



# 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: 30/05/2016

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 <sup>st</sup> 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 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 6.00 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 Annual audited Financial Results of the Company and Auditors Report for the Quarter and year ending on 31st March, 2016. Copy of the same is attached herewith.

Kindly take the same on your records.

Yours faithfully,  
For Raj Rayon Industries Limited

*Rajkumari Kanodia*

**Rajkumari Kanodia**  
Chairperson & Director



**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 ANNUAL AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED: 31ST MARCH, 2016

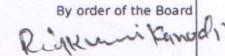
PART I		(₹ in Lacs)				
Sr. No.	Particulars	Quarter ended 31st Mar, 2016 (Audited) Refer Note No. 11	Quarter ended 31st Dec, 2015 (Unaudited)	Quarter ended 31st Mar, 2015 (Audited) Refer Note No. 11	Year ended 31st March 2016 (Audited)	Year ended 31st March 2015 (Audited)
1	Income from operations					
	(a) Net sales/income from operations (Net of excise duty)	9567.59	9961.29	9375.77	45098.70	18326.84
	(b) Other operating income	1.22	13.19	24.98	77.87	30.85
	Total income from operations (net)	9568.81	9974.48	9400.75	45176.57	18357.69
2	Expenditure:					
	(a) Cost of materials consumed	7224.58	7025.73	9715.74	34996.00	21015.47
	(b) Purchases of stock-in-trade	1217.56	65.94	(2106.54)	2456.84	(2922.43)
	(c) Changes in inventories of finished goods, Work in Progress and Stock-in-Trade	(321.81)	1943.22	(773.79)	2604.85	(4732.50)
	(d) Employee benefits expense	220.54	206.65	291.74	919.20	673.36
	(e) Depreciation and amortisation expense	1004.10	1277.37	1232.27	4834.69	4240.76
	(f) Other expenses	2606.70	2052.68	2330.43	9124.24	4580.78
	(g) Provision for doubtful trade receivables	10253.91	0.00	0.00	10253.91	0.00
	Total Expenses	22205.58	12571.59	10689.85	65189.73	22855.44
3	Profit / (Loss) from operations before other income, finance cost and exceptional items (1-2)	(12636.77)	(2597.11)	(1289.10)	(20013.16)	(4497.75)
4	Other income	20.82	27.50	95.70	210.66	822.25
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	(12615.95)	(2569.61)	(1193.40)	(19802.50)	(3675.50)
6	Finance costs	2335.40	2232.06	2024.51	8863.65	7108.72
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(14951.35)	(4801.67)	(3217.91)	(28666.15)	(10784.22)
8	Exceptional items	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	(14951.35)	(4801.67)	(3217.91)	(28666.15)	(10784.22)
10	Tax Expense					
	Current Tax	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	4489.93	(1487.79)	(940.24)	0.00	(3297.96)
	Tax Adjustments for earlier years	1.64	0.00	0.12	1.64	0.12
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(19442.92)	(3313.88)	(2277.79)	(28667.79)	(7486.38)
12	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11-12)	(19442.92)	(3313.88)	(2277.79)	(28667.79)	(7486.38)
14	Paid-up equity share capital of ₹ 1/- each	3464.54	3464.54	2664.54	3464.54	2664.54
15	Reserves excluding revaluation reserves				(40435.14)	(5056.89)
16.i	Earnings Per Share (before extraordinary items) (of ₹ 1/- each) (not annualised).					
	Basic	(5.61)	(0.96)	(0.85)	(8.40)	(2.81)
	Diluted	(5.61)	(0.96)	(0.85)	(8.40)	(2.81)
16.ii	Earnings Per Share (after extraordinary items) (of ₹ 1/- each) (not annualised).					
	Basic	(5.61)	(0.96)	(0.85)	(8.40)	(2.81)
	Diluted	(5.61)	(0.96)	(0.85)	(8.40)	(2.81)

