



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: 30/05/2017

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
1st Floor, New Trading Ring,
Rotunda Building, P.I. Tower,
Dalal Street, Mumbai-400 001

Dear Sir,

Symbol: RAJRAYON **Series: EQ** **Scrip Code: 530699**

Sub: Outcome of the Board Meeting

Pursuant to the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we wish to inform you that the Board of Directors at their Meeting held today has transacted the following businesses:

1. Approved Audited Financial Results for the quarter and Financial Year ended March 31st 2017.
2. Re-appointment of Mr. Naval Babulal Kanodia as Whole-time Director of the Company with effect from June 1, 2017 for a further period of five years on the expiry of his current term of office, subject to the approval of the Shareholders at the ensuing Annual General Meeting.

Further we hereby enclose the following:

1. Audited Financial Results for the Quarter and Financial Year ended March 31, 2017.
2. Auditors Report on the Audited Financial Results for the Quarter and Financial Year ended March 31, 2017.
3. Statement on Impact of Audit Qualifications for Audit Report with Modified Opinion for the Financial Year ended March 31, 2017, as per the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulation, 2016.

The Meeting commenced at 4.00 p.m. and concluded at 8.15 p.m.
Kindly take the above information on your records.

Thanking you,

For Raj Rayon Industries Limited

Rajkumari Kanodia

Rajkumari Kanodia
Chairman & Non-executive Director



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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED: 31ST MARCH, 2017

PART I

Sr. No.	Particulars	(₹ in Lacs)				
		Quarter ended Mar, 2017 (Audited)	Quarter ended 31st Dec, 2016 (Unaudited)	Quarter ended 31st Mar, 2016 (Audited)	Year ended 31st March, 2017 (Audited)	Year ended 31st March, 2016 (Audited)
1	Income from operations (a) Gross sales/income from operations (b) Other operating income Total income from operations (net)	5819.80 3.91 5823.71	7613.50 3.89 7617.39	10690.80 1.22 10692.02	30472.90 11.06 30483.96	50683.48 77.87 50761.35
2	Expenditure: (a) Cost of materials consumed (b) Purchases of stock-in-trade (c) Changes in inventories of finished goods, Work in Progress and Stock-in-Trade (d) Employee benefits expense (e) Depreciation and amortisation expense (f) Excise Duty on sales (g) Other expenses (h) Provision for doubtful trade / advance receivables Total Expenses	3802.91 38.54 331.59 187.22 1152.75 598.57 1411.50 216.55 7739.63	4704.64 11.91 1241.03 169.50 1153.32 742.84 1587.76 0.00 9611.00	7224.58 1217.56 (321.81) 220.54 1010.53 1123.21 2600.27 10253.91 23328.79	19808.10 458.69 1723.77 739.81 4768.59 3054.23 6353.88 216.55 37123.62	34996.00 2456.84 2604.85 919.20 4860.41 5584.78 9098.52 10253.91 70774.51
3	Profit / (Loss) from operations before other income, finance cost and exceptional items (1-2)	(1915.92)	(1993.61)	(12636.77)	(6639.66)	(20013.16)
4	Other income	24.38	61.78	20.82	180.71	210.66
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	(1891.54)	(1931.83)	(12615.95)	(6458.95)	(19802.50)
6	Finance costs	14.80	38.74	2335.40	169.40	8863.65
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(1906.34)	(1970.57)	(14951.35)	(6628.35)	(28666.15)
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	(1906.34)	(1970.57)	(14951.35)	(6628.35)	(28666.15)
10	Tax Expense					
	Current Tax	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	0.00	0.00	4489.93	0.00	0.00
	Tax Adjustments for earlier years	0.16	0.27	1.64	0.47	1.64
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(1906.50)	(1970.84)	(19442.92)	(6628.82)	(28667.79)
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)	(1906.50)	(1970.84)	(19442.92)	(6628.82)	(28667.79)
14	Paid-up equity share capital of ₹ 1/- each	3464.54	3464.54	3464.54	3464.54	3464.54
15	Reserves excluding revaluation reserves				(47063.96)	(40435.14)
16.i	Earnings Per Share (before extraordinary items) (of ₹ 1/- each) (not annualised). Basic Diluted	(0.55) (0.55)	(0.57) (0.57)	(5.61) (5.61)	(1.91) (1.91)	(8.40) (8.40)
16.ii	Earnings Per Share (after extraordinary items) (of ₹ 1/- each) (not annualised). Basic Diluted	(0.55) (0.55)	(0.57) (0.57)	(5.61) (5.61)	(1.91) (1.91)	(8.40) (8.40)

Statement of Assets & Liabilities

(₹ in Lacs)

Sr. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' fund		
	(a) Share Capital	4864.54	4864.54
	(b) Reserves & Surplus	(47063.96)	(40435.14)
	Sub-total - Shareholders' funds	(42199.42)	(35570.60)
2	Non-current liabilities		
	(a) Long - term borrowings	37451.54	47340.30
	(b) Other long term liabilities	0.00	32.00
	(c) Long term provisions	26.97	32.38
	Sub-total - Non-current liabilities	37478.51	47404.68
3	Current liabilities		
	(a) Short term borrowings	10181.57	11830.76
	(b) Trade payables	600.56	2541.77
	(c) Other current liabilities	28121.67	17399.37
	(d) Short term provisions	0.73	1.07
	Sub-total - Current liabilities	38904.53	31772.97
	TOTAL - EQUITY AND LIABILITIES	34183.62	43607.05
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	27422.67	32038.10
	(b) Non-current investments	10.02	10.02
	(c) Long term loans and advances	15.45	134.86
	(d) Other non-current assets	1805.56	2411.09
	Sub-total - Non-current assets	29253.70	34594.07
2	Current assets		
	(a) Inventories	1814.31	4684.79
	(b) Trade receivables	2096.35	2984.77
	(c) Cash and cash equivalents	317.32	102.75
	(d) Short-term loans and advances	460.32	1047.42
	(e) Other current assets	241.62	193.25
	Sub-total - Current assets	4929.92	9012.98
	TOTAL - ASSETS	34183.62	43607.05

