,495.43</b>	<b>(64,023.65)</b>



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

4 INVESTMENTS	As at 31st March, 2022	As at 31st March, 2021
<b>Other than Trade: (Unquoted At Cost):</b>		
<b>Investments in fully paid equity instruments</b>		
Raj Money Markets Limited - 1,00,100 (1,00,100) Shares having face value of ₹ 10/- each	-	10.01
The Bharat Co-operative Bank (Mumbai) Limited - 10 (10) Shares having face value of ₹ 100/- each	-	0.01
<b>Total</b>	-	<b>10.02</b>

Note: The Company has re-assessed the Investments post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Investments of ₹ 10.02 lakhs are written off as an exceptional items.

5 OTHER FINANCIAL ASSETS	As at 31st March, 2022	As at 31st March, 2021
TUFS Benefit Receivable (Interest Subsidy)	776.64	776.64
Less: Provision for doubtful recovery of TUFS Interest Subsidy	(776.64)	-
Security Deposit	0.30	0.47
<b>Total</b>	<b>0.30</b>	<b>777.11</b>

6 OTHER NON-CURRENT ASSETS	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	370.03	117.79
Less: Provision for doubtful Capital advances	-	(117.79)
Others (VAT Payment under Protest)	250.00	250.00
Less: Provision for doubtful recovery of VAT Deposits	(250.00)	-
Balance with Revenue Authorities	-	18.51
<b>Total</b>	<b>370.03</b>	<b>268.51</b>





## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

7	INVENTORIES	As at 31st March, 2022	As at 31st March, 2021
	<b>Valued at lower of cost or Net reliable value</b>		
	a. Raw Materials	-	38.34
	b. Work in Progress	-	9.84
	c. Finished goods	-	0.54
	d. Stores and spares	-	10.63
	e. Packing Material	-	1.02
	<b>Total</b>	-	<b>60.38</b>

Note: The Company has re-assessed the Inventories post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Inventories of ₹ 60.38 lakhs are written off as an exceptional items.

8	TRADE RECEIVABLES	As at 31st March, 2022	As at 31st March, 2021
	Unsecured, considered good	0.05	1,477.89
	Unsecured, considered doubtful	-	11,053.49
	Less: Provision for doubtful trade receivables	-	(11,053.49)
	<b>Total</b>	<b>0.05</b>	<b>1,477.89</b>

Note: The Company has re-assessed the Trade Receivables post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Trade Receivables of ₹ 1477.89 lakhs are written off as an exceptional items.

9	CASH AND CASH EQUIVALENTS	As at 31st March, 2022	As at 31st March, 2021
	Cash in hand	0.73	-
		-	-
	<b>Balances with banks:</b>		
	In Current Accounts	3.08	5.86
	In Overdraft Account	5.18	-
	<b>Total</b>	<b>9.00</b>	<b>5.86</b>



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

10	<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	Balances with Banks in Unpaid Dividend Accounts	0.80	0.80
	In term deposit accounts with Banks held as Security, Deposit, Margin Money for Letter of Credit and Bank Guarantees Issued	0.41	0.41
	<b>Total</b>	<b>1.21</b>	<b>1.21</b>

11	<b>OTHER FINANCIAL ASSETS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	Unsecured, considered doubtful Advances to Suppliers	-	82.04
	Less: Provision for Doubtful Advances to Suppliers	-	(81.82)
		-	-
	Security Deposits	-	1.50
	<b>Total</b>	<b>-</b>	<b>1.72</b>

Note: The Company has re-assessed the Advances to Suppliers and Security Deposits post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Advances to Suppliers and Security Deposits of ₹ 1.72 lakhs are written off as an exceptional items.

12	<b>OTHER CURRENT ASSETS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	Prepaid Expenses	0.32	-
	Advance to suppliers	3.09	-
	Balance with Revenue Authorities	400.71	361.58
	Interest accrued on Fixed Deposit	-	0.77
	<b>Total</b>	<b>404.12</b>	<b>362.34</b>

Note: The Company has re-assessed the Interest accrued on Fixed Deposits post implementation of Approved Resolution Plan for the year ended March 31, 2022 and it is of the view that the same is not recoverable hence the Interest accrued on Fixed Deposits of ₹ 0.77 lakhs are written off as an exceptional items.



