RAJ RAYON INDUSTRIES LTD.

(Formerly Known as Raj Rayon Ltd.)

Regd. Off.: Survey No. 177/1/3, Village – Surangi, Dist –Silvassa,
Dadra & Nagar Haveli (U.T.) – 396 230

CIN No. L17120DN1993PLC000368

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

PART - I (₹ in Lacs)

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)	4006.15	8757.42	24982.10	46695.98	70861.93
	(b) Other operating income	48.56	83.15	87.05	314.58	473.68
	Total income from operations (net)	**4054.71**	**8840.57**	**25069.15**	**47010.56**	**71335.61**
2	**Expenditure:**					
	(a) Cost of materials consumed	2033.92	5877.49	6521.27	24961.03	26831.20
	(b) Purchases of stock-in-trade	6.08	153.99	18230.79	9932.52	35190.29
	(c) Changes in inventories of finished goods , Work in Progress and Stock-in-Trade	1492.60	2102.31	(2011.83)	9954.98	(2415.03)
	(d) Employee benefits expense	216.90	203.74	221.73	826.83	817.89
	(e) Depreciation and amortisation expense	299.59	1119.01	615.96	3161.11	2555.65
	(f) Other expenses	1022.92	1962.71	1746.55	7750.02	5792.23
	(g) Expenditure (other than interest) transferred to capital work in progress	0.00	0.00	(988.46)	(1423.48)	(988.46)
	Total Expenses	**5072.00**	**11419.25**	**24336.01**	**55163.02**	**67783.77**
3	**Profit / (Loss) from operations before other income, finance cost and exceptional Items (1-2)**	**(1017.29)**	**(2578.68)**	**733.15**	**(8152.45)**	**3551.84**
4	Other Income	86.85	52.52	302.42	266.17	425.90
5	**Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)**	**(930.44)**	**(2526.16)**	**1035.57**	**(7886.28)**	**3977.74**
6	Finance costs	1154.06	1463.25	1019.64	4874.03	3386.23
7	**Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)**	**(2084.50)**	**(3989.41)**	**15.93**	**(12760.31)**	**591.51**
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00
9	**Profit / (Loss) from ordinary activities before tax (7+8)**	**(2084.50)**	**(3989.41)**	**15.93**	**(12760.31)**	**591.51**
10	Tax Expense					
	Current Tax	0.00	0.00	59.00	0.00	186.38
	MAT Credit Entitlement	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	(499.99)	(1303.80)	(46.81)	(3982.51)	85.70
	MAT Credit / Tax Adjustments for earlier years	(1.52)	0.00	0.28	(1.52)	(51.95)
11	**Net Profit / (Loss) from ordinary activities after tax (9-10)**	**(1582.99)**	**(2685.61)**	**3.47**	**(8776.28)**	**371.38**
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)**	**(1582.99)**	**(2685.61)**	**3.47**	**(8776.28)**	**371.38**
14	Paid-up equity share capital of ₹1/- each	2664.54	2664.54	2664.54	2664.54	2664.54
15	Reserves excluding revaluation reserves				2438.98	11215.26
16	**Earnings Per Share (EPS)**					
	Basic	(0.59)	(1.01)	0.00	(3.29)	0.14
	Diluted	(0.59)	(1.01)	0.00	(3.29)	0.14
PART - II						
	PARTICULARS OF SHAREHOLDING					
	Public Shareholding					
	Number of Shares	165718070	165718070	165718070	165718070	165718070
	Percentage of Shareholding	62.19	62.19	62.19	62.19	62.19
	Promoter and Promoter Group Shareholding					
	Pledged / Encumbered					
	Number of Shares	47400000	47400000	47400000	47400000	47400000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	47.05	47.05	47.05	47.05	47.05
	Percentage of shares (as a % of the total share capital of the company)	17.79	17.79	17.79	17.79	17.79
	Non encumbered					
	Number of Shares	53335930	53335930	53335930	53335930	53335930
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	52.95	52.95	52.95	52.95	52.95
	Percentage of shares (as a % of the total share capital of the company)	20.02	20.02	20.02	20.02	20.02

B	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)
	EQUITY AND LIABILITIES		
	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**
	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 liabillities	**51586.05**	**22039.96**
	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 liabillities	**8047.60**	**32235.45**
	TOTAL - EQUITY AND LIABILITIES	**66137.17**	**69555.22**
	ASSETS		
	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**
	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**
	TOTAL - ASSETS	**66137.17**	**69555.22**

Notes:

1. 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.
2. Corresponding figures of earlier year / quarter have been regrouped wherever necessary.
3. The Company operates in a single segment i.e. textile having same risk and return.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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
Sd/-
Rajkumari Kanodia
Non Executive Chairperson & Director

Place : Mumbai
Date : May 30,2014