Notes:

1. The above Audited 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 30th May, 2017.
2. The previous year / periods figures have been regrouped / rearranged wherever necessary.
3. The Company is engaged only in Textile business and there are no separate reportable segments as per Accounting Standard 17.
4. 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 2016) during April 2016 - March 2017. 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 ₹ 3015.43 lacs and ₹ 9501.89 Lacs respectively. Further in view of the same no provision was made for interest subsidy under TUFs.
5. The Company has defaulted in payments of instalments and interest on Term Loan, Working Capital Term Loan, Funded Interest Term Loan and Working Capital Facilities under consortium advances
6. 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.
7. The Company's loan account with South Indian Bank has been acquired by Phoenix ARC Private Limited.
8. The Company's account stands exited from CDR Mechanism. However, in view of classification of Company's account as Non-Performing Asset (NPA), contingency related to compensation payable in lieu of bank sacrifice cannot be determined currently.
9. 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.
10. In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets.
11. 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.
12. The Company's Continuous Polymerisation (CP) and Direct Polymer Melt (DPM) Plants are shut down since beginning of March 2017 and yet to resume the production. The Company's other Plants are running partially.
13. Figures for the quarter ended 31st March 2017 and 31st March 2016 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, 2017



By order of the Board

Rajkumari Kanodia

Non Executive Chairperson & Director

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 31st March 2017 ("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 Companies Act, 2013 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. 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 has charged Interest for April 2016) have not charged interest on the company's borrowings / loans or reversed the interest charged. Therefore, 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. 3,015.43 Lakhs for the quarter ended 31st March 2017 and by Rs. 9,501.89 Lakhs for the year to date period ended 31st March 2017.
 - b) The Company's account stands exited from CDR Mechanism. However, in view of classification of Company's account as Non-Performing Asset (NPA), contingency related to compensation payable in lieu of bank sacrifice cannot be determined currently.
 - c) The Net worth of the Company is fully eroded. However the management has prepared the financial statements on going concern basis.
4. Emphasis of Matters
 - a) Term Loan, Working Capital Term Loan (WCTL), Funded Interest Term Loan and Working Capital loans availed by the Company from various banks under consortium advance including the loans of South Indian Bank taken over by Asset Reconstruction Company remained unpaid and overdue.



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 our opinion the securities provided to Banks are not adequate to cover the amounts outstanding them as on the date of Balance Sheet.
5. 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 31st March 2017.
6. The statement includes the results for the quarter ended 31st March 2017 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. K. K. Garg)
Partner
M No. 033940




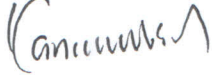

Mumbai, May 30, 2017

Statement on Impact of Audit Qualifications

(For audit report with modified opinion)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
				(Rs. In Lacs)
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	30664.67	30664.67
	2.	Total Expenditure	37293.02	46794.91
	3.	Net Profit/(Loss)	(6628.82)	(16130.72)
	4.	Earnings Per Share	(1.91)	(4.66)
	5.	Total Assets	34183.62	34183.62
	6.	Total Liabilities	34183.62	34183.62
	7.	Net Worth	(42199.42)	(51701.31)
	8.	Any other financial item(s) (as felt appropriate by the management)
II. Audit Qualification (each audit qualification separately):				
A. Details of Audit Qualification:			<ol style="list-style-type: none"> 1. 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 has charged Interest for April 2016) have not charged interest on the company's borrowings / loans or reversed the interest charged. Therefore, 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. 3,015.43 Lakhs for the quarter ended 31st March 2017 and by Rs. 9,501.89 Lakhs for the year to date period ended 31st March 2017. 2. The Company's account stands exited from CDR Mechanism. However, in view of classification of Company's account as Non-Performing Asset (NPA), contingency related to compensation 	

		<p>payable in lieu of bank sacrifice cannot be determined currently.</p> <p>3. The Net worth of the Company is fully eroded. However the management has prepared the financial statements on going concern basis.</p>
4.	Type of Audit Qualification :	Qualified Opinion
5.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Second and Third point appeared for the second time.
6.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Due to heavy & continuous loses, the company has defaulted in payments of installments & interest hence , the company's accounts have been classified as Non- Performing Assets (NPA) and thereafter the bank have not charged interest on the company's borrowings / loans or reversed the interest charged. Therefore, no provision has been made for such Interest in the books of accounts of the company and same will accounted as and when paid.
7.	For Audit Qualification(s) where the impact is not quantified by the auditor:	As contingency related to compensation payable in lieu of bank sacrifice cannot be determined currently
1.	Management's estimation on the impact of audit qualification:	Due to heavy loses and classification as Non-Performing Assets (NPA) by lenders, presently it is unascertainable.
2.	If management is unable to estimate the impact, reasons for the same:	Due to heavy loses and classification as Non-Performing Assets (NPA) by lenders, presently it is unascertainable.
3.	Auditors' Comments on (i) or (ii) above:

III.	Signatories:	
Rajkumari Kanodia Non Executive Chairperson & Director		
Sushil Kumar Kanodia Chief Financial Officer & Chief Executive Director		
CA K K Garg Partner Membership No: 033940		
Prahlad Rai Jajodia (Chairman of Audit Committee Meeting)	