

Rasandik Engineering Industries India Ltd.



RASANDIK

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

CIN: L74210HR1984PLC032293

E-Filing/Online Filing

September 6, 2021

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

Stock Code: 522207

Sub: Annual Report for the Financial Year 2020-21 alongwith notice of the 37th Annual General Meeting of the Company – Intimation under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

The Annual Report for the Financial Year 2020-21, alongwith Notice convening Annual General Meeting is enclosed herewith for your record.

The details such as manner of (i) registering / updating email addresses, (ii) casting vote through remote Evoting and (iii) attending the AGM to be held on Thursday, September 30, 2021, at 11:00 A.M. (IST) through Video Conferencing('VC')/Other Audio Visual Means ('OAVM') has been set out in the Notice of the AGM.

Annual Report 2020-21 containing the notice of AGM is also uploaded on the Company's website www.rasandik.com.

This is for your information and record please.

Thanking you,

Yours faithfully,
For Rasandik Engineering Industries India Limited


Pradeep Chandra Nayak
Company Secretary

Encl: As above



**Essential
Engineering
Driving
Future**



CORPORATE OVERVIEW 01-08

- 01** Rasandik Engineering Industries India Limited: About Us
- 02** Managing Director's Message
- 04** Essential Engineering: Driving Future
- 05** The Essential Engineering Solutions in Our Product Portfolio
- 06** Our Competency Enhancers
- 08** Board of Directors

STATUTORY REPORTS 09-71

- 09** Notice
- 25** Directors' Report
- 46** Report on Corporate Governance
- 67** Management Discussion & Analysis

FINANCIAL STATEMENTS 72-111

- 72** Standalone

PLEASE READ THIS REPORT ONLINE AT:

<http://www.rasandik.com/report.html>

Or simply scan
to download



Investor Information

Market Capitalisation

as at 31ST March, 2021 : ₹ **55 Crs**

BSE Code : **522207**

Bloomberg Code : **RSDE:IN**

AGM Date : **30 September, 2021**

AGM Mode : **Video Conferencing (VC)/Other
Audio Visual Means (OAVM)**

Disclaimer: This document contains statements about expected future events and financials of Rasandik Engineering Industries India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

The progression in engineering solutions and the sophistication of technology go hand in hand with the development of any nation. In fact, they are the true growth drivers behind the prosperity and progress of any society. Being amongst the leading manufacturers in automotive components and engineering solutions, we, at Rasandik Engineering Industries India Limited, take pride in being associated with the leading automobile brands in India and share the responsibility of offering innovative, value-added, and high-end essential engineering solutions to the constantly evolving demand of the economy. Thus, we are contributing our share in driving the future of India on its desired growth path.

Rasandik Engineering Industries India Limited

About Us

Rasandik Engineering Industries India Limited (referred hereinafter as 'Rasandik' or 'the Company' or 'We') is a leading manufacturer, dealing in vital engineering components for automobiles and home products (HPD) as well as tools. Consistently striving to deliver innovation, the Company employs high-end technology in all its manufacturing processes as well as in critical engineering solutions. What started 40 years back as a humble venture has now evolved into a company with a distinguished presence in the manufacturing arena of tailored welding blanks, tractor body parts, MUV wire frame, fuel tanks for automobiles, scissor jacks, body stampings and assemblies for air-conditioner, refrigerators and washing machines, skin and inner-body components for automobiles, suspension parts, and Body-in-White parts.

Mission 2021-22

-  To leverage high-end Tailor Welded Blanks (TWB) auto component requirements of the OEMs in the auto sector
-  To focus in expanding product portfolio in the high growth railway segment
-  To build capabilities for E-Auto
-  To target exports to the extent of 10% of turnover



Vision 2025

-  To build capabilities for design and manufacture of components and aggregates for aerospace industry
-  Enhance export presence
-  To make its presence felt in Electric Vehicles segment

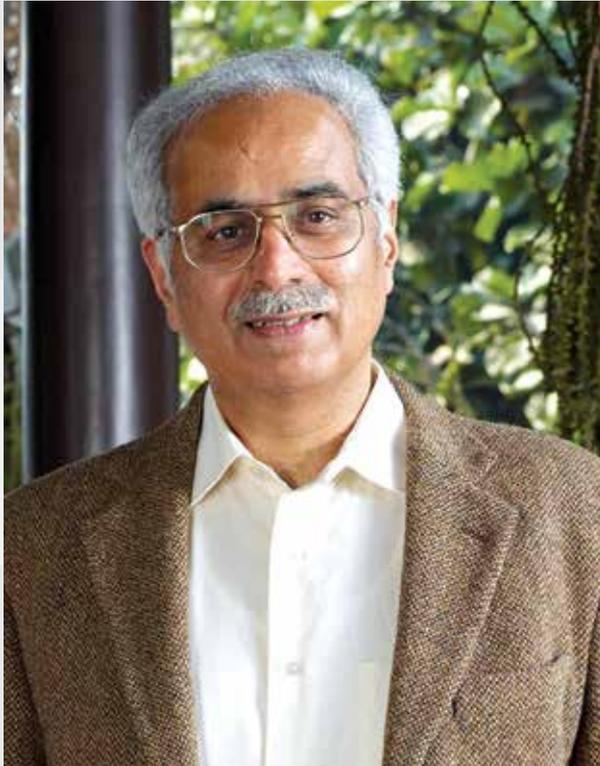


Core Philosophy

-  Quality
-  Cost
-  Delivery
-  Development



Managing Director's Message



Dear Shareholders,

I am glad to be speaking again with my trusted shareholders as we successfully reach the closure of another financial year. The impact of the COVID-19 catastrophe has been much-pronounced, but, is subsiding now. Economies across the world have been gradually taking a course of revival.

Though the GDP for the entire fiscal of 2020-21 contracted by 7.3%, Q3 and Q4 of the annum registered positive GDPs respectively, indicating the upbeat outlook of Indian economy. The GDP for Q3 grew by 0.4%, and that for Q4, by 1.6%. Q4 seemed to mark the onset of recovery in the Indian economy as RBI also estimated the growth in GDP to be around 9.5% for 2021-22. An economic stimulus package to the tune of ₹ 20 Lacs Crs helped strengthen both, the demand as well as the supply side of the economy in the form of credit guarantee, liquidity

“ At Rasandik we are prepared to take advantage of opportunities coming our way and foster a roadmap of growth. Our market leadership in Body-in-White (BIW) auto components will be further complemented by strategic partnerships with renowned auto manufactures in India. This, combined with a technologically advanced and innovative approach in product development would further help us enrich our esteemed clientele with superior quality of product offerings.

infusions, infrastructural development, and employment generation through various schemes. These measures are expected to build a sound platform for the development of economy in urban as well as rural areas.

India has been a promising market for automobiles, ranking as the 5th largest amongst the global automobile markets. A rising national income would facilitate higher discretionary spending and improved lifestyles. Moreover, an exponential boost in urbanisation will further support India's auto trends. The domestic automobile manufacturing industry demonstrated a CAGR of 2.36% between 2016-17 to 2019-20, with nearly 26 Million vehicles getting manufactured in 2020 alone.

The demand for luxury passenger vehicles, too, is expected to rise by almost 40% in the coming fiscal of 2021-22. The Medium and Heavy Commercial Vehicles (MHCV) industry is also expected to witness strong expansionary tendencies with growing demand for such vehicles, emanating chiefly from the burgeoning e-commerce sector and the GOI's newly initiated

infrastructural development projects amounting to ₹ 2 Lacs Crs These robust growth trends would derive further boost from the voluntary scrapping policy announced in the Union Budget 2021-22, generating a massive demand for new vehicles and scrapping the old ones. Another spurt of market expansion is expected to arrive on the back of EVs (Electric Vehicles). However, the widespread adoption of EVs can be ensured only if the commercial feasibility is firmly established. The said commercial feasibility must translate into optimum operations cost for the businesses as well as enhanced comfort and ease of use for the end customer.

These developments clearly indicate a buoyant outlook for the automobile sector in India. The automotive components manufacturing sector is set to benefit directly and proportionately from these expansionary developments. Auto component sector in India was valued at USD 14.5 Billion in the fiscal of 2019-20. By 2026, experts forecast it to touch the size of USD 80 Billion, thus, registering a CAGR of 23.9%. India intends to allocate 8% of its total expenditure towards Research & Development in the auto sector. There has also been an allocation of ₹ 57,042 Crs by the Government of India for automobiles and auto component sector under its Production-linked Incentive (PLI) scheme.

At Rasandik, we are prepared to take advantage of such handsome opportunities coming our way and foster a roadmap of growth and prosperity for all our stakeholders. Our market leadership in Body-in-White (BIW) auto components will be further complemented by strategic partnerships with renowned auto manufactures in India. This, combined with a technologically advanced and innovative approach in product development would further help us enrich our esteemed clientele with superior quality of product offerings. Such value-added initiatives and laser-sharp focus on maintaining product quality has

enabled us to clock in a revenues of ₹ 139.29 Crs

We are noticing a strong trend for rising adoption of EVs across the globe. From the present share of EVs of approximately 3% in the global automobile market, it is expected to rise to around 24% in 2030. The share of India in this market is estimated to be around 10%. This spells out a huge growth potential for adoption of EVs in India, driven especially by the three-wheelers. The Company aims to partake in the expanding market potential of electric three-wheelers (E-Autos) supported strongly by the Government of India initiatives such as FAME-II scheme. Also, the total cost of ownership (TCO) of the electric three-wheelers is lesser as compared to that of the diesel vehicles. EVs segment is expected to receive further boost with many municipal corporations as well as leading E-commerce companies aiming for electrification of autos and delivery fleet.

Rasandik promises to uphold our core value of serving our customers with premium-quality products, backed by state-of-the-art technology and world-class production processes. I sincerely express my admiration for all our crew members – our hard-working sincere team, who have shown unmatched dedication and put in tireless efforts, keeping the customer first even in the wake of a pandemic. I also thank my Board of Directors for this continued support and strategic guidance on the path of growth. I conclude here, but with a sincere vote of thanks and humble gratitude for all my stakeholders and community. We promise to honor the consistent support and faith we have received as we continue on our path to drive the future with our engineering solutions.

Regards,

Rajiv Kapoor

Chairman & Managing Director

Essential Engineering: Driving Future

At Rasandik, we consistently endeavour to induce the best production quality and technology in our wide range of essential automotive components and engineering solutions, press tools, and dyes.

We claim market leadership in the segment of suspension parts, sub-assemblies for Body-in-White (BIW) as well as for fuel tanks of major automobile brands in India. Our all-encompassing product range, starting from small stampings to complex assemblies, has enabled us to cater to marquee clients worldwide. Furthermore, the ability to collaborate with leading auto manufacturers at a very early stage of design and product development positions Rasandik well as a supportive market player. We also have an in-house sufficiency at providing design solutions, prototyping, and testing services, when it comes to essential engineering.

The Government of India has lately been focussing on infrastructural development and the motivating budget allocation towards the auto sector would provide many opportunities for the Company. Moreover, the recent announcement for scrappage policy will rejuvenate the components' arena.

A competent range of offerings produced using only the most cutting-edge tech is what sets us apart. In alignment with our sustainable business values, we aspire to help the nation-building movement as we continue to construct supreme solutions, which benefit our customers, community, and company.

1,100+ 

Employees

40+ 

Products

₹ 139.29  Crs

Total Income for 2020-21

The Essential Engineering Solutions in Our Product Portfolio



ENGINEERING SOLUTIONS AND COMPONENTS



- ▀ Press tools and Dies ▀ Fuel tanks
- ▀ Skin panels ▀ Chassis parts
- ▀ BIW parts ▀ Tractor parts ▀ Jack



RAILWAYS AND HEAVY FABRICATION



- ▀ Front part ▀ Water tank ceiling
- ▀ Luggage racks ▀ End wall assembly
- ▀ Bio retention tanks



LASER TAILOR-WELDED BLANKS



HOME PRODUCT DIVISION



- ▀ Products such as iron board, shoe rack, hat rack, cloth hanger



ELECTRIC VEHICLES' PRODUCTS



- ▀ E-auto



Our Competency Enhancers

1. COLLABORATION WITH LEADING AUTO MANUFACTURERS ENSURING SUSTAINED REVENUE VISIBILITY: SOME OF OUR ESTEEMED MARQUEE CLIENTS

ENGINEERING SOLUTIONS AND COMPONENTS

Maruti Suzuki
Honda Motors
GM
Tata Motors
Mahindra
Renault Nissan
Fiat



PRESS TOOLS AND DYES:

Maruti Suzuki
Honda Motors
GM
Tata Motors



LCV/HCV CATEGORY:

SWARAJ MAZDA



AMW



FORCE MOTORS

ASHOK LEYLAND



2. USE OF HIGH-END AUTOMATION IN DESIGNING AND MANUFACTURING PROCESSES LEADING TO QUALITY CONSISTENCY, HIGH PRODUCTIVITY, AND DETAILED DESIGNING AT OUR FIVE STATE-OF-THE ART MANUFACTURING FACILITIES:

PLANT 1: SOHNA, GURUGRAM



PLANT 2: SOHNA, GURUGRAM



PLANT 3: SURAJPUR, GREATER NOIDA



PLANT 4: RANJANGAON, PUNE



3. PIONEERS IN EMPLOYING THE LATEST TECHNOLOGIES LIKE CAM SOFTWARE THAT ENABLE US TO LAUNCH NEW PRODUCTS LIKE TAILORED WELDING BLANK SYSTEMS

PLANT 5: KANWARSIKA, MEWAT



4. BEST BUSINESS PRACTICES COMPLEMENTED BY STRONG ETHICAL AND MORAL COMPASS LEADING TO VALUE MAXIMISATION FOR ALL THE STAKEHOLDERS

5. OUR HIGHLY TRAINED, COMPETENT, AND COMMITTED HUMAN TASK FORCE CAPABLE OF LEADING THE BUSINESS ON THE DESIRED PATH OF GROWTH

Board Of Directors



SHRI RAJIV KAPOOR

Alumnus of IIT Delhi, Shri Rajiv Kapoor is the Founder, Promoter, and Managing Director of the Company. He is a first-generation entrepreneur, who incorporated Rasandik Engineering Industries India Limited in 1986. Being the visionary that he is, Shri Rajiv Kapoor was among the first players to gauge the growth potential of auto component manufacturing industry. His dedicated efforts towards using high-end technology, constant product innovation, best quality products, and timely supply to the customers have placed Rasandik amongst the top component suppliers in the automobile industry.



SMT DEEPIKA KAPOOR

A Founder, Promoter, and Director of the Company, Smt Deepika Kapoor is an educationist with rich experience in Human Relation, Company Management, and General Administration. She serves as a Woman Director on the Board.



DR. SHYAM SUNDER SETHI

An Engineer by profession, Dr. Sethi is a Non-Executive Independent Director on the Board. An alumnus of IIT, Kharagpur and Ph. D from Delhi University, he possesses an impressive industrial experience of around 30 years within India as well as overseas. He has served as the Executive Vice President-Operations for Whirlpool for the South East Asia region. Currently, he is also an honorary faculty member at IIT Delhi.



SHRI M. S. RAMAPRASAD

An industrialist by profession and a graduate in B.Sc. and LLB, Shri Ramaprasad is a Non-Executive Independent Director on the Board of the Company. With over 37 years of a glorious stint in industrial management, he is also the proprietor of Saraswathi Rice & Oil Mills, Nanjangud, Karnataka. He is the Founder member of the Nanjangud Industries Association and has been serving as the President for four years now.



SHRI A. R. HALASYAM

Shri Halasyam is a Non-Executive Independent Director and a management graduate with an experience of over 37 years in the industry. Having worked with public sector companies at management levels since 1982, he was the Finance Director and a Member of the Executive Board of Maruti Udyog Limited for 10 years, beginning 1991. An expert in Treasury Management, Project Management, Project Financing, And Business Development, his presence has highly benefited Rasandik in the sphere of employee management.



SHRI ABHAY KUMAR KHANNA

Having a distinguished service record of over 36 years with Government of India (GoI) across diverse areas such as Additional Member Budget-Ministry of Railways (MOR) besides Construction organisation, Research Design and Standards Organization (RDSO) and Economic Directorates (MOR); Shri Khanna is currently serving on the Board of Institute Of Director (IOD) as Executive Member as well as Independent External Monitor of GoI Public Sector Undertakings (PSU) such as Rail India Technical and Economic Service (RITES) and Brahmaputra Valley Fertilizer Corporation Limited (BVFCL). Apart from his rich academic background and qualifications in public administration, he is also qualified in Masterclass program for Independent Directors held by IOD.

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED**(CIN: L74210HR1984PLC032293)**

Reg. Off: 14, Roj-Ka-Meo Industrial Area, Sohna, Haryana - 122103

Web: www.rasandik.com Email: cs@rasandik.com

Dear Member,

You are cordially invited to attend the 37th Annual General Meeting (“AGM”) of the members of **Rasandik Engineering Industries India Limited** (“the Company”) to be held on **Thursday, 30 September, 2021** at 11:00 a.m. IST through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’).

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 (“the Act”), read with the related rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the LODR Regulations”), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

Very truly yours,

Sd/-

Raiv Kapoor

Chairman and Managing Director

Enclosures:

1. Notice of the 37th Annual General Meeting
2. Instructions for participation through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM’)
3. Instructions for e-voting

Note: Attendees who require technical assistance to access and participate in the meeting through VC are requested to contact either of these helpline numbers: Link Intime India Pvt. Ltd.: Tel. 022 - 4918 6175, 022-4918 6000 or email to instameet@linkintime.co.in

Notice

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

(CIN: L74210HR1984PLC032293)

Reg. Off: 14, Roj-Ka-Meo Industrial Area, Sohna, Haryana - 122103

Web: www.rasandik.com Email: cs@rasandik.com

NOTICE is hereby given that the 37th Annual General Meeting of **Rasandik Engineering Industries India Limited** will be held on **Thursday, 30 September, 2021** at 11.00 A.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business.

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements and the reports of the Directors and Auditors

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31 March, 2021 and the Report of Board of Directors of the Company and Auditors thereon.

Item No. 2 – Re-appointment of Smt Deepika Kapoor as a Director Liable to Retire by Rotation

To appoint a director in place of Smt Deepika Kapoor (DIN: 00054799), who retires by rotation and, being eligible, seeks re-appointment.

Explanation: Smt Deepika Kapoor, who was appointed as Director and whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment. Based on performance evaluation and the recommendation of the nomination and remuneration committee, the Board recommends her reappointment.

Therefore, members are requested to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Smt Deepika Kapoor (DIN: 00054799), who retires by rotation, be and is hereby reappointed as a director of the Company.

SPECIAL BUSINESS:

Item No. 3 – Re-appointment of Sh. Rajiv Kapoor (DIN: 00054659) as Chairman cum Managing Director of the Company

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 2(54), 178, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 (“the

Act”) and read with Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, from time to time), the relevant provisions of the Articles of Association and Nomination and Remuneration Policy of the Company and all applicable regulations or guidelines issued by the governmental authorities from time to time and subject to such regulatory approvals as may be necessary and as recommended by Nomination and Remuneration Committee and that of the Board, the consent of the members be and is hereby accorded to re-appoint Sh. Rajiv Kapoor (DIN: 00054659) as Chairman cum Managing Director and Whole Time Key Managerial Personnel of the Company for a further term of 5 (five) years with effect from 01 October, 2020 to 30 September, 2025 on the following terms and conditions:

1. Period	from 01 October, 2020 to 30 September, 2025
2. Remuneration	
a. Salary	No Remuneration
b. Incentive/ Commission	Nil
c. Perquisites:	Nil

In exception to above, he shall entitle to receive the following:

- i) Medical Expenses incurred for himself on account of Company work.
- ii) Car with a driver for use on the Company's business and telephone at residence /mobile for use on the Company's business provided that personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to him. The provision of car and telephone/mobile will not be considered as perquisites.
- iii) Reimbursement of entertainment, traveling, hotel and all other expenses incurred for the business of the Company.

RESOLVED FURTHER THAT Sh. Rajiv Kapoor shall not be liable to retire by rotation during the entire tenure of his re-appointment i.e. from 01 October, 2020 to 30 September, 2025

RESOLVED FURTHER THAT Sh. Shyam Sunder Sethi, Chairman of Nomination and Remuneration Committee and

Notice (Contd.)

Shri Gautam Bhattacharya, Chief Financial Officer of the Company be and are hereby severally authorized to issue the letter of appointment to Sh. Rajiv Kapoor as Chairman cum Managing Director,

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorized to sign and submit the necessary e-forms with Registrar of Companies, National Capital Territory, Delhi & Haryana, take necessary steps to make entries in the Register of Directors and Key Managerial Personnel and their Shareholding, make the necessary disclosure to the stock exchange(s) and to any other authority/ regulatory body as may be required intimating about his re-appointment and to do all such acts, deeds and things as may be considered necessary or incidental thereto to give effect to the above resolution.”

Item No. 4 – Appointment of Sh. Abhay Kumar Khanna as an independent director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

Place: Sohna, Haryana
Date : 29 June, 2021

NOTES:

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the special businesses specified above is annexed hereto.
2. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs (“MCA”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held on 30 September, 2021 through VC.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the

“RESOLVED THAT Sh. Abhay Kumar Khanna (DIN: 06919161), who was appointed as an Additional Director (Non-Executive and Independent), pursuant to Sections 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as a Director (Non-Executive and Independent), not liable to retire by rotation, for a period of five years up to 13 September, 2025.

RESOLVED FURTHER THAT any Director and the Company Secretary of the Company be and are hereby severally authorized to do to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For **Rasandik Engineering Industries India Limited**

Sd/-
Pradeep Chandra Nayak
Company Secretary
ACS: 15852

Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.

5. Members of the Company under the category of Institutional Investors/corporate members are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to cs@rasandik.com with a copy marked to instameet@linkintime.co.in.
6. **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:**

In accordance with, the General Circular No. 20/2020 dated 05 May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by SEBI, owing to the difficulties involved

Notice (Contd.)

in dispatching of physical copies of the Annual Report including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

Members holding shares in physical form are requested to intimate their e-mail address to Link Intime India Private Limited, Registrar and Share Transfer Agent/ Company either by e-mail at swapann@linkintime.co.in / cs@rasandik.com by sending a communication, in a prescribed format, at the below-mentioned address or at the Registered Office of the Company. A copy of the prescribed format is attached at Annexure-2.

Type of holder	Process to be followed	
	Registering email address	Updating bank account details
Physical	Send a written request to the RTA of the Company, Link Intime India Private Limited at Noble Heights, 1st Floor, Plot NH 2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi-110058, providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) for registering email address.	<p>Send a written request to the RTA of the Company, Link Intime India Private Limited at Noble Heights, 1st Floor, Plot NH 2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi-110058, providing Folio Number, name of member, copy of the share certificate (front and back), PAN (self-attested copy of PAN card), AADHAAR (self-attested copy of Aadhaar card) and self-attested copy of the cancelled cheque leaf bearing the name of the first holder for updating bank account details.</p> <p>The following additional details / documents need to be provided in case of updating bank account details:</p> <ul style="list-style-type: none"> Name and branch of the bank account type Bank account number allotted by their banks after implementation of core banking solutions 9-digit MICR Code Number 11-digit IFSC
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

- The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30 September, 2021. Members seeking to inspect such documents can send an email to cs@rasandik.com.
 - Voting Rights: Members holding Equity Shares shall have one vote per share as shown against their holding.
 - In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09 December, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Link Intime India Pvt Limited ("Link Intime").
- Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the "Instructions for e-voting" section which forms part of this Notice.
- The Board has appointed Shri Awanish Kumar, (Membership No. FCS 510868) of M/s. AKDC & Associates, Practicing Chartered Accountant, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 23 September, 2021, may cast their votes electronically. The e-voting facility will be available during the following voting period:

Notice (Contd.)

Commencement of e-voting	End of e-voting
Monday, 27 September 2021, 9.00 A.M. IST	Wednesday, 29 September 2021, 5.00 PM IST

The e-voting module will be disabled by Link Intime thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on 23 September, 2021. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

11. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
12. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. 23 September, 2021, may obtain the login ID and password by sending a request at delhi@linkintime.com. However, if he / she is already registered with Link Intime for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. 23 September, 2021, may follow steps mentioned in the Notice under "Instructions for e-voting".
13. In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 37th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company/depository participant(s).
14. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime India Private Limited at delhi@linkintime.com to receive copies of the Annual Report 2020-21 in electronic mode.
15. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
16. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rasandik.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of Link Intime (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. <https://instavote.linkintime.co.in>.
17. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) and updates of bank account details by every investor holding securities in physical or electronic mode with the Registrar and Share Transfer Agent. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of bank account details to their respective depository participant(s).
19. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

Notice (Contd.)

20. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be

communicated to the stock exchanges, Link Intime and RTA, and will also be displayed on the Company's website, www.rasandik.com.

21. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 – Re-appointment of Sh. Rajiv Kapoor (DIN: 00054659) as Chairman cum Managing Director of the Company

The members of the Company had, at the 33rd Annual General Meeting held on 29 September, 2017, approved the re-appointment of Sh. Rajiv Kapoor, as Chairman cum Managing Director of the Company for a period of 3 years ending on 30 September, 2020. The members in above-mentioned approvals had Authorized the Board of Directors of the Company to revise the terms including remuneration of Sh. Rajiv Kapoor in the best interests of the Company without seeking further approval

from the Shareholders. Accordingly, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 30 September, 2020 renewed the remuneration of Sh. Rajiv Kapoor with effect from 01 October, 2020 till 30 September, 2025 which is within the permissible limit under applicable laws. However, in view of the financial crisis anticipated due to the outbreak of COVID-19 pandemic, Sh. Rajiv Kapoor has voluntarily agreed to a reduction in his remuneration to Nil, i.e., the proposed remuneration (as detailed in the table below) will be payable to him during such period.

A brief comparison between the existing remuneration and proposed remuneration to be payable to Sh. Rajiv Kapoor is set out below:

Existing Remuneration (Drawn until 30 September, 2020)	Proposed Remuneration (with effect from 01 October, 2020)
a) Salary: ₹ 500,000/- per month	a) Salary: Nil
b) Incentive/Commission: Nil	b) Incentive/Commission: Nil
c) Perquisites:	c) Perquisites: Nil
In addition to above, he shall entitle to receive the following:	In exception to above, he shall entitle to receive the following:
i) Medical Reimbursement: Expenses incurred for himself and his family as per rules of the Company.	i) Medical Expenses incurred for himself on account of Company work.
ii) Club Fees: Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.	ii) Car with a driver for use on the Company's business and telephone at residence / mobile for use on the Company's business provided that personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to him. The provision of car and telephone/mobile will not be considered as perquisites.
iii) Car with a driver for use on the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to him. The provision of car and telephone will not be considered as perquisites.	iii) Reimbursement of entertainment, traveling, hotel and all other expenses incurred for the business of the Company.
iv) Reimbursement of entertainment, traveling, hotel and all other expenses incurred for the business of the Company as per the Rules of the Company.	
Note:	
I. Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of his remaining tenure, the Company has no profits or its profit are inadequate, remuneration as fixed above by way of salary, perquisite and other allowances or any contribution thereof shall be the minimum remuneration payable to Sh. Rajiv Kapoor subject to compliance with provisions contained in schedule V of the Companies Act, 2013.	

Notice (Contd.)

In terms of the Nomination and Remuneration Policy of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and considering Sh. Rajiv Kapoor's, rich and varied experience, the Board of Directors has, at its meeting held on 30 September, 2020, approved the re-appointment of Sh. Rajiv Kapoor as the Chairman cum Managing Director of the Company for further term of five years with effect from 01 October, 2020 on the terms mentioned above, subject to the applicable provisions of the Companies Act, 2013, the rules made thereunder and the approval of the members on the terms and conditions (including remuneration) as mentioned above, with authority to the Board to alter the terms and conditions including designation and remuneration as it deems fit on the recommendation of Nomination and Remuneration Committee of the Company.

Sh. Rajiv Kapoor shall not be subject to retirement by rotation during his tenure as the Chairman cum Managing Director of the Company.

Sh. Rajiv Kapoor shall be paid any fees for attending the meetings of the Board or any Committee(s) thereof, if constituted, of the Company.

Sh. Rajiv Kapoor satisfies all the conditions under the Companies Act, 2013 for being eligible for his re-appointment.

