



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

Date: 18th January, 2019

CIN NO. L17120DN1993PLC000368

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 1 st Floor, New Trading Ring, Rotunda Building, P.I. Tower, Dalal Street, Mumbai-400 001
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Symbol: RAJRAYON Series: EQ Scrip Code: 530699

Sub: Standalone Reconciliation table for Equity

Ref: Your Email dated 26 June 2018, Regarding Clarification for Financial result for Year ended March 2018.

Dear Sir / Madam,

Further to our announcement dated 28th May, 2018 regarding submission of Audited financial result for the quarter and year ended 31st March 2018 and in reply to your email as above, We hereby submit the Standalone Reconciliation of Equity as under:

(Rs. In Lacs)

Nature of Adjustment	As at 31 st March 2017	As at 1 st April 2016
Equity as per GAAP Provisions	(43599.42)	(36970.60)
Adjustments in relation to Application of Ind. AS	-----	-----
Equity as per Ind AS	(43599.42)	(36970.60)

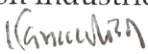
However figures of financial result 31st March 2018 along with other disclosures submitted vide letter dated 28th May 2018 remain unchanged and shall form part of above result.

Statement of Modified Opinion or in case of unmodified opinions(s) a declaration to that effect to the Stock Exchange we have already submitted the same on 12th of June 2018.

The inconvenience caused is regretted.

You are requested to acknowledge the receipt of the same.

Thanking You,
For Raj Rayon Industries Ltd.


Sushil Kumar Kanodia
CEO / CFO

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sr. No.	Particulars	(Rs. in Lakhs)	
			Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	7891.59	7891.59
	2	Total Expenditure	13156.16	23802.10
	3	Net Profit/(Loss)	(5264.86)	(15910.80)
	4	Earnings Per Share	(1.52)	(4.59)
	5	Total Assets	28519.20	28519.20
	6	Total Liabilities	28519.20	28519.20
	7	Net Worth	(48864.28)	(59510.22)
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	<u>Audit Qualification (each audit qualification separately):</u>			
	A- Details of Audit Qualification:		1- 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 since April 2016. 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.2632.56 lakhs and Rs. 10,645.94 lakhs for the quarter and Twelve Months ended 31st March 2018 respectively and Other Equity under the head Equity & Liabilities are estimated to be overstated by Rs.20,049.51 Lakhs. 2- The Company's account stands exited from CDR Mechanism. However, in view of classification of Company's accounts as Non-Performing Asset (NPA), contingency related to compensation payable in lieu of bank sacrifice cannot be determined currently. 3- 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.	

4- Type of Audit Qualification:	Qualified Opinion
5- Frequency of qualification	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 losses, 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 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.
(i) Management's estimation on the impact of audit qualification.	Due to heavy losses and classification as Non-Performing Assets (NPA) by lenders, presently it is unascertainable.
(ii) If management is unable to estimate the impact, reasons for the same:	Due to heavy losses and classification as Non-Performing Assets (NPA) by lenders, presently it is unascertainable.
(iii) Auditors' comments on (i) or (ii) above:	

III

Signatories:

RAJKUMAR KANODIA
Non-Executive Chairperson and Director

Rajkumar Kanodia

SUSHIL KUMAR KAODIA
Chief Financial Officer & Chief Executive Director

(Sushil Kumar)

CA. Bharat Kumar
Partner
Membership no.175787

Bharat Kumar

Prahalad Rai Japodia
(Chairman of Audit Committee Meeting)

Prahalad Rai Japodia