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

13	LONG TERM BORROWINGS	As at 31st March, 2022	As at 31st March, 2021
	<b>From Others</b>		
	<b>Unsecured</b>		
	Inter-Corporate Loans	-	1,000.00
	15% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10/- each	-	1,400.00
	<b>Total</b>	-	<b>2,400.00</b>

Note: The Company has re-assessed the Inter-Corporate Loans post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Inter-Corporate Loans of ₹ 2,400 lakhs are written back as an exceptional items.

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

Name of Shareholders (% of Holding)	As at 31st March, 2022	As at 31st March, 2021
<b>Preference Shares</b>		
Nakoda Limited (No of Shares CY 14000000, PY 14000000)	-	1,000.00

14	SHORT TERM BORROWINGS	As at 31st March, 2022	As at 31st March, 2021
	<b>Secured</b>		
	From Bank	-	68,538.72
	<b>Total</b>	-	<b>68,538.72</b>

15	TRADE PAYABLES	As at 31st March, 2022	As at 31st March, 2021
	(a) Dues to MSME	-	-
	(b) Others	16.88	85.82
	<b>Total</b>	<b>16.88</b>	<b>85.82</b>

Note: The Company has re-assessed the Trade Payables post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Trade Payables of ₹ 85.82 lakhs are written back as an exceptional items.

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.



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

16	OTHER FINANCIAL LIABILITIES	As at 31st March, 2022	As at 31st March, 2021
	Interest Accrued & Due on Bank Loans	-	4,952.71
	Interest Accrued & Due on Unsecured Loans	-	114.00
	Unpaid Dividends	-	0.80
	Creditors for Capital Goods	172.61	-
	Salary and Wages Payable	15.74	-
	Other Payables	1.95	-
	<b>Total</b>	<b>190.31</b>	<b>5,067.51</b>

Note: The Company has re-assessed the Other Financial Liabilities post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the same is not payable hence the Other Financial Liabilities of ₹ 5,067.51 lakhs are written back as an exceptional items.

17	OTHER CURRENT LIABILITIES	As at 31st March, 2022	As at 31st March, 2021
	Statutory Liabilities	4.19	-
	<b>Total</b>	<b>4.19</b>	<b>-</b>

18	SHORT TERM PROVISIONS	As at 31st March, 2022	As at 31st March, 2021
	Short Term Provisions	-	0.35
	<b>Total</b>	<b>-</b>	<b>0.35</b>

Note: The Company has re-assessed the Short Term Provisions post implementation of Approved Resolution Plan for the year ended March 31, 2022 and the view that the same is not payable hence the Short Term Provisions of ₹ 0.35 lakhs are written back as an exceptional items.

19	CURRENT TAX LIABILITIES (NET)	As at 31st March, 2022	As at 31st March, 2021
	Provision for Taxes (Net of Advance Tax & TDS)	0.01	-
	<b>Total</b>	<b>0.01</b>	<b>-</b>



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

<b>20</b>	<b>REVENUE FROM OPERATIONS</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Sales (Net of Discounts and Sales Return)	-	-
	Other Operating Income	5.50	-
	<b>Total</b>	<b>5.50</b>	<b>-</b>
<b>21</b>	<b>OTHER INCOME</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Interest on Term Deposits	0.04	1.64
	Miscellaneous Income	-	93.97
	<b>Total</b>	<b>0.04</b>	<b>95.61</b>
<b>23</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	<b>Inventory at the beginning of the year</b>		
	a. Finished Goods	-	0.54
	b. Work in Process	-	9.84
		-	-
	<b>Inventory at the end of the year</b>	-	-
	a. Finished Goods	-	0.54
	b. Work in Process	-	9.84
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Salaries, Bonus and incentives	4.06	2.52
	Contribution to Provident and other funds	-	-
	Staff welfare expenses	1.52	-
	<b>Total</b>	<b>5.59</b>	<b>2.52</b>



