RAJ RAYON INDUSTRIES LIMITED

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

CIN No. L17120DN1993PLC000368

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED: 31ST DECEMBER, 2015

PART I

(₹ in Lacs)

Sr. No.	Particulars	Quarter ended 31st Dec, 2015 (Unaudited)	Quarter ended 30th Sep, 2015 (Unaudited)	Quarter ended 31st Dec, 2014 (Unaudited)	Nine months ended 31st Dec, 2015 (Unaudited)	Nine months ended 31st Dec, 2014 (Unaudited)	Year ended 31st March 2015 (Audited)
1	Income from operations						
	(a) Net sales/income from operations (Net of excise duty)	9961.29	11173.58	6944.00	35531.11	8943.40	18326.84
	(b) Other operating income	13.19	39.94	11.20	76.65	13.54	30.85
	Total income from operations (net)	9974.48	11213.52	6955.20	35607.76	8956.94	18357.69
2	Expenditure:						
	(a) Cost of materials consumed	7025.73	9137.02	9070.77	27771.42	11299.73	21015.47
	(b) Purchases of stock-in-trade	65.94	182.34	(211.55)	1239.28	(815.89)	(2922.43)
	(c) Changes in inventories of finished goods ,Work in Progress and Stock-in-Trade	1943.22	1007.68	(3714.00)	2926.66	(3958.71)	(4732.50)
	(d) Employee benefits expense	206.65	243.52	221.30	698.66	381.62	673.36
	(e) Depreciation and amortisation expense	1277.37	1276.54	1147.78	3830.59	3008.49	4240.76
	(f) Other expenses	2052.68	2245.46	1653.92	6517.54	2239.59	4580.78
	Total Expenses	12571.59	14092.56	8168.22	42984.15	12154.83	22855.44
3	Profit / (Loss) from operations before other income, finance cost and exceptional Items (1-2)	(2597.11)	(2879.04)	(1213.02)	(7376.39)	(3197.89)	(4497.75)
4	Other Income	27.50	100.50	73.02	189.84	715.79	822.25
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	(2569.61)	(2778.54)	(1140.00)	(7186.55)	(2482.10)	(3675.50)
6	Finance costs	2232.06	2190.83	1878.61	6528.25	5084.21	7108.72
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(4801.67)	(4969.37)	(3018.61)	(13714.80)	(7566.31)	(10784.22)
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)	(4801.67)	(4969.37)	(3018.61)	(13714.80)	(7566.31)	(10784.22)
10	Tax Expense						
	Current Tax	0.00	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	(1487.79)	(1786.69)	(936.97)	(4489.93)	(2357.72)	(3297.96)
	Tax Adjustments for earlier years	0.00	0.00	0.00	0.00	0.00	0.12
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(3313.88)	(3182.68)	(2081.64)	(9224.87)	(5208.59)	(7486.38)
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)	(3313.88)	(3182.68)	(2081.64)	(9224.87)	(5208.59)	(7486.38)
14	Paid-up equity share capital of ₹ 1/- each	3464.54	3464.54	2664.54	3464.54	2664.54	2664.54
15	Reserves excluding revaluation reserves						(5056.89)
16.i	Earnings Per Share (before extraordinary items) (of ₹ 1 /- each) (not annualised).						
	Basic	(0.96)	(0.92)	(0.78)	(2.72)	(1.95)	(2.81)
	Diluted	(0.96)	(0.92)	(0.78)	(2.72)	(1.95)	(2.81)
16.ii	Earnings Per Share (after extraordinary items) (of ₹ 1 /- each) (not annualised).						
	Basic	(0.96)	(0.92)	(0.78)	(2.72)	(1.95)	(2.81)
	Diluted	(0.96)	(0.92)	(0.78)	(2.72)	(1.95)	(2.81)

Notes:

1. The above unaudited financial results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 12th February 2016.
2. Corresponding figures of earlier year/ half year / quarter have been regrouped wherever necessary.
3. The Company operates in a single segment i.e. textile having same risk and return.
4. 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.
5. Due to Continuous losses, compliance of the sanctioned CDR package could not be met, so the CDR Lenders has noted the proposal for invocation of Strategic Debt Restructuring ("SDR") in the Company pursuant to the RBI Circular dated 08th June 2015. The "Reference Date" for the purpose of the SDR is 26/10/2015. The lenders have invoked SDR and the requisite majority for approval of SDR scheme in value and numbers has already been received as on date. The SDR will be effected by the CDR lenders taking a majority stake in the Company through conversion of a part of their outstanding loans and interest into Equity Shares. It is proposed that Rs. 36.06 Crore will be converted into equity shares to be held by the CDR Lenders so as to hold 51% in the Equity capital post conversion.
6. In the Extra-Ordinary General Meeting held on 17th January 2016, the Shareholders had approved the Strategic Debt Restructuring Scheme in relation to Company's debt and for the same also approved the Conversion of Debt into Equity shares of the Company pursuant to Strategic Debt Restructuring package.
7. The Company has made the Application u/s. 15(1) of SICA Act. Few discrepancies were pointed by the concerned department, and for the same company is in the process of due compliance.
8. In view of the Company's incurring continuous losses, the net worth of the Company is fully eroded. Based on the various developments not restricted to approval of SDR by lenders, the management is of the view that the Company will remain as going concern.

By order of the Board

Rajkumari Kanodia

Place : Mumbai

Date : 12th February 2016

Rajkumari Kanodia

Non Executive Chairperson & Director