



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)
☎ : +91 - 22 - 4034 3434 • Fax : +91 - 22 - 4034 3400 • E-mail : mumbai@rajrayon.com • Website : www.rajrayon.com
CIN NO. : L17120DN1993PLC000368

Date: February 13, 2021

To,

| | |
|---|--|
| The Secretary BOMBAY STOCK EXCHANGE LIMITED P J Towers Dalal Street, Fort, Mumbai 400 001 | NATIONAL STOCK EXCHANGE OF INDIA LIMITED Listing Department Exchange Plaza, 5 th Floor, Bandra-kurla Complex, Bandra (East), Mumbai - 400 051. |
| Company Code No. : 530699 | Company Code : RAJRAYON |

Dear Sir,

Sub: Proceedings of the Board meeting held on February 13, 2021

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

The Board of Directors of the Company at its meeting held on **February 13, 2021** has inter- alia approved and taken on record the un-audited Financial Results of the Company for the third quarter ended December 31, 2020, copy of the same is attached at **Annexure – I**.

Please find enclosed herewith the Summarized un-audited Financial Results for the third quarter ended December 31, 2020 and the Limited Review Report on the Financial Results of the Auditors thereon, for your kind information and records. Extract of audited financial results would also be published in one English and one vernacular newspaper as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Meeting commenced at 11.00 a.m. and concluded at 6.00.p.m.

Kindly take the above information on your record and acknowledge.

Thanking you,

Yours faithfully,

For RAJ RAYON INDUSTRIES LIMITED

Kanodia SN

(SUSHIL KUMAR KANODIA)
CEO CFO



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

INDEPENDENT AUDITOR'S REVIEW REPORT ON STANDALONE UNAUDITED QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS OF THE COMPANY

TO THE IRP / RP OF RAJ RAYON INDUSTRIES LIMITED

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results (the "statements") of **Raj Rayon Industries Limited** ("the Company"), for the quarter ended 31st December 2020 and year to date from 1st April 2020 to 31st December 2020 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

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

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

Basis for Qualification Conclusions:

- 1. Due to defaults in payments of bank loans, the company's accounts have been classified as Non-Performing Assets (NPA) by the lenders under Consortium advance. The lenders have not charged interest on the company's borrowings / loan since April 2016. Therefore, no provision has been made for such Interest in the books of accounts of the company.*
- 2. The Company's account stands exited from CDR Mechanism. Pursuant to provisions of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, State Bank of India has taken over the possession of the properties which is given in the possession notice dated 31st July 2018 published in free press journal newspaper. There has been no production activity carried out since then.*
- 3. We draw attention to the note no. 7 of the attached Statement regarding the financial results of the company having been prepared on the going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company*

CHATURVEDI & PATEL

has been continuously incurring losses past many years and its net worth stands fully eroded. These conditions indicate the existence of material uncertainty that cast significant doubt about company's ability to continue as going concern.

4. *The company has obtained unsecured loans amounting to Rs. 1,000.00 Lakhs, the same is outstanding from previous years and has been shown under Long-Term Borrowings in the Balance Sheet. However, loan agreement in respect of these loans have not been furnished and in absence of the same the terms of repayment, chargeability of interest and other terms are not verifiable.*
5. *The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.*
6. *Balances under sundry debtors and sundry creditors, loans and advances given by the company and parties from whom unsecured loans have been taken are subject to confirmations and adjustments, if any. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial results of the company cannot be ascertained.*
7. *In view of pending confirmations / reconciliations from banks, lender liabilities, trade payables and any other liabilities including contingent, we are unable to comment on the impact, if any, on the financial statement arising out of such pending confirmations / reconciliations. In the absence of such pending confirmations and reconciliations, consequential impact of the same on financial results of the company cannot be ascertained.*
8. *Internal Audit Report is not available since management has not appointed Internal Auditor as required under section 138 of Companies Act, 2013.*

Qualified Opinion:

In our opinion, except for the effects of the matter described in Point No. 1 to 8 above, the financial results give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st December 2020 and its loss for the quarter ended on that date.

