



# RAJ RAYON INDUSTRIES LIMITED

(A Government Recognised Star Export House)



Corporate Off. : 5C/196 & 197, AKSHAY MITTAL INDUSTRIAL ESTATE, SAKINAKA, ANDHERI (E), MUMBAI-400 059 (INDIA)  
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CIN NO. : L17120DN1993PLC000368

*Date: 8<sup>th</sup> October 2021*

<b>BSE Limited</b>  Department of Corporate Services 25th Floor, P J Towers, Dalal Street, Mumbai – 400001.	<b>National Stock Exchange of India Limited</b>  Exchange Plaza Bandra Kurla Complex Bandra (East) Mumbai – 400051.
<b>Company Code: 530699</b>	<b>Company Code: RAJRAYON</b>

**Subject:** Disclosure of events or information pursuant to Regulation 30(2) (para 16 (l) of Part A of Schedule III) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Material Event in the corporate insolvency resolution process (“**CIRP**”) of RAJ RAYON INDUSTRIES LIMITED (“**Company**”).

**Ref:** Our letter dated 07.10.2021, intimating the approval of the Resolution Plan of the Company submitted by M/s SVG Fashions Private Limited (“**Resolution Applicant**”) vide National Company Law Tribunal Ahmedabad Bench vide order dated 05<sup>th</sup> October, 2021, received on 7<sup>th</sup> October 2021 (“**said Order**”).

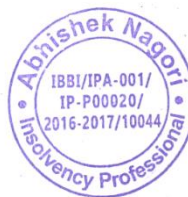
In pursuant to and in compliance with Regulation 30(2) (para 16 (l) of Part A of Schedule III) of the SEBI (*Listing Obligations & Disclosure Requirements*) Regulations, 2015, we are disclosing further information for your necessary records as more particularly described in **Annexure-1** attached herewith.

We will keep updating you with further actions as proposed to be taken in compliance of the said Order for implementation of the Resolution Plan.

The above is for your information and record.

Thanking you

Yours Sincerely,



Abhishek Nagori | Insolvency Professional  
Resolution Professional of M/s Raj Rayon Industries Limited

**Correspondence Address:**

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Opp. Vadodara Central, Sarabhai Main Road,  
Vadodara-390 023, Gujarat- India

**Registered with IBBI:**

Registration No. IBBI/IPA-001/IP-P00020/2016-17/10044

**E-mail:** cirp.rnil@ddip.in, jlnusb@gmail.com

## **Annexure-1**

(Specific features and details of the Resolution Plan.)

**1) Pre and Post Net-worth of the Company:**

Pre-Resolution Plan the book Net-worth of the Company as on 30<sup>th</sup> June 2021 was INR (-) 614.31 Crs. The post resolution plan net-worth cannot be determined as on date.

**2) Details of assets of the company post CIRP:**

All the assets (including plant & machinery, building, other fixed assets, trade receivables and other current assets) as appearing in the books of accounts shall be taken over by the Resolution Applicant.

**3) Details of securities continuing to be imposed on the Company's assets: NIL.**

**4) Other material liabilities imposed on the Company: NIL.**

**5) Capital Structure and Impact on Public Shareholder:**

The equity shares held by the existing shareholders as per the said Order shall be structured and reduced/cancelled as follows:

- i. The equity shares held by the promoters of the corporate debtor shall stand cancelled and no amount will be payable to the said shareholders.
- ii. Where the equity shares held by the shareholders other than the promoters is less than hundred in number, such equity shares shall stand cancelled and no amount will be payable to the said shareholders.
- iii. Where the equity shares held by the shareholders other than the promoters is hundred or more than hundred in number, such equity shares shall stand reduced to 1 share of Re. 1 each for every 100 shares. The fractional share/s, if any, in this process shall stand cancelled and no amount will be paid to the shareholders towards any fraction arising out of such structuring of shares.
- iv. The Resolution Applicant shall be allotted such no. of fresh equity shares of Re. 1 each for the aggregate amount brought in by them towards equity capital and such shares would be listed on the stock exchange.
- v. The listing status of the corporate debtor would be continued on Bombay Stock Exchange ("BSE") and National Stock Exchange of India ("NSE").
- vi. Minimum public shareholding of 5% shall be maintained as per the said Order.
- vii. The Resolution Applicant will cancel the 15% non-convertible noncumulative redeemable preference shares of the corporate debtor appearing in the books as on Effective Date to zero. The liabilities under preference shares of the Corporate Debtor would cease to exist.



