

**RAJ RAYON INDUSTRIES LIMITED (Formerly known as Raj Rayon Limited)**  
 Regd. Office: Survey No. 177/1/3, Village – Surangi, Dist –Silvassa, Dadra & Nagar Haveli (UT) – 396 230  
 CIN No. L1720DN1993PLC000368

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED: 31ST MARCH, 2014


PART I		Year ended 31st March 2014 (Audited)				Year ended 31st March 2013 (Audited)	
Sr. No.	Particulars	Quarter ended 31st Mar, 2014	Quarter ended 31st Dec, 2013	Quarter ended 31st Mar, 2013	Year ended 31st March 2014 (Audited)	Year ended 31st March 2013 (Audited)	
1	Income from operations (a) Net sales/income from operations (Net of excise duty) (b) Other operating income	4006.15 48.56	8757.42 83.15	24982.10 87.05	46695.98 314.58	70861.93 473.68	
2	Total income from operations (net) 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) Other expenses (g) Expenditure (other than interest) transferred to capital work in progress	4054.71	8840.57	25069.15	47010.56	71335.61	
3	Total Expenses Profit / (Loss) from operations before other income, finance cost and exceptional items (1-2)	2033.92 6.08	5877.49 153.99	6521.27 18230.79	24961.03 9932.52	26831.20 35190.29	
4	Other Income	1492.60	2102.31	(2011.83)	9954.98	(2415.03)	
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	216.90	203.74	221.73	826.83	817.89	
6	Finance costs	299.59	1119.01	615.96	3161.11	2555.65	
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	1022.92	1962.71	1746.55	7750.02	5792.23	
8	Exceptional Items	0.00	0.00	(988.46)	(1423.48)	(988.46)	
9	Profit / (Loss) from ordinary activities before tax (7+8)	5072.00	11419.25	24336.01	55163.02	67783.77	
10	Tax Expense Current Tax MAT Credit Entitlement Deferred Tax	(1017.29) 86.85	(2578.68) 52.52	733.15 302.42	(8152.45) 266.17	3551.84 425.90	
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(930.44)	(2526.16)	1035.57	(7886.28)	3977.74	
12	Extraordinary Items (net of tax expense)	1154.06	1463.25	1019.64	4874.03	3386.23	
13	Net Profit / (Loss) for the period (11-12)	(2084.50)	(3989.41)	15.93	(12760.31)	591.51	
14	Paid-up equity share capital of ₹ 1/- each	(2084.50)	(3989.41)	0.00	0.00	0.00	
15	Reserves excluding revaluation reserves	0.00	0.00	0.00	0.00	0.00	
16	Earnings Per Share (EPS) Basic Diluted	(0.59) (0.59)	(1.01) (1.01)	0.00 0.00	(3.29) (3.29)	0.14 0.14	
PART II		3 months ended 31/03/2014					
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding	165718070	165718070	165718070	165718070	165718070	
2	Number of Shares	62.19	62.19	62.19	62.19	62.19	
a)	Percentage of Shareholding Promoter and Promoter Group Shareholding	47400000	47400000	47400000	47400000	47400000	
b)	Number of Shares Percentage of Shares (as a % of the total shareholding of promoter and promoter group) Percentage of shares (as a % of the total share capital of the company) Non encumbered Number of Shares Percentage of Shares (as a % of the total shareholding of promoter and promoter group) Percentage of shares (as a % of the total share capital of the company)	47.05 17.79	47.05 17.79	47.05 17.79	47.05 17.79	47.05 17.79	
		53335930	53335930	53335930	53335930	53335930	
		52.95 20.02	52.95 20.02	52.95 20.02	52.95 20.02	52.95 20.02	
8	INVESTORS COMPLAINTS	3 months ended 31/03/2014					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	Nil					
	Disposed of during the quarter	Nil					
	Remaining unresolved at the end of the quarter	Nil					