## RAJ RAYON INDUSTRIES LIMITED

### Notes on Financial Statements for the year ended 31st March, 2022

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

25	<b>FINANCE COST</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Interest on Income Tax	0.23	-
	Bank Charges	0.09	-
	<b>Total</b>	<b>0.32</b>	-
26	<b>OTHER EXPENSES</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Power & Fuel	1.90	-
	Legal & Professional Charges	20.11	3.98
	Auditor Remuneration	4.31	-
	Freight and transport charges	0.33	-
	Travelling and Conveyance Expenses	2.46	4.47
	Rates and taxes	5.52	-
	Repairs & Maintenance	-	-
	-Others	0.39	-
	Security Charges	16.62	-
	Printing & Stationery	0.47	0.19
	Miscellaneous Expenses	184.37	11.91
	<b>Total</b>	<b>236.48</b>	<b>20.55</b>
27	<b>EXCEPTIONAL ITEMS</b>	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
	Extinguishment of Financial Creditors after final settlement	68,075.80	-
	Payment made to operational creditors	(10.95)	-
	Extinguishment of 15% Non-Convertible Non-Cumulative Redeemable Preference Share Capital	1,400.00	-
	Write Back of Other Unsecured Loans and interest thereon	1,114.00	-
	Write Back of Other Current & Non-Current Liabilities	287.34	-
	Other Current & Non-Current Assets Written off	(2,841.78)	-
	Investments Written Off	(10.02)	-
	Write off Fixed assets	(901.26)	-
	<b>Total</b>	<b>67,113.12</b>	-



- (i) In respect of Financial Creditors the Company has already paid / provided as per the resolution plan. No financial creditor now has any further rights or claim against the item. Company, in respect of the period prior to the insolvency commencement date or in respect of the amounts written back. Accordingly, the Company has recognised a gain of ₹ 680.76 crores on account of extinguishment of such financial liability as exceptional items.
- (ii) As per the resolution plan, in respect of Operational Creditors outstanding as on the insolvency commencement date, the Company has made the payment of ₹ 10,95,324 and has recognized loss as an exceptional item in these financial statements.
- (iii) As per the resolution plan, in respect of 15% Non-Convertible Non-Cumulative Redeemable Preference Share Capital of Rs. 10 each as on the insolvency commencement date, the Company has recognised a gain of ₹ 14 crores on account of extinguishment of such financial liability as exceptional items.

28 Pursuant to an application made by State Bank of India, the Hon'ble National Company Law Tribunal, Ahmedabad bench ("Adjudicating Authority"), vide its order dated 23rd January, 2020, had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code").

Pursuant to its order dated 05th October, 2021 ("NCLT Order"), the Adjudicating Authority approved the resolution plan ("Approved Resolution Plan") submitted by M/s SVG Fashions Private Limited ("Resolution Applicant") ("RA") for the Company under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("Code"). As per the terms of Section 31 of the Code, the Approved Resolution Plan shall be binding on the Company, its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.

Further, as per the terms of the approved Resolution Plan, a Management Committee/ Supervision Committee (MC/SC) is required to be constituted which shall comprise of 4 (four) members: (a) 1 (one) member appointed by the Resolution Applicant or his representative; (b) 2 (two) members appointed by CoC; and (c) Resolution Professional, the Monitoring Committee was accordingly been formed to maintain the Company as a going concern and to supervise the implementation of the Approved Resolution Plan.

**Implementation of the Approved Resolution Plan (Plan) has commenced and the following steps have been completed as per the terms of the said Plan:**

- The Company has constituted new Board of Directors in place of erstwhile Board of Directors for managing the day to day affairs of the Company
- The cash pay-out on account of CIRP costs, other operational creditors and dues of the financial creditors as envisaged under the approved resolution plan has been effected;
- In accordance with the Approved Resolution Plan, the Company has cancelled the shares of the erstwhile promoters and promoter group shareholders and has also reduced shares of the public shareholders to 1 share of Re. 1 each for every 100 shares held. The Capital Reduction was approved by Central Depository Services (India) Limited and National Securities Depository Limited. The Capital Reduction was completed on January 18, 2022.



