



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: 10/02/2017

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 5.45 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 Nine month ended on 31st December, 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



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED: 31ST DECEMBER, 2016

PART I		(₹ in Lacs)					
Sr. No.	Particulars	Quarter ended 31st Dec, 2016 (Unaudited)	Quarter ended 30th Sep, 2016 (Unaudited)	Quarter ended 31st Dec, 2015 (Unaudited)	Nine Months ended 31st Dec, 2016 (Unaudited)	Nine months ended 31st Dec, 2015 (Unaudited)	Year ended 31st March, 2016 (Audited)
1	Income from operations						
	(a) Gross sales/income from operations	7613.50	9010.92	11217.89	24653.10	39992.68	50683.48
	(b) Other operating income	3.89	1.31	13.19	7.15	76.65	77.87
	Total income from operations (net)	7617.39	9012.23	11231.08	24660.25	40069.33	50761.35
2	Expenditure:						
	(a) Cost of materials consumed	4704.64	6291.43	7025.73	16005.19	27771.42	34996.00
	(b) Purchases of stock-in-trade	11.91	63.45	65.94	420.15	1239.28	2456.84
	(c) Changes in inventories of finished goods, Work in Progress and Stock-in-Trade	1241.03	(526.56)	1943.22	1392.18	2926.66	2604.85
	(d) Employee benefits expense	169.50	196.73	206.65	552.59	698.66	919.20
	(e) Depreciation and amortisation expense	1153.32	1154.11	1277.37	3461.53	3830.59	4834.69
	(f) Excise Duty on sales	742.84	926.17	1256.60	2455.66	4461.57	5584.78
	(g) Other expenses	1587.76	2011.92	2052.68	5096.69	6517.54	9124.24
	(h) Provision for doubtful trade receivables	0.00	0.00	0.00	0.00	0.00	10253.91
	Total Expenses	9611.00	10117.25	13828.19	29383.99	47445.72	70774.51
3	Profit / (Loss) from operations before other income, finance cost and exceptional Items (1-2)	(1993.61)	(1105.02)	(2597.11)	(4723.74)	(7376.39)	(20013.16)
4	Other Income	61.78	50.49	27.50	156.33	189.84	210.66
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	(1931.83)	(1054.53)	(2569.61)	(4567.41)	(7186.55)	(19802.50)
6	Finance costs	38.74	37.21	2232.06	154.60	6528.25	8863.65
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(1970.57)	(1091.74)	(4801.67)	(4722.01)	(13714.80)	(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)	(1970.57)	(1091.74)	(4801.67)	(4722.01)	(13714.80)	(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	(1487.79)	0.00	(4489.93)	0.00
	Tax Adjustments for earlier years	0.27	0.00	0.00	0.31	0.00	1.64
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(1970.84)	(1091.74)	(3313.88)	(4722.32)	(9224.87)	(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)	(1970.84)	(1091.74)	(3313.88)	(4722.32)	(9224.87)	(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	(0.57)	(0.31)	(0.96)	(1.36)	(2.72)	(8.40)
	Diluted	(0.57)	(0.31)	(0.96)	(1.36)	(2.72)	(8.40)
16.ii	Earnings Per Share (after extraordinary items) (of ₹ 1 /- each) (not annualised).						
	Basic	(0.57)	(0.31)	(0.96)	(1.36)	(2.72)	(8.40)
	Diluted	(0.57)	(0.31)	(0.96)	(1.36)	(2.72)	(8.40)

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 10th February 2017.
- 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. The Lenders have either not charged any interest or reversed the interest charged (except South Indian Bank who charged for April 16) during April - December 2016. The Company have not made any provision for Interest on Bank Borrowings and accordingly the Loss & finance cost for the quarter and year to date period ended 31st December 2016 is understated approximately by ₹ 2206.62 lacs and ₹ 6486.46 Lacs respectively. Further in view of the same no provision was made for Interest subsidy under TUFs.
- State Bank of India (Lead Banker) has written off a sum of ₹ 92.61 Crore and State Bank of Bikaner & Jaipur (SBBJ) has written off a sum of ₹ 25.28 Crore. The Company has shown the same under the respective loan liabilities.
- The Company's case registered with Board for Industrial & Financial Reconstruction (BIFR) as case no. 95/2016 stands abated. As Sick Industrial Companies (Special Provisions) Act 1985 has been repealed w.e.f. 01/12/2016 and BIFR/ AIFR stands dissolved.
- 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 the management is of the view that the Company will remain as going concern.
- The Company's plant remained shut down during December 2016 for part of the month and resumed commercial production in the month January 2017.

Place : Mumbai
 Date : 10th February, 2017



By order of the Board

Naval Babulal Kanodia
 Whole-time Director

**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
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 nine months ended 31st December 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, 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 (except South Indian Bank which have charged interest for April 16) have not charged interest on the Company's borrowings / loans or reversed the interest charged, no provision has been made for such interest in the books of accounts of the Company and to that extent finance cost and total loss is estimated to be understated by Rs.2206.62 Lacs for the quarter ended 31st December 2016 and by Rs. 6486.46 Lacs for the year to date period ended 31st December 2016.*

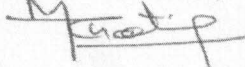


CA. Kamalakant Garg B.Com., LL.B. (Gen), F.C.A., A.C.S.
CA. Pavan Kumar Bansal B.Com., F.C.A.
CA. Manoj Kumar Chotia B.Com., F.C.A.
CA. Nupur Lath B.Com., A.C.A.

k. m. garg & co.
CHARTERED ACCOUNTANTS

- 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
(ERN - 120712W)



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



Mumbai, February 10, 2017