The above-mentioned terms may be treated as a written memorandum setting-out the terms of re-appointment of Sh. Rajiv Kapoor under Section 190 of the Companies Act, 2013.

The disclosures prescribed under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are provided in Annexure-1 of the Notice.

Except Sh. Rajiv Kapoor and Smt Deepika Kapoor and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 3 for approval of the Members.

Item No. 4 – Appointment of Sh. Abhay Kumar Khanna as an independent director

The Board, based on the recommendation of the nomination and remuneration committee, appointed Sh. Abhay Kumar Khanna as an additional and independent director of the Company with effect from 14 September, 2020, pursuant to Section 161 of the Companies Act, 2013. The Company

has received from her all statutory disclosures / declarations including, (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Sh. Abhay Kumar Khanna to the office of independent director.

In the opinion of the Board, he brings experience and expertise of Railways that will provide valuable insights as Rasandik pivots its service offerings in Auto, Railway and other sectors and to help in businesses transformation. He fulfills the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. A copy of the draft letter for the appointment of Sh. Abhay Kumar Khanna as an independent director setting out the terms and conditions is available for electronic inspection without any fee by the members.

The Board, on 14 September, 2020, appointed Sh. Abhay Kumar Khanna as an additional and independent director who holds office up to the ensuing AGM. The resolution seeks the approval of members for the appointment of Sh. Abhay Kumar Khanna as an independent director of the Company up to 13 September, 2025 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing AGM and shall be appointed as a director by the members. Sh. Abhay Kumar Khanna's appointment is hereby placed for the approval of members. In compliance with the general circular no. 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

No director, key managerial personnel or their relatives except Sh. Abhay Kumar Khanna, to whom the resolution relates, is interested in or concerned with the resolution in Item no. 4.

The Board recommends the resolution set forth in Item no. 4 for the approval of members.

Notice (Contd.)

ANNEXURE 1

PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED IS FURNISHED BELOW:

Name of Director	: Sh. Rajiv Kapoor	Smt Deepika Kapoor	Sh. Abhay Kumar Khanna
DIN	: 00054659	00054799	06919161
Date of Birth/ Nationality	: 4th November 1955 Indian	26th November, 1957 Indian	29th June 1953 Indian
Age	: 66 Yrs	64 Yrs	68 Yrs
Educational Qualification	IIT Graduate	Graduate	M.Phil (Public Administration), Masters Diploma in Public Administration (IIPA), M.Sc (Maths), Diploma in HRD (UNE-Australia), Diploma in Strategic Planning and Management (HEC Paris), Project Finance(UK), PPP (USA) and several programs organized by World Bank, Asian Development Bank and MDI
Expertise in specific functional area	<p>Founder Promoter and Managing Director of the Company and an IIT Delhi Graduate, a technocrat turned first generation industrialist.</p> <ul style="list-style-type: none"> • His visionary skills and foresightedness made him realize the potential for the Auto component manufacturing industry as the Government policy was for the indigenization of the Auto components. • He possesses great project management skills coupled with deep understanding of the auto component manufacturing system. • It is his drive and passion for Auto component business Rasandik was born in 1986; since then he is the main driving force behind the Company's progress till date. • He manages business operations largely concentrating on the product developments, new business opportunities, technology up-gradation, product quality and growth strategies. 	<p>Founder Promoter & Director of the Company and She has considerable experience in Human Relations, Company Management and General Administration.</p>	<p>Mr. Abhay Khanna (1976, Indian Railway Accounts Service) has served the Government of India for 36 years and superannuated in June 2013. Thereafter, he was appointed as Advisor / consultant with Dedicated Freight Corridor Corporation of India (DFCL) and is currently serving on the Board of Institute Of Director (IOD) as Executive Member as well as Independent External Monitor of RITES and BVFCL, GOI PSUs.</p> <p>Mr. Khanna superannuated as General Manager, Integral Coach Factory (Chennai) one of the largest Rail Coach Production Unit and has worked as DRM Jodhpur. He has also served as Additional Member Budget (Ministry of Railways) besides Construction organization, Research Design and Standards Organization (RDSO) and Economic Directorates (MOR) in senior positions.</p>

Notice (Contd.)

Name of Director	:	Sh. