RAJ RAYON INDUSTRIES LIMITED

(A Government Recognised Star Export House)

AN ISO 9001 : 2008 CERTIFIED COMPANY

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: 31st July, 2013

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: Audited Financial Result & Auditor Report on Quarterly Financial Results and Year to Date Result ended 31st March, 2013

Enclosed the Audited Financial Result for the quarter and year ended 31st March, 2013. And Auditor Report received from the Auditor of the Company **M/s K.M. Garg & Co.,** Chartered Accountants, Mumbai for the said period.

Kindly acknowledge the receipt.

Thanking You,

Yours faithfully,
For RAJ RAYON INDUSTRIES LIMITED

Gita Yadav

Gita Yadav
Company Secretary & Compliance Officer
Encl: As Above

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

AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED: 31ST MARCH, 2013

(₹ in Lacs)

Sr. No.	Particulars	THREE MONTHS ENDED 31/03/2013	PREVIOUS THREE MONTHS ENDED 31/12/2012	CORRESPONDING THREE MONTHS ENDED IN THE PREVIOUS YEAR 31/03/2012	YEAR TO DATE FIGURE FOR CURRENT PERIOD ENDED 31/03/2013 (AUDITED)	YEAR TO DATE FIGURE FOR PREVIOUS PERIOD ENDED 31/03/2012 (AUDITED)
1	Income from operations					
	(a) Net sales/income from operations	24982.10	18393.92	26778.47	70861.93	67463.87
	(b) Other operating income	87.05	44.33	151.91	473.68	819.00
	Total income from operations (net)	25069.15	18438.25	26930.38	71335.61	68282.87
2	Expenditure:					
	(a) Consumption of materials consumed	6521.27	7715.04	9946.45	26831.20	32902.29
	(b) Purchases of stock-in-trade	18230.79	8320.56	15059.81	35189.60	24997.56
	(c) (Increase)/Decrease in Stock in Trade & Work in Progress	(2011.83)	(760.60)	(2010.00)	(2414.34)	(2492.98)
	(d) Employee benefits expense	221.73	210.35	194.62	817.89	749.35
	(e) Depreciation and amortisation expense	615.96	644.65	624.58	2555.65	2395.49
	(f) Other expenses	1744.98	1368.06	2137.83	5783.39	6892.27
	(g) Expenditure (other than interest) transferred to capital work in progress	(988.46)			(988.46)	
	Total Expenses	24334.44	17498.08	25953.29	67774.93	65443.98
3	Profit / (Loss) from operations before other income, finance cost and exceptional Items (1-2)	734.72	940.17	977.09	3560.68	2838.89
4	Other Income	300.85	40.53	163.08	417.06	533.97
5	Profit / (Loss) from ordinary activities before finance costs and Exceptional Items (3+4)	1035.57	980.70	1140.17	3977.74	3372.86
6	Finance costs	1019.64	835.56	1134.02	3386.23	2912.98
7	Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	15.93	145.14	6.15	591.51	459.88
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00
9	Profit / (Loss) from ordinary activities before tax (7+8)	15.93	145.14	6.15	591.51	459.88
10	Tax Expense					
	Current Tax	59.00	41.06	5.64	186.38	93.54
	MAT Credit Entitlement	0.00	54.81	(0.99)	0.00	(86.49)
	Deferred Tax	(46.81)	(48.78)	(65.95)	85.70	70.85
	MAT Credit / Tax Adjustments for earlier years	0.28	0.00	0.00	(51.95)	0.00
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	3.47	98.05	67.45	371.38	381.98
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)	3.47	98.05	67.45	371.38	381.98
14	Paid-up equity share capital of ₹ 1/- each	2664.54	2664.54	2531.32	2664.54	2531.32
15	Reserves excluding revaluation reserves				11215.26	7859.89
16	Earnings Per Share (EPS)					
	Basic	0.00	0.37	0.34	0.14	1.99
	Diluted	0.00	0.37	0.29	0.14	1.74
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	Number of Shares	165718070	16571807	16571807	165718070	16571807
	Percentage of Shareholding	62.19	62.19	65.47	62.19	65.47
2	Promoter and Promoter Group Shareholding					
a)	Pledged / Encumbered					
	Number of Shares	47400000	4740000	2000000	47400000	2000000
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	47.05	47.05	22.88	47.05	22.88
	Percentage of shares (as a % of the total share capital of the company)	17.79	17.79	7.90	17.79	7.90
b)	Non encumbered					
	Number of Shares	53335930	5333593	6741393	53335930	6741393
	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	52.95	52.95	77.12	52.95	77.12
	Percentage of shares (as a % of the total share capital of the company)	20.02	20.02	26.63	20.02	26.63

B	INVESTORS COMPLAINTS	3 months ended 31/03/2013
	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

Raj Rayon Industries Ltd.