Statement of Assets & Liabilities		(₹ in Lacs)	
Sr. No.	Particulars	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' fund		
	(a) Share Capital	4864.54	4064.54
	(b) Reserves & Surplus	(40435.14)	(5056.89)
	Sub-total - Shareholders' funds	(35570.60)	(992.35)
2	Non-current liabilities		
	(a) Long - term borrowings	47340.30	53360.10
	(b) Other long term liabilities	32.00	32.00
	(c) Long term provisions	32.38	24.98
	Sub-total - Non-current liabilities	47404.68	53417.08
3	Current liabilities		
	(a) Short term borrowings	11830.76	10281.46
	(b) Trade payables	2541.77	2910.32
	(c) Other current liabilities	17399.37	6738.57
	(d) Short term provisions	1.07	0.96
	Sub-total - Current liabilities	31772.97	19931.31
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>43607.05</b>	<b>72356.04</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	(a) Fixed assets	32038.10	36864.12
	(b) Non-current investments	10.02	10.02
	(c) Deferred tax assets (net)	0.00	6259.50
	(d) Long term loans and advances	134.86	164.40
	(e) Other non-current assets	2411.09	2345.21
	Sub-total - Non-current assets	34594.07	45643.25
2	Current assets		
	(a) Inventories	4684.79	8124.52
	(b) Trade receivables	2984.77	14358.05
	(c) Cash and cash equivalents	102.75	2336.89
	(d) Short-term loans and advances	1047.42	1457.40
	(e) Other current assets	193.25	435.93
	Sub-total - Current assets	9012.98	26712.79
	<b>TOTAL - ASSETS</b>	<b>43607.05</b>	<b>72356.04</b>

**Notes:**

- The above audited financial results for the year ended have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th May 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 Borrowers and the CDR Lenders executed a MRA. The MRA as well as the provision of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the Company is Contingent on various factors including improved performance of the Company and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as Contingent Liability. The aggregate present value of the outstanding sacrifice made / to be made by CDR lenders as per the MRA is approximately Rs. 37.06 Crore for the Company. The Auditor has given the emphasis on the said matter.
- Due to Continuous losses, compliance of the sanctioned CDR package could not be met, CDR Lenders have invoked the "Strategic Debt Restructuring" ("SDR") in the Company pursuant to the RBI Circular dated 08th June 2015 for which "Reference Date" was 26/10/2015 and proposed to convert debt of Rs. 36.06 Crore into equity shares to be held by the CDR Lenders so as to hold 51% in the equity capital post conversion. The Shareholders of the Company had approved the SDR Scheme in Extra Ordinary General (EGM) held on 17th January 2016 for conversion of debt into equity shares of the Company. However Joint Lenders Forum (JLF) has decided not to convert debt into equity and accordingly the targeted conversion of debt into equity shares could not take place within 210 days.
- The Company has made the Application u/s. 15(1) of SICA Act, and is in the process of due compliance to the requirements of the concerned authorities.
- In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets for the year ended 31st March 2016 and Deferred Tax Assets (Net) of earlier year amounting to Rs. 6259.50 Lacs have been reversed and charged to "Reserve & Surplus"
- State Bank of India (Lead Banker) has classified the Advances given to the Company as Non Performing Asset (NPA) as on 30/03/2016.
- In view of the Company's incurring continuous losses, the net worth of the Company is fully eroded. Based on the various developments not restricted to approval of SDR by lenders, the management is of the view that the Company will remain as going concern.
- Figures for the quarter ended 31st March 2016 and 31st March 2015 are balancing figures between audited figures for the full financial year and published year to date figure of the third quarter of the relevant financial year.

 Place : Mumbai  
 Date : 30th May 2016

 By order of the Board  
  
 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 Garg B.Com., A.C.A.

**k. m. garg & co.**  
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

To  
The Board of Directors of  
Raj Rayon Industries Limited

1. We have audited the accompanying Statement of Financial results of Raj Rayon Industries Limited ("the Company") for the year ended 31<sup>st</sup> March 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. This statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Act as applicable and other accounting principles generally accepted in India. Our Responsibility is to express an opinion on the Statement.
2. We conducted our audit of the statement in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the Statement. The procedures selected depend upon the auditor's judgement, including the risk of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the statement in order to design audit procedure that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Statement.