6) Detailed pre and estimated post shareholding pattern assuming 100% conversion of convertible securities:

Sr No.	Name of Shareholder	Pre-CIRP (%)	Tentative Post-CIRP (%)
	<b>Promoter</b>	<b>34.06%</b>	<b>~90%</b>
1.	Raj Money Market Limited	27.34%	0%
2.	Rajkumari Kanodia	2.65%	0%
3.	Sushil Kumar Kanodia	1.96%	0%
4.	Sushil Kumar Kanodia HUF	0.48%	0%
5.	Samiksha Kanodia	0.45%	0%
6.	Savita Agrawal	0.17%	0%
7.	Akanksha Jatin Mehta	0.52%	0%
8.	Radheshyam Kanodia (H.U.F.)	0.49%	0%
9.	Resolution Applicant and to persons, entities of its choice	0%	~90%
10.	Public	65.93%	~10%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

7) Details of funds infused and debt converted in Compulsorily Convertible Preference Shares (“CCPS”) in the company, creditors paid-off;

- a. The capital infusion by Resolution Applicant and issuance of CCPS as per approved Resolution Plan shall be as follows:

Particulars	Period	Amount
Money to be brought in by way of Capital by Resolution Applicant	30 days from the date of the said Order.	54.90 Crores
Conversion of Debt into 100,000 Compulsory Convertible Preference Shares (“CCPS”) of Rs. 100 each	Can be converted after three years by the CCPS holder	25.00 Crores*
<b>Total</b>		<b>79.90 Crores</b>

\* This amount is estimated realization by the Financial Creditors from sale of converted Equity shares in the open market after three years.

- b. The capital infused by the Resolution Applicant would be utilised to pay the following creditors towards payments as summarised below:

Sr. No.	Particulars	Amount in crores
1	Outstanding Insolvency Resolution Process Cost	1.30*
2	Unrelated Financial Creditors including Dissenting Financial Creditors	-
	- Actual monetary payment to the financial creditors	53.49
	- Estimated realisation from 100,000 CCPS of Rs. 100 each	25.00**



3	Operational Creditors – Workmen & Employees	Nil
4	Operational Creditors – Trade Creditors, Liabilities & Provisions (other than Statutory/Government Dues, Workmen & Employees)	0.11
5	Statutory/Government Dues	-
	<b>Total</b>	<b>79.90</b>

\* *This amount is estimated realization by the Financial Creditors from sale of converted Equity shares in the open market after three years*

\*\* *The Resolution Applicant clarifies that any CIRP Cost in excess of Rs. 1.30 crore, if any shall be met from the overall Cost of Resolution Plan and shall be proportionately reduced from the other creditors.*

8) **Additional liability on the incoming investors due to the transaction, source of such funding etc.:**  
NIL.

9) **Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control:**

a. **Details/History of Resolution Applicant:**

SVG Fashions Private Limited along with its group companies is vertically and laterally integrated textile manufacturer and was founded by Mr. Satyanarayan Agarwal, with a vision to convert fiber to fashion. It has grown immensely over the years and has become one stop solution for texturized yarn to knitted & embroidered fabric and readymade garments due to its high quality and competitive price in Indian and International markets. SVG produces a range of diversified products such as - Polyester Texturized Yarn between 80 to 300 deniers, Fabrics, Garments, and home furnishing products such as Draperies, Bed Covers, table Linen & Pillows. The company is associated with various reputed brands like Reliance, Adidas, Puma, Reebok, Peter England etc.

b. **Profile of Key Managerial Personnel of Resolution Applicant:**

i) Mr. Satyanarayan Agarwal:

Mr. Satyanarayan Agarwal is the founder and Chairman of the SVG Group. In course of his illustrious career extending as far as 60 years, Mr. Satyanarayan Agarwal has been mentor and anchor to the SVG group. Under his guidance, the SVG Group has developed from its modest beginning as a trader and manufacturer of shirting and suiting into a manufacturer for texturized yarn, knitted & embroidered fabric and readymade garments. Mr. Satyanarayan Agarwal is respected name in the Indian textile industry and currently serves as the President of the All India Texturisers Association. He has been instrumental in recovery of several textile industries under distress.

ii) Mr. Rajkumar Agarwal:

Mr. Rajkumar Agarwal holds the position of Managing Director of the SVG Group. He has been at the helm of the company for the last 30 years. He has been involved with almost all mega initiatives of the group through its growth journey. Under his leadership the company diversified into ready-made garment manufacturing with core focus on sport apparels.



iii) Mr. Sandiip Agarwal:

Mr. Sandiip Agarwal holds the position of executive director of the SVG Group. He has completed his master's in business administration from NMIMS University, Mumbai. He has rich experience of 25 years of in the textile industry. 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 name.

**10) Brief description of business strategy:**

SVG Fashions Pvt Ltd plans to restart manufacturing and sales of polyester texturized yarn (PTY), partially oriented yarn (POY) in phased manner. The old and obsolete machinery will be immediately scrapped and only the machinery with currently relevant technology will be completely refurbished and further updated so that it can make high quality yarns. The company will be able to achieve substantial cost advantages compared to competition due to several factors like 3 stage value addition from PTA/MEG to POY to PTY within the same premises. This will lead to elimination of packing, handling, transportation, and sales costs. The company also envisages a reduced working capital requirement due to quick turnaround time. In addition to the above SVG Fashions Pvt Ltd has a very special advantage of having further down the line production facilities like weaving, knitting which will ensure in house consumption and lower sales costs along with other advantages mentioned above. The biggest advantage will be the quick feedback regarding quality from in house consumption which will help in creating a very high-quality product range which will fetch higher realization in the market.

