



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: 12/11/2016

To, The Listing Department The National Stock Exchange India Ltd Exchange Plaza, Plot No: C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051	To, The Corporate Services Department Bombay Stock Exchange Limited 1 st Floor, New Trading Ring, Rotunda Building, P.I. Tower, Dalal Street, Mumbai-400 001
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Dear Sir,

Symbol: RAJRAYON

Series: EQ

Scrip Code: 530699

Sub: Outcome of the Board Meeting

We hereby intimate that the following businesses were transacted at the meeting of the Board of Directors of the Company held on today at 4.00 P.M. and concluded at 4.45 P.M

1. In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Board of Directors has approved and adopted Unaudited Financial Results of the Company and Limited Review Report for the Quarter and Half year ending on 30th September, 2016. Copy of the same is attached herewith.

Kindly take the above information on your records.

Thanking you,

For Raj Rayon Industries Limited

Deepa Gehani
Company Secretary & Compliance Officer



RAJ RAYON INDUSTRIES LIMITED

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

CIN No. L17120DN1993PLC000368

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED: 30TH SEPTEMBER, 2016

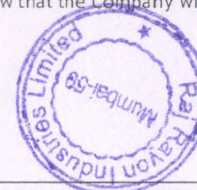
PART I		(₹ in Lacs)					
Sr. No.	Particulars	Quarter ended 30th Sep, 2016 (Unaudited)	Quarter ended 30th June, 2016 (Unaudited)	Quarter ended 30th Sep, 2015 (Unaudited)	Half Year ended 30th Sep 2016 (Unaudited)	Half Year ended 30th Sep 2015 (Unaudited)	Year ended 31st March, 2016 (Audited)
1	Income from operations						
	(a) Gross sales/income from operations	9010.92	8028.68	12572.49	17039.60	28774.79	50683.48
	(b) Other operating income	1.31	1.95	39.94	3.26	63.46	77.87
	Total income from operations (net)	9012.23	8030.63	12612.43	17042.86	28838.25	50761.35
2	Expenditure:						
	(a) Cost of materials consumed	6291.43	5009.12	9137.02	11300.55	20745.69	34996.00
	(b) Purchases of stock-in-trade	63.45	344.79	182.34	408.24	1173.34	2456.84
	(c) Changes in inventories of finished goods ,Work in Progress and Stock-in-Trade	(526.56)	677.71	1007.68	151.15	983.44	2604.85
	(d) Employee benefits expense	196.73	186.36	243.52	383.09	492.01	919.20
	(e) Depreciation and amortisation expense	1154.11	1154.10	1276.54	2308.21	2553.22	4834.69
	(f) Excise Duty on sales	926.17	786.65	1398.91	1712.82	3204.97	5584.78
	(g) Other expenses	2011.92	1497.01	2245.46	3508.93	4464.86	9124.24
	(h) Provision for doubtful trade receivables	0.00	0.00	0.00	0.00	0.00	10253.91
	Total Expenses	10117.25	9655.74	15491.47	19772.99	33617.53	70774.51
3	Profit / (Loss) from operations before other income, finance cost and exceptional Items (1-2)	(1105.02)	(1625.11)	(2879.04)	(2730.13)	(4779.28)	(20013.16)
4	Other Income	50.49	44.06	100.50	94.55	162.34	210.66
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	(1054.53)	(1581.05)	(2778.54)	(2635.58)	(4616.94)	(19802.50)
6	Finance costs	37.21	78.65	2190.83	115.86	4296.19	8863.65
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(1091.74)	(1659.70)	(4969.37)	(2751.44)	(8913.13)	(28666.15)
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	(1091.74)	(1659.70)	(4969.37)	(2751.44)	(8913.13)	(28666.15)
10	Tax Expense						
	Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	0.00	0.00	(1786.69)	0.00	(3002.14)	0.00
	Tax Adjustments for earlier years	0.00	0.05	0.00	0.05	0.00	1.64
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(1091.74)	(1659.75)	(3182.68)	(2751.49)	(5910.99)	(28667.79)
12	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11-12)	(1091.74)	(1659.75)	(3182.68)	(2751.49)	(5910.99)	(28667.79)
14	Paid-up equity share capital of ₹ 1/- each	3464.54	3464.54	3464.54	3464.54	3464.54	3464.54
15	Reserves excluding revaluation reserves						(40435.14)
16.i	Earnings Per Share (before extraordinary items) (of ₹ 1 /- each) (not annualised).						
	Basic	(0.31)	(0.48)	(0.92)	(0.79)	(1.76)	(8.40)
	Diluted	(0.31)	(0.48)	(0.92)	(0.79)	(1.76)	(8.40)
16.ii	Earnings Per Share (after extraordinary items) (of ₹ 1 /- each) (not annualised).						
	Basic	(0.31)	(0.48)	(0.92)	(0.79)	(1.76)	(8.40)
	Diluted	(0.31)	(0.48)	(0.92)	(0.79)	(1.76)	(8.40)