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

3. We draw attention to the following matter in the notes to the Financial Statements for which our opinion is not qualified:
  - a) Contingency related to Compensation payable in lieu of bank sacrifice, the outcome of which is materially uncertain and cannot be determined currently.
  - b) In view of Continuous heavy losses and uncertainty of Profits, the Deferred Tax Assets amounting to Rs. 6259.50 Lacs has been reversed



- and adjusted with Balance in Statement of Profit & Loss under "Reserve & Surplus".
- c) In view of Continuous heavy losses and uncertainty of Profits, the MAT Credit Entitlement amounting to Rs. 450.96 Lacs has been reversed and adjusted with Balance in Statement of Profit & Loss under "Reserve & Surplus".
- d) In the absence of Confirmation and recovery from the Trade Receivables, the Company has made Provision for Doubtful Debts amounting to Rs. 10253.91 Lacs and charged the same to Statement of Profit & Loss under "Other Expenses - Administrative Expenses".
- e) The Net worth of the Company is fully eroded. However the management has prepared the financial statements on going concern basis.
4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements :
- i) Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015; and
- ii) Gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information of the company for the year ended 31.03.2016.
5. The statement includes the results for the quarter ended 31<sup>st</sup> March 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current financial year which were subject to limited review by us.

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



(CA. Kamalakant Garg)  
Partner  
M No. 033940

Mumbai, May 30, 2016





# 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

30/05/2016

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<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.I. Tower,  
Dalal Street, Mumbai-400 001

Dear Sir,

Symbol: RAJRAYON

Series: EQ

Scrip Code: 530699

## Declaration related to audit report of the company for the F.Y. ended 2015-16

Declaration in terms of para 4.1 of pursuant to SEBI of SEBI circular no. CIR/CFD/CMD/56/2016 , dated 27<sup>th</sup> May 2016 we hereby declare that auditors has given an unmodified audit report for the audited financial results of the company for the quarter & financial year ended 31<sup>st</sup> March, 2016

Yours faithfully  
Raj Rayon Industries Limited

*Rajkumari Kanodia*  
Rajkumari Kanodia  
Chairperson & Director



**FORM A**

Pursuant to Regulation 33 (3) (d) of the Listing Obligation & Disclosures Requirements,  
2015

1.	Name of the Company	Raj Rayon Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2016
3.	Type of Audit observation	<p>a) Contingency related to Compensation payable in lieu of bank sacrifice, the outcome of which is materially uncertain and cannot be determined currently.</p> <p>b) In view of Continuous heavy losses and uncertainty of Profits, the Deferred Tax Assets amounting to Rs. 6259.50 Lacs has been reversed and adjusted with Balance in Statement of Profit &amp; Loss under "Reserve &amp; Surplus".</p> <p>c) In view of Continuous heavy losses and uncertainty of Profits, the MAT Credit Entitlement amounting to Rs. 450.96 Lacs has been reversed and adjusted with Balance in Statement of Profit &amp; Loss under "Reserve &amp; Surplus".</p> <p>d) In the absence of Confirmation and recovery from the Trade Receivables, the Company has made Provision for Doubtful Trade Receivables amounting to Rs. 10253.91 Lacs and charged the same to Statement of Profit &amp; Loss under "Other Expenses - Administrative Expenses".</p> <p>e) The Net worth of the Company is fully eroded. However the management has prepared the financial statements on going concern basis. Auditors opinion are not qualified for the above matters.</p>
4.	Frequency of observation	Point number a) Third time
5.	<p>For K.M. Garg &amp; Co.</p> <p>Chartered Accountants</p> <p>(Firm Regn. No: 120712W)</p>	<p>or Raj Rayon Industries Limited</p>

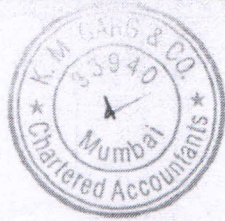


CA K K Garg

Partner

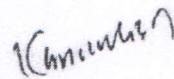
Membership No: 033940

Mumbai, 30<sup>th</sup> May, 2016



Rajkumari Kanodia

Non Executive Chairperson & Director



Sushil Kanodia

Chief Executive Officer



Mr Suresh Gupta

Chairman of Audit Committee