- The settlement of lenders was to be done by repayment of ₹ 53 Crore and conversion of debt of ₹ 1 crore to Compulsory Convertible Preference Shares ('CCPS') in accordance with the NCLT order. Repayment of ₹ 53 Crore has been made to the Financial Creditors and CCPS has been issued to the Financial Creditors.

**The pending steps for completion of implementation of the Approved Resolution Plan are:**

- Allotment of equity shares- to offer and issue 54,90,00,000 equity shares having a face value of Re. 1/- aggregating to ₹ 54,90,00,000 on a preferential allotment basis to the entities defined by M/s SVG Fashions Private Limited ("Resolution Applicant"/"New Promoter").
- Allotment of CCPS- to offer and issue 25,00,000 Compulsory Convertible Preference Shares (CCPS) to M/s SVG Fashions Private Limited ("Resolution Applicant"/"New Promoter") of Rs. 100/- each.

29	EARNINGS PER EQUITY SHARE	As at 31st March, 2022	As at 31st March, 2021
	<b>Net Profit / (Loss) After Tax</b>	64,077.36	(3,477.82)
	Weighted average number of shares used in computing basic earnings per share	22,82,495	34,64,54,000
	Effect of potential equity shares		
	Weighted average number of shares used in computing diluted earnings per share	22,82,495	34,64,54,000
	Face Value of Equity Shares	1	1
	Basic Earnings Per Share	2,807.34	(1.00)
	Diluted Earnings Per Share	2,807.34	(1.00)

30	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	As at 31st March, 2022	As at 31st March, 2021
	<b>Contingent Liabilities:</b>		
	Notices / Show Cause Notices received from Excise Department.	-	594.81
	Show cause notices for levy of cess.	-	7.82
	Order of assessment by Entry Tax / Commercial Tax Officer Ahmedabad (Net of ₹ 250.00 Lakhs being amount Recovered by the Department)	-	308.83
	Notice from Debts Recovery Tribunals	-	1,00,808.99
	Notice from Debts Recovery Tribunals (Phoenix ARC Pvt Ltd.)	-	6,548.21
	Demand Notice from Income Tax Department for Assessment Year 2011-12	-	125.24
	Demand Notice from Income Tax Department for Assessment Year 2012-13	-	160.69



**Contingent commitments**

Estimated amount of contracts, net of advances, remaining to be executed on Capital Account.

Other Commitments (Raw Materials)

Security Deposit

-	-
-	-
-	-

Pursuant to its order dated 05th October, 2021 (“NCLT Order”), after the payment of the dues to Creditors, Unsecured Creditors, Secured Operational Creditors, as per the Resolution Plan all the liabilities of the said stakeholders shall stand permanently extinguished as per the approved Resolution Plan. Any other claims including Government/Statutory Authority, whether lodged during CIRP or not and any contingent/unconfirmed dues shall also stand extinguished.”

31	<b>PAYMENT TO AUDITORS</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	Statutory Audit under the Companies Act 1956	4.31	1.75
	Taxation Matters	-	-
	Reimbursement of Cess	-	-
	<b>Total</b>	<b>4.31</b>	<b>1.75</b>

**32 SEGMENT REPORTING**

Considering the nature of its business activities and related risks and returns, the Company had, at the time of transition to Ind AS, determined that it operates in a single primary business segment, namely “Textiles”, which constitutes a reportable segment in the context of Ind AS 108 on “Operating Segments”. There has been no development during the quarter necessitating any changes in Operating Segment.