For Chaturvedi & Patel
Chartered Accountants
FRN: 121351W



CA Deepak Karwa
Partner
M.N: 175321
UDIN: 21175321AAAAAT2163
Place: Mumbai
Dated: 13th February 2021

RAJ RAYON INDUSTRIES LIMITED







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

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

CIN No. L17120DN1993PLC000368

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED AND NINE MONTHS ENDED: 31st DECEMBER, 2020

| | | | | | | | (Rs. in Lakhs) |
|-----------|---|--|--|--|--|--|---------------------------------------|
| Sr.No. | Particulars | Quarter ended 31-12-2020 (Unaudited) | Quarter ended 30-09-2020 (Unaudited) | Quarter ended 31-12-2019 (Unaudited) | Nine Months ended 30th Dec, 2020 (Unaudited) | Nine Months ended 30th Dec, 2019 (Unaudited) | Year ended 31-03-2020 (Audited) |
| 1 | Income | | | | | | |
| | (a) Revenue from Operations | - | - | - | - | - | - |
| | (b) Other Income | - | 1.02 | 340.26 | 1.54 | 340.61 | 340.61 |
| | Total income | - | 1.02 | 340.26 | 1.54 | 340.61 | 340.61 |
| 2 | Expenses | | | | | | |
| | (a) Cost of materials consumed | - | - | - | - | - | - |
| | (b) Purchases of stock-in-trade | - | - | - | - | - | - |
| | (c) Changes in inventories of finished goods, work-in-progress & stock in trade | - | - | - | - | - | - |
| | (e) Employee benefits expense | - | - | - | - | - | - |
| | (f) Finance Costs | - | - | - | - | - | - |
| | (g) Depreciation and amortisation expense | 887.53 | 887.75 | 901.62 | 2,662.86 | 2,708.95 | 3,610.58 |
| | (h) Other expenses | 3.99 | 4.79 | 50.88 | 10.30 | 120.65 | 121.14 |
| | Total expenses | 891.52 | 892.54 | 952.50 | 2,673.16 | 2,829.60 | 3,731.72 |
| 3 | Profit(Loss)Before exceptional and extraordinary items and tax (1-2) | (891.52) | (891.53) | (612.24) | (2,671.62) | (2,488.99) | (3,391.12) |
| 4 | Exceptional Items / Extraordinary items | - | - | - | - | - | - |
| 5 | Profit/(Loss) before tax (3-4) | (891.52) | (891.53) | (612.24) | (2,671.62) | (2,488.99) | (3,391.12) |
| 6 | Tax Expenses | | | | | | |
| | (i) Current Tax | - | - | - | - | - | - |
| | (ii) Deferred Tax | - | - | - | - | - | - |
| 7 | Profit/(Loss) for the period(5-6) | (891.52) | (891.53) | (612.24) | (2,671.62) | (2,488.99) | (3,391.12) |
| 8 | Other Comprehensive Income net of taxes | | | | | | |
| | a) Items that will not be reclassified to profit or loss | - | - | - | - | - | - |
| | b) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| 9 | Total Comprehensive Income (8+9) | (891.52) | (891.53) | (612.24) | (2,671.62) | (2,488.99) | (3,391.12) |
| 10 | Paid-up Equity Share Capital (Face Value of Rs. 10/- each) | 3,464.54 | 3,464.54 | 3,464.54 | 3,464.54 | 3,464.54 | 3,464.54 |
| 11 | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | | | | | | |
| 12 | (i) Earning Per Share | | | | | | |
| | - Basic | (0.26) | (0.26) | (0.18) | (0.77) | (0.72) | (0.98) |
| | - Diluted | (0.26) | (0.26) | (0.18) | (0.77) | (0.72) | (0.98) |

