



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: 14/09/2017

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

We hereby intimate that the following businesses were transacted at the meeting of the Board of Directors of the Company held on today at 5.30 P.M. and concluded at 8.15 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 ended on 30th June, 2017. Copy of the same is attached herewith.

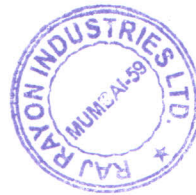
Kindly take the above information on your records.

Thanking you,

For Raj Rayon Industries Limited

Rajkumari Kanodia

Rajkumari Kanodia
Chairperson & 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 UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED: 30TH JUNE, 2017

PART I		(₹ in Lacs)	
Sr. No.	Particulars	Quarter ended 30th June, 2017 (Unaudited)	Quarter ended 30th June, 2016 (Unaudited)
1	Revenue from operations	1774.51	7243.98
2	Other Income	6.03	44.06
3	Total Revenue	1780.54	7288.04
4	Expenditure:		
	(a) Cost of materials consumed	1410.83	5009.12
	(b) Purchases of stock-in-trade	0.00	344.79
	(c) Changes in inventories of finished goods, Work in Progress and Stock-in-Trade	199.50	677.71
	(d) Employee benefits expense	76.59	189.31
	(e) Finance Costs	2.99	78.65
	(f) Depreciation and amortisation expense	925.16	1154.10
	(g) Other expenses	609.68	1497.01
	Total Expenses	3224.75	8950.69
5	Profit before Exceptional and extra ordinary Items (3-4)	(1444.21)	(1662.65)
6	Exceptional Items		
	(a) Loss on sale of non Moving Inventories	0.00	0.00
	(b) Other Exceptional Items	0.00	0.00
7	Profit before Extraordinary Item and tax (5-6)	(1444.21)	(1662.65)
8	Extraordinary Items	0.00	0.00
9	Profit before Tax (7-8)	(1444.21)	(1662.65)
10	Tax Expense		
	(a) Current Tax	0.00	0.00
	(b) Deferred Tax	0.00	0.00
	(c) (Excess)/Short Provision for earlier years	0.00	0.05
11	Profit / (Loss) for the period from continuing operations (9-10)	(1444.21)	(1662.70)
12	Profit/ (Loss) from discounting operations	0.00	0.00
13	Tax Expense of discounting operations	0.00	0.00
14	Profit/ (Loss) from discounting operations (after tax) (12-13)	0.00	0.00
15	Profit / (Loss) for the period (11+14)	(1444.21)	(1662.70)
16	Other Comprehensive Income / (Loss)	8.38	(1.13)
17	Total Comprehensive Income for the period	(1435.83)	(1663.83)
18	Paid-up equity share capital of ₹ 1/- each	3464.54	3464.54
19	Earnings Per Equity Share:		
	Basic	(0.42)	(0.48)
	Diluted	(0.42)	(0.48)

Notes:

1. The above Unaudited financial results for the quarter ended 30th June 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14th September, 2017.

2. The company has adopted Indian Accounting Standards (Ind AS) prescribed u/s 133 of The Companies Act, 2013, read with the relevant rules issued thereunder w.e.f 1st April 2017. The date of transition to Ind AS is April 01, 2016 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly.

3. The reconciliation of Net Profit as previously reported (referred to as Previous GAAP) and Ind AS is as under:

Particulars	₹ in lacs (3 months ended 30.06.2016)
Net profit under previous GAAP	(1,659.75)
Impact of deferred tax (Refer note no 9)	-
Impact of employee benefits (Ind AS 19)	4.08
Net profit for the period under Ind AS	(1,663.83)

4. There is a possibility that these quarterly Financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2018 due to change in financial reporting requirements arising from new or revised standards or interpretation issued by MCA or change in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

5. The format for unaudited quarterly results as prescribed in SEBI's circular CIR/CFD/FAC/62/2016 dated July 5, 2016 applicable to all companies that are required to comply with Ind AS.

6. The Company's bank accounts have been classified as Non Performing Asset (NPA) by the lenders under consortium advance. The Lenders have not charged any interest during April 2017 - June 2017. The Company has not made any provision for Interest on Bank Borrowings and accordingly the Loss & finance cost for the quarter ended 30th June 2017 is understated approximately by ₹ 2,588.86 lacs. Further in view of the same no provision was made for Interest subsidy under TUFs.

7. 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.

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. In view of the heavy Losses & uncertainty of profits, no provision was made for Deferred Tax Assets.

10. 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.

11. 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 at very low capacity utilisation and accordingly depreciation as per companies act 2013 is charged on single shift basis.

12. The Limited review of unaudited financial results for the quarter ended 30 June 2017 as required in terms of Clause 33 of the SEBI (Listing Obligation and Disclosure Requirements) regulations has been carried out by statutory auditors. The Ind AS compliant corresponding figures for the quarter ended 30 June 2016 have not been subjected to Limited review. However, the company's management has exercised necessary due diligence to ensure that such financial results provide a true & fair view of its affairs.

13. State Bank of India (lead banker) acting as a leader of Consortium lenders has taken symbolic possession of the assets/ properties of the company i.e. entire current assets, hypothecated movable Plant & Machinery and immovable properties (Land & Building) located at Mumbai, Surangi, Amli and Dadra & Nagar Haveli as prescribed u/s 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

14. The company is primarily engaged in a single business segment of Manufacturing & Marketing of Textiles Yarns.

15. The previous period figures have been regrouped / rearranged wherever necessary.

16. The Company is in the process of transferring the unclaimed dividend in respect of financial year ended 31st March 2010, to Investor Education & Protection Fund (IEPF).

Place : Mumbai

Date : 14th September 2017



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

INDEPENDENT AUDITORS' REPORT

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 ended 30th June 2017 together with the notes thereon ("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 is the responsibility of the Company's management and has been approved by the Board of Directors. This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of The Companies Act, 2013 and other accounting principles generally accepted in India. Our Responsibility is to issue a report on these financial statement based on our review.
2. We conducted our review in accordance with the Standards on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material misstatement.

A review is limited primarily to the inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention except as otherwise stated 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 as not disclosed in the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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 lenders under Consortium Advance. The lenders have not charged interest on the company's borrowings / loans. 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. 2,588.86 Lakhs for the quarter ended 30th June 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. The appropriateness of the 'Going Concern' concept based on which the accounts have been prepared is inter alia dependent on the Company's ability to infuse requisite funds for meeting its obligations to lenders / rescheduling of debt and resuming normal operations.



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

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.
- 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. We draw attention to the following matters -

- a) Note 2 to the statement which states that the company has adopted Ind AS for the financial year commencing from 1st April 2017, and accordingly, the statement has been prepared by the company's management in compliance with Ind AS.
- b) We are neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the total comprehensive income for the quarter ended on 30th June 2016 and accordingly we do not express any conclusion on the result in the statement for the quarter ended 30th June 2016. As set out in Note 12 to the statement, these figures have been furnished by the management.

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

(**CA. K. K. Garg**)
Partner
M No. 033940



Mumbai, September 14th, 2017