Statement of Assets & Liabilities		(₹ in Lacs)	
Sr. No.	Particulars	As at 30.09.2016 (Unaudited)	As at 31.03.2016 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' fund		
	(a) Share Capital	4864.54	4864.54
	(b) Reserves & Surplus	(43186.64)	(40435.14)
	Sub-total - Shareholders' funds	(38322.10)	(35570.60)
2	Non-current liabilities		
	(a) Long - term borrowings	60390.74	47340.30
	(b) Other long term liabilities	3532.34	4427.87
	(c) Long term provisions	30.29	32.38
	Sub-total - Non-current liabilities	63953.37	51800.55
3	Current liabilities		
	(a) Short term borrowings	10304.64	11830.76
	(b) Trade payables	1433.62	2541.77
	(c) Other current liabilities	2308.51	13003.50
	(d) Short term provisions	1.07	1.07
	Sub-total - Current liabilities	14047.84	27377.10
	TOTAL - EQUITY AND LIABILITIES	39679.11	43607.05
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	29729.90	32038.10
	(b) Non-current investments	10.02	10.02
	(c) Long term loans and advances	133.24	134.86
	(d) Other non-current assets	2242.89	2411.09
	Sub-total - Non-current assets	32116.05	34594.07
2	Current assets		
	(a) Inventories	4004.86	4684.79
	(b) Trade receivables	2608.08	2984.77
	(c) Cash and cash equivalents	167.15	102.75
	(d) Short-term loans and advances	613.33	1047.42
	(e) Other current assets	169.64	193.25
	Sub-total - Current assets	7563.06	9012.98
	TOTAL - ASSETS	39679.11	43607.05

Notes:

- The above unaudited financial results for the quarter ended have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12th November 2016.
- The previous year / periods figures have been regrouped / rearranged wherever necessary.
- The Company is engaged only in Textile business and there are no separate reportable segments as per Accounting Standard 17.
- The Company's bank accounts have been classified as Non Performing Asset (NPA) by the bankers under consortium advance. Banks have either not charged interest or reversed the interest charged since the date of classification. The interest pertaining to current period have been reversed and adjusted with interest cost and no provision was made in the books of accounts and accordingly loss for the quarter and year to date period ended 30th September 2016 is understated by ₹ 2146.49 lacs and 4321.88 lacs respectively. Interest reversed pertaining to year ended 31st March 2016 has been accounted / shown as "interest on bank loan payable". Further in view of the same no provision was made for Interest subsidy under TUFS.
- As per the CDR EG meeting held on 29th August 2016, the account of Raj Rayon Industries Ltd stands exited from CDR mechanism on account of failure of approved restructuring package.
- State Bank of India (Lead Banker) has written off a sum of ₹ 92.61 Crore. The Company has shown the same under the respective loan liabilities.
- In view of classification of account as Non Performing Assets (NPA) by the bankers, current maturities of long term debts are not classified separately.
- Since the Net worth of the Company is fully eroded, the Company has been registered with Board for Industrial & Financial Reconstruction (BIFR) on 15/07/2016 as Case No. 95/2016 and the same would not affect the going concern concept of the Company.
- In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets.
- The Company is incurring continuous losses, and its net worth is fully eroded. However based on the various developments the management is of the view that the Company will remain as going concern.

Place : Mumbai
Date : 12th November 2016



By order of the Board
Rajkumari Kanodia
Rajkumari Kanodia
Non Executive Chairperson & Director

CA. Kamalakant Garg B.Com., LL.B. (Gen), F.C.A., A.C.S.

CA. Pavan Kumar Bansal B.Com., F.C.A.

CA. Manoj Kumar Chotia B.Com., F.C.A.

CA. Nupur Lath B.Com., A.C.A.

k. m. garg & co.

CHARTERED ACCOUNTANTS


Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of
Raj Rayon Industries Limited

1. We have reviewed the accompanying Statement of Unaudited Financial results of **Raj Rayon Industries Limited** ("the Company") for the Quarter and six months ended 30th September 2016 and Unaudited Balance Sheet as at 30th September 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India 1, as applicable and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). A review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.
3. **Basis for Qualified Conclusions**
 - a) *Due to defaults in payments of bank loans, the Company's accounts have been classified as Non-Performing Assets (NPA) by the Bankers under Consortium. The Banks have not charged interest on the Company's borrowings / loans or reversed the interest charged during the period under review, no provision has been made for such interest in the books of accounts of the Company and to that extent bank's loan liabilities, finance cost and total loss is estimated to be understated by Rs.2146.49 Lacs for the quarter ended 30th September 2016 and by Rs. 4321.88 Lacs for the year to date period ended 30th September 2016.*
 - b) *In view of Continuous heavy losses and uncertainty of Profits, the Company has not made any provision for Deferred Tax Assets / Liability.*
 - c) *The Net worth of the Company is fully eroded. However the management has prepared the financial statements on going concern basis.*
4. Based on our review conducted as above, nothing except as stated above 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 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.

For K. M. Garg & Co.
Chartered Accountants
(FRN - 120712W)


(CA. Manoj K Chotia)
Partner
M No. 120669



Mumbai, November 12, 2016