

25<sup>th</sup> ANNUAL REPORT  
2017-2018

**RAJ RAYON INDUSTRIES LIMITED**  
L17120DN1993PLC000368

“Spinning the Quality of Perfection”

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



---

RAJ RAYON INDUSTRIES LIMITED

---

### Index

Sr. No	Particulars	Page Numbers
1.	Company Information	1
2.	Notice of AGM	2
3.	Directors Report	18
4.	Annexures to Directors Report	30
5.	Management Discussion Analysis	51
6.	Corporate Governance Report	54
7.	Auditors Report	68
8.	Balance Sheet	77
9.	Statement of Profit and Loss account	78
10.	Cash Flow	79
11.	Notes to accounts	80

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

Mrs. Rajkumari Kanodia  
(Non Executive Chairperson & Director)  
Mr. Prahlad Rai Jajodia  
(Independent Director- till 11-06-2018)  
Mr. Bibhuti Bhusan das  
(Nominee Director till 14-11-2017)  
Mr. Naval Babulal Kanodia  
(Whole Time Director till 12-03-2018)  
Mr. Jugal Parikh  
(Independent Director- till 04-08-2018)  
Mr. Raju Chowkidar  
(Independent Director- till 27-06-2018)  
Mr. Mayadhar Ravindar Mahakud  
(Additional Director w.e.f 28/01/2019)  
Mr. Rajendraprasad Rampratap Sharma  
(Additional Director- Independent w.e.f 28/01/2019)  
Mr. Banti Parasar  
(Additional Director- Independent w.e.f 28/01/2019)

Mr. Sushil Kumar Kanodia  
(CEO & CFO)

### Company Secretary

Ms. Deepa Gehani  
(till 19/07/2017)

### REGISTERED OFFICE:

Survey No. 177/1/3,  
Village – Surangi, Dist-Silvassa,  
Dadra and Nagar Haveli (U.T.) - 396 230  
(INDIA)  
Tel: 91- 07096038229  
Fax:-91-0260-2699185  
Website: [www.rajrayon.com](http://www.rajrayon.com)  
Email: [mumbai@rajrayon.com](mailto:mumbai@rajrayon.com)/  
[investors@rajrayon.com](mailto:investors@rajrayon.com)

### CORPORATE OFFICE:

5- C, 196 & 197, “AKSHAY”,  
Mittal Industrial Estate, Sakinaka,  
Andheri (East), Mumbai- 400 059,  
Maharashtra (INDIA)  
Tel: 91-22- 4034 3434  
Fax: 91-22- 4034 3400  
Website: [www.rajrayon.com](http://www.rajrayon.com)  
Email: [mumbai@rajrayon.com](mailto:mumbai@rajrayon.com)/  
[investors@rajrayon.com](mailto:investors@rajrayon.com)

### PLANT LOCATIONS:

(i) Survey No. 272/1/1,  
Plot No. 1, Village -Dadra,  
Dadra-Demani Road, Dist-Silvassa,  
Dadra & Nagar Haveli (U.T.) – 396 230  
(INDIA)

(ii) Survey No. 185/1/1,  
Plot No.17, Dokmandi, Village- Amli, Dist-  
Silvassa,  
Dadra & Nagar Haveli (U.T.) - 396 230  
(INDIA)

(iii) Survey Number 177/1/3,  
Village – Surangi, Dist-Silvassa,  
Dadra & Nagar Haveli (U.T.)-396 230 (INDIA)

### SHARE TRANSFER AND DEMAT REGISTRARS:

M/S LINK INTIME INDIA PRIVATE  
LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
L. B. MARG, BHANDUP (W)  
MUMBAI – 400 078  
Tel.: 022 – 25923837

### AUDITORS:

M/S. AGARWAL DESAI & SHAH  
CHARTERED ACCOUNTANTS



---

RAJ RAYON INDUSTRIES LIMITED

**NOTICE**

**Notice** is hereby given that the 25<sup>th</sup> **Annual General Meeting** of the members of **Raj Rayon Industries Limited** will be held on Sunday, February 24, 2019 at 10.00 a.m at Hotel Green Wood, Naroli Road, Opp DSB Bank Sillvassa 396230 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.

**SPECIAL BUSINESS**

2. To Appoint Auditors 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Agarwal Desai & Shah, Chartered Accountants (Firm Registration No.124850W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held for the financial year 2022-23, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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

**“RESOLVED THAT** pursuant to provisions of the Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force Mr. Mayadhar Ravindar Mahakud (DIN: 08340476), who was appointed as an Additional Director of the Company w.e.f. January 28, 2019 and holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013, be and is hereby confirmed and regularized as a Director of the Company.”