**33 RELATED PARTY DISCLOSURES (AS PER IND AS 24 ISSUED BY ICAI)****Names of Related Parties and Description of Relationships**

**Party owning an interest in voting power of the company that gives it significance influence over the company:**

SVG Fashions Pvt Ltd

**Non-Executive Directors**

Smt. Sapna Rajkumar Agarwal

**Non-Executive Independent Directors**

Shri Vinodkumar Bajranglal Dalmia (Appointment w.e.f. 19-10-2021)

Prof. Ramesh Chandra Agarwal (Appointment w.e.f. 19-10-2021)



Shri Kailashnath Jeevan Koppikar (Appointment w.e.f. 07-02-2022)

**Executive Managing Director**

Shri Rajkumar Satyanarayan Agarwal  
(Appointment w.e.f. 19-10-2021)

**Key Management Personnel:**

- i) Shri Sandiip Satyanarayan Agarwal (Whole-Time Director)
- ii) Chintan Mukesh Dharod (Company Secretary)

**Relatives of Key Management Personnel:**

Enterprises over which parties mentioned in (a) and (b) above are exercising significant influence:

- i) Binaykia Synthetics Limited
- ii) Deepak Synthetics Private Limited
- iii) SVG Fashions Private Limited
- iv) Sunflag Filaments Limited
- v) SVG Denims Limited
- vi) Shri Satyanarayan Agarwal
- vii) Shri Raj Kumar Agarwal
- viii) Harshvardhan Rungta
- ix) Smt Sapna Agarwal
- x) Smt Rricha Agarwal
- xi) Shri Yashovardhan Agarwal

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

34	PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
	Share Application Money pending allotment	6,404.49	
35	CIF VALUE OF IMPORTS	As at 31st March, 2022	As at 31st March, 2021
	Raw Materials / Stock in Trade	-	0.80
	Capital Goods	-	0.80



36	Ratios	Measure	Current year Numerator	Current year Denominator	Prev. year Numerator	Prev. year Denominator	For the year ended		% variance
							31-Mar-22	31-Mar-21	
	Current Ratio	Times	414.38	211.38	1,909.40	211.38	1.96	9.03	(78.30%)
	(Current Assets / Current Liabilities)								
	Debt-Equity Ratio	Times	-	3,518.26	70,938.72	(60,559.11)	-	(1.17)	(100.00%)
	(Total Debt / Shareholder's Equity)								
	Debt Service Coverage Ratio	Times	-	-	-	-	-	-	-
	(Earnings available for debt service / Interest expenses (on long term borrowings) + Principal repayments made during the year for long term loans)								
	Return on Equity Ratio	%	(3,035.76)	(28,520.43)	(3,477.82)	3,464.54	10.64%	(100.38%)	(110.60%)
	<b>(Net Profits after tax and before exceptional items/ Average Shareholder's Equity)</b>								
	Inventory turnover ratio	Times	-	-	-	-	-	-	-
	(Cost of Goods Sold / Average Inventory)								
	Trade Receivables turnover ratio	Times	5.50	738.97	-	1,483.68	0.01	-	100.00%
	(Revenue from operations / Average Trade Receivables)								
	Trade payables turnover ratio	Times	-	-	-	-	-	-	-
	(Net Credit Purchase / Average Trade payables)								
	Net capital turnover ratio	Times	5.50	203.00	-	203.00	0.03	-	100.00%
	(Revenue from operations / Working Capital excl. Curr Mat of LTB)								
	Net profit ratio	%	(3,035.76)	5.50	(3,477.82)	-	(552.14)	0.00%	100.00%
	(Net Profits after tax and before exceptional items/Revenue from operations)								
	Return on Capital employed	%	(3,035.44)	(27,320.43)	(3,477.82)	(56,420.05)	11.11%	6.16%	80.24%
	(Earnings before Interest, tax and exceptional items/ Average Capital Employed)								
	Return on investment	%	0.04	0.41	1.64	0.41	10.54%	400.01%	(97.37%)
	(Dividend Income+Int on FD+ Profit/Loss/Fair Value Gain on Quoted Invst)/ Avg Market Value of Quoted Invst + Avg FD)								



### **Reason for variance in the above ratios-**

Increase & decrease in ratio is because of adjustments (write off / write back) of assets and liabilities post take-over of the operations of the Company by the New Management pursuant to the NCLT order.

### **37 Employee Benefit Expenditure**

The disclosures required under Ind AS-19 "Employee Benefits":

The Company has not made provision for gratuity and leave encashment for the year. In the absence of such valuation, relevant disclosures as per Ind AS-19 Employee Benefits have not been given.

**38** 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 '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.

**39** 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.