Statement of Assets & Liabilities

(₹ in Lacs)

Sr. No.	Particulars	As at 31.03.2013 (Audited)	As at 31.03.2012 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' fund		
	(a) Share Capital	4064.54	2531.32
	(b) Reserves & Surplus	11215.26	7859.89
	(c) Money received against share warrants	0.00	170.91
	Sub-total - Shareholders' funds	15279.80	10562.12
2	Non-current liabilities		
	(a) Long - term borrowings	20981.76	13473.85
	(b) Deferred tax liabilities (net)	1025.02	939.32
	(c) Long term provisions	33.18	23.41
	Sub-total - Non-current liabillities	22039.96	14436.58
3	Current liabilities		
	(a) Short term borrowings	11695.56	8550.15
	(b) Trade payables	14856.16	20768.29
	(c) Other current liabilities	5579.62	2627.28
	(d) Short term provisions	105.39	58.03
	Sub-total - Current liabillities	32236.73	32003.75
	TOTAL - EQUITY AND LIABILITIES	69556.49	57002.45
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	34169.25	20545.48
	(b) Non-current investments	17.02	17.02
	(c) Long term loans and advances	155.19	300.99
	(d) Other non-current assets	642.73	1425.80
	Sub-total - Non-current assets	34984.19	22289.29
2	Current assets		
	(a) Inventories	13067.51	10644.39
	(b) Trade receivables	17937.85	22133.76
	(c) Cash and cash equivalents	699.93	347.04
	(d) Short-term loans and advances	2257.31	1134.19
	(e) Other current assets	609.70	453.78
	Sub-total - Current assets	34572.30	34713.16
	TOTAL - ASSETS	69556.49	57002.45

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 31st July, 2013.
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. The share capital of Company was reclassified into Equity Shares and Preference Shares, member's approval for the same was taken in an Extra Ordinary General Meeting held on 11th February, 2013.
5. On 25th February, 2013, the Company allotted 1,40,00,000 15% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10/- each at a premium of ₹ 20/- each to "NAKODA LIMITED" (belonging to Non Promoter category) on preferential basis as per Section 80, 81 and 81(1A) and other applicable provisions of Companies Act, 1956. Approval of members for the said issue was taken in an Extra Ordinary General Meeting held on 11th February, 2013.
6. The face value of Equity Shares of the Company were sub divided from ₹ 10/- to ₹ 1/- each w.e.f. 05th March, 2013, member's approval for the same was taken in an Extra Ordinary General Meeting held on 11th February, 2013.
7. On subdivision of equity shares from ₹ 10/- to ₹ 1/- each w.e.f. 05th March, 2013 the number of shares and EPS for the quarter / year ended 31st March 2013 are of face value of ₹ 1/- each whereas earlier quarters / years are of face value of ₹ 10/- each and accordingly not comparable.
8. Auditors' qualification in financial statements of 2012-2013:
   a) Auditor's qualification: ".....for non provision of doubtful debts for recovery of which the company has filed legal suits amounting to ₹ 88.61 lacs"
   b) "Had the company made the respective provision for doubtful debts, the profit for the year ended on 31st March, 2013 and surplus in profit and loss account would have been lower by ₹ 88.61 lacs."
   c) In the opinion of the Board, since the legal suits against the debtors are yet to be heard by the Honourable Court, the Company is hopeful to recover amount from respective debtors, hence no provision is required to be made at this stage.
9. The Company went to backward integration to manufacture Fibre Grade Polyester Chips/Polymer by setting up Continuous Polymerization Plant (CP) of 1,53,665 MTA (421 tons per day) installed capacities. The commercial production of the Continuous Polymerization Plant for manufacturing polyester chips has successfully commenced w.e.f. 01st July, 2013.
10. The Board of Directors recommends 15% dividend on 15% Non Convertible Non Cumulative Redeemable Preference Shares (on pro-rata basis) for the financial year 2012-2013.

Place : Mumbai
Date : July 31, 2013

Raj Rayon Industries Limited

By order of the Board

Gourishankar Poddar
Chairman & Managing 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.

k. m. garg & co.
CHARTERED ACCOUNTANTS

Auditors Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors of
Raj Rayon Industries Limited,

We have audited the quarterly financial results of Raj Rayon Industries Limited for the quarter ended March 31, 2013 and the financial results for the year ended March 31, 2013 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, 2013 and the published year-to-date figures up to December 31, 2012, which were subject to limited review.

The audited annual financial statements as at and for the year ended March 31, 2013, and the relevant requirements of Clause 41 of the Listing Agreement 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 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

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.

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 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 profit/ loss6 and other financial information for the quarter ended 31st March, 2013 and for the year ended 31st March, 2013.

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 : 31st July 2013

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