4. 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Banti Parasar (DIN 08340462),



---

## RAJ RAYON INDUSTRIES LIMITED

---

who was appointed as an Additional Director on. January 28,2019, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company upto January, 2024, not liable to retire by rotation.”

5. 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 Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajendraprasad Rampratap Sharma (DIN 08340471), who was appointed as an Additional Director on. January 28,2019, pursuant to the provisions of sub-section (1) of section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company upto January, 2024, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), M/S S. S. Sawant & Company, Practicing Cost Accountant, Membership No. A 11811 be appointed as Cost Auditor by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the year 2018-2019 and issue Cost Audit Report at a remuneration of Rs. 15,000/- (apart from service tax including applicable taxes as applicable and reimbursement of actual travel and out-of-pocket expenses)

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

By order of the Board of Directors  
Sd/-



RAJ RAYON INDUSTRIES LIMITED

**RAJKUMARI SUSHILKUMAR KANODIA**

*Chairperson*

**Place: Mumbai**

**Date: January 28, 2019**

**Registered Office:**

**SURVEY NO 177/1/3,**

**VILLAGE SURANGI**

**SILVASSA DN 396230 IN**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY(S) NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to the provisions of section 105 of the Companies, a person can act as proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than 10% (ten per) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business of the meeting is annexed as Annexure I to the Notice.
6. The Notice of the Annual General Meeting along with the Annual Report 2017-2018 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. A copy of the notice of the AGM along with the Annual Report is also available for download on the website of the Company [www.rajrayon.com](http://www.rajrayon.com). To support the 'Green Initiative' Members who have not registered



---

## RAJ RAYON INDUSTRIES LIMITED

---

their e-mail addresses are requested to register the same with the Company's registrar and transfer agents, M/s. Link Intime India Private Limited / Depositories.

7. Register of Members and the Share Transfer Books of the Company will remain closed between February 17, 2019 to February 26, 2019 (both days inclusive).
8. Pursuant to provisions of Section 124 (Section 205A of the erstwhile companies act, 1956) and section 125 and other applicable provisions, if any of the companies act, 2013, the dividend which remains unclaimed for a period of seven years, transferred by the company to the Investor Education and Protection Fund (IEPF).
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by Members at the AGM.
12. Voting through electronic means (e-voting):

The Company is pleased to offer e-Voting facility for its Members to enable them to cast their votes electronically. The procedure and instructions for the same are as follows:

Instructions for members for voting electronically are as under:

- i. The e-voting period begins on Thursday, 21<sup>st</sup> February, 2019 (9.00 a.m.) and ends on Saturday, 23<sup>rd</sup> February, 2019 (5:00 p.m.) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders / Members
- iv. 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. 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 voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:



## RAJ RAYON INDUSTRIES LIMITED

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on Notice.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in capital letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
<b>Date of Birth (DOB)</b>	Enter the Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login in.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the RAJ RAYON INDUSTRIES LIMITED No.: 190204008.
- xii. 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.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. 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.





---

## RAJ RAYON INDUSTRIES LIMITED

---

- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 18<sup>th</sup> February, 2019.
14. Ms. Riddhi Shah, Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
15. At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.



---

## RAJ RAYON INDUSTRIES LIMITED

---

17. The Result along with the Scrutinizer's Report shall be placed on the Company's website: [www.rajrayon.com](http://www.rajrayon.com) and on the website of CDSL immediately after the result is declared by the Chairman or any other person authorised by Chairman, and the same shall be communicated to the BSE.
18. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 10.30 a.m. and 1.00 p.m., up to the date of the AGM.
19. The members are requested to note:
  - i. Change of Address/ Bank Details: Members holding shares in physical form are requested to inform M/s. Link Intime India Private Limited (Company's Registrar & Transfer Agent), immediately of any change in their address and bank details. Members holding shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the members.
  - ii. Section 72 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by M/s. Link Intime India Private Limited on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.
  - iii. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.
  - iv. Members attending the Annual General Meeting are requested to bring with them the followings (as applicable):
    - a) Members holding shares in dematerialized form, their DP & Client ID Numbers.
    - b) Members holding shares in physical form their folio numbers.
    - c) Copy of the Annual Report & Notice.
    - d) The Attendance slip duly completed as per the specimen signature lodged with the Company.
    - e) Member Companies/Institutions are requested to send a copy of the resolution of their Board/ Governing Body,