

Raymond annual report

[Business](#)



In the backdrop of the financial crisis witnessed in the previous financial year and the subsequent fallout, FY 2010 was an extremely challenging year for your Company. However, the resilience and inherent strengths of your Company's brands, quality manufacturing and deep network relationships enabled your Company to weather the downturn and achieve better performance in FY 2010. Your Company continues to be the market leader in its core business. A number of rationalisation and restructuring initiatives were taken during the year under review to further consolidate its strengths and position itself to take advantage of the upturn.

During FY 2010, your Company completed the restructuring exercise of the Files ; Tools business by transferring it as a goingconcern on a slump sale basis to its wholly owned subsidiary JK Files (India) Limited (formerly known as Hindustan Files Limited) effective October 1, 2009.

This restructuring brings together different entities of your Company's Files & Tools businesses into a single legal structure and leverage synergies. In view of this restructuring, the standalone performance of the Company is strictly not comparable with that of the previous year. The Company closed down the operations at its high cost Thane unit in December 2009. A section of the workers accepted the voluntary retirement scheme and negotiations are on with the balance workers for an amicable settlement.

During the year under review, the adverse changes in European market conditions coupled with the bankruptcy of a major customer rendered the operations of the Company's wholly-owned subsidiary-Regency Texteis

Portuguesa Limitada (Regency), Portugal, unviable and as a consequence, Regency filed for insolvency.

The Company has made a provision of Rs. 12. 14 crores for diminution in the value of its exposures in Regency. For the Financial Year ended March 31, 2010, the gross turnover of your Company was Rs. 1339.

37 crores as compared to Rs. 1393. 26 crores in the previous year. Profit before tax and exceptional items was Rs. 18.

88 crores as against a loss of Rs. 58. 75 crores in the previous year.