| Sr. No | Notes: | | | | | | |
|---|--|---|---|---|--|--|--|
| 1 | These un-audited financial results have been prepared by the management of the company and certified by Mr. Sushil Kumar Kanodia, Chief Executive Officer (CEO). The limited review of the quarter and nine months ended on 31st December 2020, as required under Regulation 33 of SEBI (Listing Obligation & disclosure requirements) Regulation, 2015 has been carried out by the Statutory Auditors of the Company. | | | | | | |
| 2 | The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of Order dated 23th January 2020 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Interim Resolution Professional (IRP) / Resolution Professional (RP) after commencement of CIRP. | | | | | | |
| 3 | An application was filed against Raj Rayon Industries Limited under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP), which was registered as C.P. (IB) No. 350/NCLT/AHM/2019, has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, Ahmedabad (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated 23/01/2020. Under the IBC proceedings, the power of the Board were suspended with effect from 23/01/2020. The NCLT order also provided for a moratorium with effect from 23rd January 2020 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 1(1) or passes an order for liquidation of the company under section 33, whichever is earlier. Currently, the CIRP process in respect of the company is in progress. | | | | | | |
| 4 | As the powers of the board of directors have been suspended, the above unaudited financial results have been considered and recommended by the Board of Directors alongwith the Resolution Professional. | | | | | | |
| 5 | In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets. | | | | | | |
| 6 | The Company's bank accounts have been classified as Non Performing Asset (NPA) by the lenders under consortium advance. The Lenders have not charged any interest during July 2020 - September 2020. The Company has not made any provision for Interest on Bank Borrowings and accordingly the loss & finance cost for the quarter and nine months ended 31st December, 2020 are understated and not quantifiable. | | | | | | |
| 7 | The management has prepared the Company's Financial Results on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs. 891.52 Lakhs during the quarter ended 31st December 2020 and have accumulated losses of Rs. 61,437.35 Lakhs as on 31st December 2020. As of this date, the company's total liabilities exceed its total assets and its networth has been fully eroded. The financial performance of the Company had deteriorated substantially. The Company continue to deal with a range of uncertainties and presently not able to service its debts. | | | | | | |
| 8 | The company is primarily engaged in a single business segment of Manufacturing & Marketing of Textiles Yarns. | | | | | | |
| 9 | The previous period figures have been regrouped / rearranged wherever necessary. | | | | | | |
| 10 | The World health organization announced a global health emergency because of a new strain of coronavirus (COVID-19) and classified its cutbrack as a pandemic on 11 March, 2020. On 24th March 2020, The Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended tii 3rd May 2020. This pandemic and government response are creating disruption In the global supply chain and adversely impacting most of the industries which has resulted in global shutdown. The management has made an assessment of the impact of COVID-19 on the Company's operation, financial performance and position as at quarter and half year ended 31st December 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. | | | | | | |
| 11 | The previous period figures have been regrouped / rearranged wherever necessary. | | | | | | |
| | <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; vertical-align: middle;">  <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Rajkumari Kanodia</i></p> <p>Rajkumari Kanodia Non Executive Chairperson & Director</p> <p><i>Mayadhar Mahakud</i></p> <p>Mayadhar Mahakud Managing Director</p> </td> <td style="width: 33%; text-align: center; vertical-align: middle;"> <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Abhishek Nagori</i></p> <p>Mr. Abhishek Nagori Resolution Professional</p>  </td> <td style="width: 33%; text-align: center; vertical-align: middle;"> <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Sushilkumar Kanodia</i></p> <p>Sushilkumar Kanodia CEO & CFO</p> </td> </tr> <tr> <td colspan="3" style="padding-top: 20px;"> Place: Mumbai Date: 13th February, 2021 </td> </tr> </table> |  <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Rajkumari Kanodia</i></p> <p>Rajkumari Kanodia Non Executive Chairperson & Director</p> <p><i>Mayadhar Mahakud</i></p> <p>Mayadhar Mahakud Managing Director</p> | <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Abhishek Nagori</i></p> <p>Mr. Abhishek Nagori Resolution Professional</p>  | <p>For Raj Rayon Industries Limited (under CIRP)</p> <p><i>Sushilkumar Kanodia</i></p> <p>Sushilkumar Kanodia CEO & CFO</p> | Place: Mumbai Date: 13th February, 2021 | | |
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| Place: Mumbai Date: 13th February, 2021 | | | | | | | |