



Rasandik Engineering Industries India Ltd.

RASANDIK

Passion For Excellence
corpadm@rasandik.com
www.rasandik.com

CIN: L74210HR1984PLC032293

E-Filing/Online Filing
August 14, 2023

**THE STOCK EXCHANGE MUMBAI
1st FLOOR, NEW TRADING RING
ROTUNDA BUILDING
P.J. TOWERS, DALAL STREET
FORT, MUMBAI – 400 001**

Stock Code: 522207

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 14-08-2023 and Submission of Un-Audited Financial Results for the Quarter ended 30-06-2023

The Board of Directors (The Board) in their meeting held on **14-08-2023** have approved the Un-Audited Financial Results of the Company for the Quarter ended 30-06-2023 in terms of Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to Regulation 33 of the Listing Regulations, Statement showing Un-Audited Financial Results for the Quarter ended 30-06-2023 along with Limited Review thereon is also enclosed herewith for your information and records.

In accordance with Regulation 47(1)(b) of the Listing Regulations, the Company would publishing Extract of Un-Audited Financial Results for the Quarter ended 30-06-2023.

These results are being made available on the Company's website at www.rasandik.com.

The meeting of Board of Directors commenced at 12 Noon and concluded on 5.00 PM.

Kindly take this information on your record.

Thanking you,

Yours faithfully,
For Rasandik Engineering Industries India Limited

Pradeep Chandra Nayak
Company Secretary
Encl: As above



₹ in lakhs

S No	Particulars	Quarter ended			Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		Unaudited	Audited #	Unaudited	Audited
1	<u>INCOME</u>				
	Revenue from operations	2,751.27	2,674.96	5,334.65	15,001.86
	Other income (Refer Note No. 6)	236.77	150.39	0.66	637.71
	Total Income	2,988.04	2,825.35	5,335.31	15,639.57
2	<u>EXPENSES</u>				
	Cost of materials consumed	1,940.09	1,751.43	3,782.91	10,351.23
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	45.70	159.97	180.63	358.67
	Power & Fuel	113.43	122.67	216.91	681.64
	Packing & Forwarding Expenses	48.18	41.97	38.75	175.74
	Freight & Transportation Expenses	50.84	49.51	45.60	181.71
	Employee benefits expense	287.30	284.27	340.07	1,337.89
	Finance costs	307.05	280.88	255.26	1,067.85
	Depreciation and amortization expense	160.89	177.84	182.42	708.88
	Other Expenses	246.75	267.21	250.45	1,056.67
	Total Expenses	3,200.23	3,135.75	5,293.00	15,920.28
3	Profit / (Loss) before Exceptional items and tax (1-2)	(212.19)	(310.40)	42.31	(280.71)
4	Exceptional Items - Gain/(Loss) {refer note no. 5(c)}	(26.19)	(191.09)	-	(191.09)
5	Profit / (Loss) before tax (3-4)	(238.38)	(501.49)	42.31	(471.80)
6	Tax Expenses				
	Current Tax	-	-	-	-
	Deferred Tax	(39.85)	(137.97)	10.65	(142.06)
7	Net Profit /(Loss) for the period/year (5-6)	(198.53)	(363.52)	31.66	(329.74)
8	Other Comprehensive Income(net of tax)				
	(i) Items that will not be reclassified to Profit or Loss	-	16.08		16.08
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	(4.05)		(4.05)
9	Total Comprehensive Income for the period/year (net of tax) (OCI) (7-8)	(198.53)	(351.49)	31.66	(317.71)
10	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	597.50	597.50	597.50	597.50
11	Other Equity				8,713.55
12	Basic and Diluted Earnings per Share for the period/year (not annualised) (₹)	(3.32)	(6.08)	0.53	(5.52)

Refer Note No. 7



Notes:

- 1 The above unaudited results for the quarter ended 30 June 2023 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 August 2023. These results has been subjected to limited review by the Statutory Auditors of the Company.
- 2 The Company has only one reportable primary business segment i.e. "Auto Components". Accordingly, separate Segment Information are not required to be disclosed.
- 3 The Company has issue related to interest costs on borrowings resulting in Company becoming uncompetitive and has thus decided to have limited focus on automotive component business. The management is also initiating Marketing, Development and Manufacturing of Electric 3 Wheeler (L-5) category and build its own Brand. Since the attention of the management has been focussing on improving automotive components/Electric Vehicle operations, it has not been possible to make critical evaluation of items of inventory lying unconsumed (either due to ageing or utility) to suit the nature of production. In these circumstances there is a likely fall in the NRV of individual items requiring provision for impairment (which is unascertained). The Company expects that a critical evaluation can be carried out during the subsequent quarters of the current financial year 2023-24.
- 4 For the quarter ended 30 June 2023, the Company has recorded a net loss after tax of ₹ 198.53 lakhs. The Company's net current liabilities as at 30 June 2023 is ₹ 3977.04 lakhs as compared to ₹ 3,688.00 lakhs as at 31 March 2023. Notwithstanding the above, the financial results are prepared on a going concern basis as the Company believes that its business operations would be able to generate sufficient cash flow to meet its short-term obligations in future. Towards this objective, the management is constantly engaged in various initiatives like rationalizing costs, negotiating extended credit terms with suppliers, evaluating monetising of certain assets (refer note no. 5 & 6) and taking appropriate initiatives to improve revenues. In addition, the Company has received a letter of financial support from a substantial shareholder (Managing Director) / promoter to provide continuing financial support to the Company as and when required to meet the Company's working capital needs.

Further, during the quarter, the Company has received interest free unsecured long-term loan of Rs. 20 lakhs from its Promoter Managing Director. As the loan is interest free, it is accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. Accordingly, the difference between initial fair value of loan determined in accordance with the governing Ind AS and the proceeds of loan received of Rs. 5.93 lakhs (net of deferred tax) has been recognised during the quarter as deemed equity under the head "Other equity".

- 5 (a) Towards the objective to generate cash flow, improve leverage ratios by reducing working capital facilities of the Company and to improve the financial performance of the Company, the Board of Directors in their meeting 30 May 2023 has identified and decided to sell certain Fixed Assets in the near future. Accordingly, it is considered appropriate to classify the carrying value of Fixed Asset Rs. 1,330.78 lakhs as at 31 March 2023 of such identified fixed asset as "non-current assets held for sale". Subsequent to the end of the quarter, the Shareholders of the Company has accorded their consent to monetise by sale of the surplus and idle assets of the Company including certain parcels of Land and Building at the Annual General Meeting held on 29th July 2023. Further, the Company has obtained No Objection Certificate from its bankers. The Company is in the process of obtaining other necessary approvals as may be required to execute these transactions.

This proposed sale of certain Property, Plant & equipment in the near future will not affect the continuity of business/operations of the Company and would rather improve the financial position in the near term.

The Company has received offer from parties to purchase certain land and building as mentioned above, formal agreements are yet to be executed. The Company will notify the price and parties to whom the assets will be sold through official announcement after formal agreements are executed.

- (b) Till 30 June 2022, capital work in progress included certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of ₹ 320.00 lakhs (PY ₹ 320.00 lakhs) net of impairment. Due to business reasons, the installation and commissioning of the said plant & equipment could not be proceeded with. Further, the management was considering various options to utilise such machinery. The Board of Director's in their meeting held on 13 August 2022 has decided to sell the said equipment on "as is where is" basis. Considering the Company's intention to sell the equipment in the near future, it is considered appropriate to classify the said plant and equipment as "non current asset held for sale" at lower of cost or fair value less costs to sell.



- (c) The Company had imported certain plant & equipment including the machinery referred in note no. 5(b) above under EPCG license scheme. The Company is yet to meet the export obligations during the stipulated period. Ministry of Commerce & Industry, Govt. of India vide public notice 2/2023 dated 01/04/2023 has come out with Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorisation holders. The scheme read with subsequent clarificatory notice no. 7/2023 dated 18/04/2023, requires payment of the saved custom duty with interest being capped at maximum 100% of Basic Custom duty. The management has filed application under the Amnesty Scheme as mentioned above. The total interest liability as per the documents filed under the said scheme aggregates to ₹ 217.28 lakhs. The Company has made a provision of Rs. 191.09 lakhs on account of interest payable under the above mentioned scheme during the previous quarter ended 31 March 2023 and debited the statement of profit and loss as an exceptional expense. Further, during the quarter, the additional interest liability of ₹ 26.19 lakhs payable under the scheme is debited to statement of profit and loss as an exceptional item.
- 6 Other income for the quarter ended 30 June 2023 and year ended 31 March 2023 includes profit on sale of assets of ₹ 235.67 lakhs and ₹ 585.13 lakhs respectively, total consideration being ₹ 247.50 and ₹ 908.67 lakhs respectively. The entire proceeds were utilised for repayment of term loans obtained from Banks.
- 7 The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 8 Figures of the previous period/year are re-grouped, wherever necessary, to correspond to the current period/year figures.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998
Place : New Delhi
Date: 14 August 2023



For Rasandik Engineering Industries India Limited

Rajiv Kapoor
Rajiv Kapoor
Chairman & Managing Director
DIN: 00054659





V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Sarojini House, 6 Bhagwan Das Road, New Delhi – 110001

Tel.(011) 44744643; e-mail: newdelhi@vsa.co.in

Limited Review Report on unaudited financial results of Rasandik Engineering Industries India Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Rasandik Engineering Industries India Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Rasandik Engineering Industries India Limited ("the Company") for the quarter ended 30 June 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of interim Financial information Performed by the independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to note no. 3, regarding non assessment of net realizable value of certain items of inventory lying unconsumed (either due to ageing or utility). In the absence of such an assessment, Net Realizable Value of certain items of inventories are not determinable as at 30 June 2023. Accordingly, we are unable to comment upon the value of adjustments required to the carrying value of the inventories and consequential effects thereof, if any, on these unaudited financial results. Our audit report for the previous year and quarter ended March 31, 2023, was also qualified in respect of this matter.
5. Based on our review conducted as above, except for the possible effects of outcome of the evaluation referred in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to Note no. 4 of the accompanying Statement regarding preparation of the financial statements on going concern basis for the reasons stated therein. The accompanying results indicate that the Company has incurred a loss after tax of Rs. 198.53 lakhs for the quarter ended 30 June 2023. As at 30 June 2023, the Company's total current liabilities exceeds total current assets by Rs. 3,977.04 lakhs. These conditions, along with other matters set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 4, including necessary financial support from a promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the annual financial results on a going concern basis.

Our conclusion is not modified in respect of the above matter.

7. We draw attention to note No. 5(b) of the statement regarding certain fixed assets classified as "non-current assets held for sale" as explained therein.

Our conclusion is not modified in respect of the above matter.

For V. Sankar Aiyar & Co.

Chartered Accountants

ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Karthik Srinivasan

Partner

Membership. No. 514998

Place: New Delhi

Date: 14 August 2023

UDIN: 23514998BGXETX8060

