

Rasandik Engineering Industries India Ltd.



RASANDIK

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

CIN: L74210HR1984PLC032293

E-Filing/Online Filing

November 12, 2020

**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 12-11-2020 and Submission of Un-Audited Financial Results for the Quarter/Half Year ended 30-09-2020

The Board of Directors (The Board) in their meeting held on 12-11-2020 has approved, inter alia, the Un-Audited Financial Results of the Company for the Quarter/Half Year ended 30-09-2020 in terms of Regulation 30 & 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/Half Year ended 30-09-2020 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/Half Year ended 30-09-2020.


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

The meeting of Board of Directors commenced at 12.00 Noon and concluded on 4.00 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

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED.

CIN : L74210HR1984PLC032293

Unaudited Financial Results for the Half Year and Quarter ended 30th Sept, 2020

S No	Particulars	Three Months Ended			Six Months Ended		Rs. In lacs
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	Year Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<u>INCOME</u>						
	Revenue from operations	3,336.73	872.49	5,378.01	4,209.22	11,968.93	20,761.15
	Other income	26.52	2.41	37.74	28.93	75.06	154.68
	Total Income	3,363.25	874.90	5,415.75	4,238.15	12,043.99	20,915.83
2	<u>EXPENSES</u>						
	Cost of materials consumed	2,131.70	464.86	3,607.62	2,596.56	7,864.14	13,636.75
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(136.11)	69.77	144.20	(66.34)	313.70	659.65
	Power & Fuel	172.54	59.22	224.62	231.76	480.61	850.01
	Packing & Forwarding Expenses	123.97	18.29	79.40	142.26	290.25	535.23
	Freight & Transportation Expenses	42.57	6.79	145.45	49.36	262.14	495.02
	Employee benefits expense	346.98	103.73	494.53	450.71	1,023.17	1,903.51
	Finance costs	258.99	225.59	285.59	484.58	566.93	1,113.13
	Depreciation and amortization expense	335.58	326.69	329.15	662.27	655.71	1,311.38
	Other Expenses	374.47	160.94	893.39	535.41	1,266.69	2,281.55
	Total Expenses	3,650.69	1,435.88	6,203.95	5,086.57	12,723.34	22,786.23
3	Profit / (loss) before exceptional items and tax	(287.44)	(560.98)	(788.20)	(848.42)	(679.35)	(1,870.40)
4	Exceptional Items	-	-	-	-	-	-
5	Profit / (Loss) before tax	(287.44)	(560.98)	(788.20)	(848.42)	(679.35)	(1,870.40)
6	Tax Expenses						
	Current Tax	-	-	38.25	-	72.49	
	Tax relating earlier year written back					-	(46.60)
	Deferred Tax	(66.05)	(144.50)	(804.23)	(210.55)	(770.14)	(1,491.84)
7	Net Profit /(Loss) for the period	(221.39)	(416.48)	(22.22)	(637.87)	18.30	(331.96)
8	Other Comprehensive Income(net off tax)						
	(i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	16.79
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	(4.23)
9	Total Comprehensive Income for the Period (net off tax) (OCI)	(221.39)	(416.48)	(22.22)	(637.87)	18.30	(319.40)
10	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	597.50	597.50	597.50	597.50	597.50	597.50
11	Other Equity						9,805.10
12	Basic and Diluted Earnings per Share for the period (Rs.)	(3.71)	(6.97)	(0.37)	(10.68)	0.31	(5.56)

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED.