Statement of Assets & Liabilities		(₹ in lacs)	
Sr. No.	Particulars	As at 31.03.2014 (Audited)	As at 31.03.2013 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' fund		
	(a) Share Capital	4064.54	4064.54
	(b) Reserves & Surplus	2438.98	11215.26
	(c) Money received against share warrants	0.00	0.00
	Sub-total - Shareholders' funds	6503.52	15279.80
2	Non-current liabilities		
	(a) Long - term borrowings	51535.28	20981.76
	(b) Deferred tax liabilities (net)	0.00	1025.02
	(c) Other long term liabilities	32.00	0.00
	(d) Long term provisions	18.77	33.18
	Sub-total - Non-current liabilities	51586.05	22039.96
3	Current liabilities		
	(a) Short term borrowings	2856.05	11695.56
	(b) Trade payables	3142.44	14856.16
	(c) Other current liabilities	2034.35	5578.35
	(d) Short term provisions	14.77	105.38
	Sub-total - Current liabilities	8047.60	32235.45
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>66137.17</b>	<b>69555.22</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	(a) Fixed assets	34644.04	34169.25
	(b) Non-current investments	10.02	17.02
	(c) Deferred tax assets (net)	2957.49	0.00
	(d) Long term loans and advances	5118.88	155.19
	(e) Other non-current assets	628.84	642.73
	Sub-total - Non-current assets	43359.27	34984.19
2	Current assets		
	(a) Inventories	1714.62	13067.51
	(b) Trade receivables	16836.66	17936.58
	(c) Cash and cash equivalents	1433.89	699.93
	(d) Short-term loans and advances	2308.16	2250.38
	(e) Other current assets	484.57	616.63
	Sub-total - Current assets	22777.91	34571.03
	<b>TOTAL - ASSETS</b>	<b>66137.17</b>	<b>69555.22</b>

**Notes:**

- The above audited financial results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 30th May, 2014.
- Corresponding figures of earlier year / quarter have been regrouped wherever necessary.
- The Company operates in a single segment (i.e. textile having same risk and return).
- At the request of the Company ("Borrower"), the Corporate Debt Restructuring Proposal ("CDR Proposal") of the Borrower was referred to Corporate Debt Restructuring Cell ("CDR Cell") by the Consortium of Bankers led by the State Bank of India ("SBI"). The CDR Proposal as recommended by SBI, the Lead Banker and approved by the lenders who are the members of the CDR cell ("CDR Lenders") was approved by the CDR Empowered Group ("CDR EG") on 24th March 2014 and communicated vide letter of approval dated 27th March 2014. The Cut Off date for CDR Proposal is 01st August 2013. The Master Restructuring Agreement ("MRA") between the Borrower and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provision as specified in the MRA. Further as per the RBI Guidelines, the CDR package is to be implemented within a maximum period of 120 days from the date of approval of package by CDR EG i.e. 24th March 2014.
- 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.
- Under CDR Package and as per the terms of the Approved Restructuring proposal under CDR System, the Promoters has brought Rs. 10.98 Crores by way of Unsecured Loans as Promoters Contribution towards Lenders Sacrifice.
- As per the Approved Restructuring proposal, the additional Working capital Limit of Rs. 80.94 Crore will be released post commissioning of DPM POY Project.
- The Company has made the Provision for doubtful Trade Receivables amounting to Rs. 88.61 Lacs and accordingly the Auditor's qualification made in earlier period has been dealt with by the Company.
- The Company's Continuous Polymerization Plant (CP Plant), commercial production of which was commenced from 01st July 2013 has been temporarily shutdown from November 2013 onwards. The CP Plant will restart after successful commissioning of Direct Polymer Melt POY Plant (DPM POY Plant) which is scheduled to be operational in July 2014.
- The Company's other Plants (PTY, POY & FDY) were running partially and temporarily shutdown in the Month of March 2014 due to negative Margins. The Company has restarted the PTY plant partially and will be fully operational with other Plants once the margin improves.
- The Board of Directors has not recommended any dividend in view of losses / compliance to approved restructuring proposal under CDR system.

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

Place : Mumbai  
 Date : May 30, 2014

**Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of Raj Rayon Industries Limited Pursuant to the Clause 41 of the Listing Agreement**

To  
The Board of Directors of  
**Raj Rayon Industries Limited,**

We have audited the quarterly financial results of **Raj Rayon Industries Limited** ('the Company') for the quarter ended March 31, 2014 and the year to date financial results for the year ended March 31, 2014 attached herewith, being submitted by the company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2014 and the published year-to-date figures up to December 31, 2013, which were subject to limited review.

These quarterly financial results as well as 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 and have been approved by the Board of Directors of the Company. 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 (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We draw attention to Note 5 of the accompanying Financial Results in respect of various contingencies, the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of the said matter.



**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.

**k. m. garg & co.**

CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date financial results:

(i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

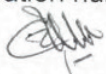
(ii) give a true and fair view of the net loss and other financial information for the quarter ended 31<sup>st</sup> March, 2014 as well as for the year ended 31<sup>st</sup> March, 2014.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

**For K M GARG & CO**

Chartered Accountants

Registration number: 120712W



**CA. K K GARG**

Partner

Membership No: 033940



Place : Mumbai

Date : 30<sup>th</sup> May 2014