CIN : L74210HR1984PLC032293

Unaudited Financial Results for the Half Year and Quarter ended 30th Sept, 2020

Statement of Assets and Liabilities

Rs. In lacs

Particulars	As at 30.09.2020	As at 31.03.2020
<u>ASSETS</u>		
Non Current Assets		
Property, plant and equipment	18,022.37	18,650.46
Capital work-in-progress	449.31	462.31
Financial assets		
Others	194.96	115.64
Non current tax assets (Net)	16.54	13.05
Other non-current assets	225.43	225.43
Subtotal (A)	18,908.61	19,466.89
Current Assets		
Inventories	3,927.78	3,927.20
Financial assets		
Trade receivables	1,688.68	1,490.10
Cash and cash equivalents	11.46	27.12
Bank balance other than above	34.67	33.82
Others	140.94	146.75
Other current assets	236.22	263.30
Subtotal (B)	6,039.75	5,888.29
Total Assets (A+B)	24,948.36	25,355.18
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY</u>		
Equity share capital	597.50	597.50
Other equity	9,167.22	9,805.09
Total equity (C)	9,764.72	10,402.59
<u>LIABILITIES</u>		
Non Current Liabilities		
Financial Liabilities		
Borrowings	647.50	1,366.09
Provisions	105.42	119.78
Deferred tax liabilities (net)	2,184.83	2,395.39
Other non current liabilities	749.72	839.62
Total Non Current Liabilities (D)	3,687.47	4,720.88
Current Liabilities		
Financial Liabilities		
Borrowings	5,495.60	5,447.93
Trade payables		
Micro Enterprises and Small Enterprises	-	-
Other than Micro Enterprises and Small Enterprises	2,124.87	2,555.84
Other financial Liabilities	3,295.13	1,657.98
Provisions	104.40	100.40
Other current liabilities	476.17	469.56
Current tax liabilities (Net)	-	-
Total Current Liabilities (E)	11,496.17	10,231.71
Total Equity and Liabilities (C+D+E)	24,948.36	25,355.18

Statement of Cash Flows

Rs. In lacs

	Six Months Ended	
	30.09.2020 Unaudited	30.09.2019 Unaudited
A Cash Flow from Operating Activities:		
(Loss) / Profit after exceptional Items & before Tax	(848.42)	(679.35)
Adjustments for :		
Depreciation	662.27	655.71
Interest income on bank deposit	(0.85)	(0.54)
EPCG grant income	(20.38)	(2.71)
Expected credit loss provision	93.23	484.99
Unrealised foreign exchange fluctuations	1.31	-
Lease rent income	-	(46.75)
Finance costs	484.58	566.93
Operating profit before working capital changes	371.74	978.28
Adjustments for :		
Trade receivables	(199.89)	1,096.39
Inventories	(93.81)	313.84
Other financial asset	(79.32)	(2.90)
Other current/non current asset	32.03	63.66
Trade payables	(430.97)	(939.57)
Other financial liabilities	58.06	256.21
Other liabilities	(62.91)	(304.85)
Provisions	(10.36)	(4.32)
Cash generated from operations	(415.43)	1,456.74
Direct taxes paid	(3.49)	129.09
Net Cash from Operating Activities	(418.92)	1,585.83
B Cash Flow from Investing Activities:		
work in progress	(21.18)	(44.75)
Capital advances	-	37.37
Capital account - Payables	(17.42)	-
Interest received	0.85	0.54
Net Cash used in Investing Activities	(37.75)	(6.84)
C Cash Flow from Financing Activities		
Repayments of long term borrowings	-	(942.83)
Proceeds of long term borrowings	465.78	-
(Repayments) / proceeds from short term borrowings	47.67	(61.11)
Interest paid	(72.44)	(566.93)
Net Cash used in Financing Activities	441.01	(1,570.87)
Net Increase in Cash and Cash Equivalents (A+B+C)	(15.66)	8.12
Cash and Cash Equivalents (Opening Balance)	27.12	23.13
Cash and Cash Equivalents (Closing Balance)	11.46	31.25
Break up of closing cash & cash equivalent		
Current Accounts	10.60	25.80
Cash in Hand	0.86	5.45
	11.46	31.25



Notes:

- 1 The above unaudited results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 12th November, 2020.
- 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 During the quarter, the Company applied for One-time restructuring of term loans, fresh sanction of funded interest term loans and working capital term loans including installment amount of Rs. 367.22 lacs due on 30.09.2020 and have requested for extension of moratorium period from lenders.
- 4 For the six months ended 30th Sept. 2020, the Company has recorded a net loss after tax of Rs. 637.87 lacs. The Company's net current liabilities as 30th Sept., 2020 is Rs. 5,455.93 lacs. Further, Notwithstanding the above, the financial statements 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 implementing various initiatives like rationalizing costs, negotiating extended credit terms with suppliers, negotiations with lenders for restructuring, evaluating monetising certain assets 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.
- 5 The spread of Coronavirus Disease (COVID-19) has impacted the overall economy and business activities of the Company from mid of the month of March 2020. The Company's operations gradually commenced from last week of May 2020, post relaxation of the nationwide lockdown. As the Company is dealing with manufacture and supply of auto-components and is dependent on business from a few customers, the revenue for the quarter and six months is significantly impacted due to low business volume. The results for the quarter are therefore not comparable with those of the previous quarters. The Management has used internal and external information upto to the date of approval of these financial results in determining the possible impact on its business operation, liquidity position, contractual obligations, the recoverability of property, plant & equipment, inventories, other financial assets and trade receivables as at the quarter end. However, given the effect of the pandemic on the overall economic environment and in particular the automotive industry, the impact assessment of COVID-19 is subject to significant estimation uncertainties and, accordingly, the actual impact in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes arising of future
- 6 Capital work in progress includes certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of Rs. 320 lacs (PY Rs. 320 lacs) after impairment during the last quarter. Due to business reasons, the installation and commissioning of the said plant & equipment could not be proceeded with. The management is considering various options to utilise such machinery. The company continues to show such plant & equipment under Capital work in progress. Further, notice under section 80(1) of Code of Civil Procedure has been served upon Govt. of West Bengal for filing of suit for recovery of expenditure loss and reliance loss incurred on Singur Project.
- 7 The Company had imported certain plant & equipment including the machinery referred in note no. 6 above under EPCG license scheme. The Company has not been able to meet the export obligations during the stipulated 9 year period. The possible interest liability, if the export obligations are not met under EPCG license is estimated at Rs. 2884.41 lacs (PY Rs. 2042.04 lacs). The same has not been provided for in the books and continues to be shown as contingent liability.
- 8 Figures of the previous periods are re-grouped, wherever necessary, to correspond to the current period figures.

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

Karthik Srinivasan
Partner
Membership No. 514998

New Delhi
12th November, 2020

For Rasandik Engineering Industries India Limited


Rajiv Kapoor
Chairman & Managing Director
DIN: 00054659





V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

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Independent Auditor's limited review report on unaudited financial results of Rasandik Engineering Industries India Limited for the quarter and six months ended 30th September, 2020

**To The Board of Directors
Rasandik Engineering Industries India Limited**

1. We have reviewed the accompanying statement of un-audited financial results of Rasandik Engineering Industries India Limited ('statement') for the quarter and six months ended 30th September, 2020 being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's management and has been approved by the Company's Board of Directors in their meeting held on 12th November 2020 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review 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 financial statements are 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Material uncertainty relating to going concern

5. We draw attention to Note no. 3 and 4 of the accompanying Statement regarding preparation of the financial statements on going concern basis for the reasons stated therein. The appropriateness of going concern assumption is dependent upon realization of the initiatives to be undertaken by the Company, such as ability to raise funds / generate cash flows including monetization of non-core assets, successful negotiations with lenders and projected increase in turnover. Further, we draw attention to note no. 5 of the accompanying statement which explains how the economic environment surrounding the automotive industry has become highly uncertain due to COVID 19.

The accompanying results indicate that the Company has recorded a loss after tax of Rs. 637.87 lacs during the six months ended September 30, 2020. As of September 30, 2020, the Company's total current liabilities exceeds total current assets by Rs. 5418.44 lacs.

These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern, in the event the proposed initiative/ plans to infuse sufficient funds is not implemented.

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

Emphasis of Matter

6. We draw attention to note no. 6 and 7 of the accompanying statement regarding certain plant and equipment classified as "capital work in progress" as explained therein and possible interest liability on non-fulfilment of export obligations.

Our Conclusion is not modified in respect of the above matters.

Other Matters

7. Due to spread of COVID19, the limited review process, for the quarter and six months under report, was carried out from remote locations i.e. other than the Office of the Company where books of account and other records are kept, based on the data / details made available and based on financial information / records remitted by the management through digital medium.

Our report is not modified in respect of this matter.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. 109208W

Karthik Srinivasan
Partner
Membership No. 514998
UDIN : 20514998AAAAJE8937

Place : New Delhi
Dated : 12th November, 2020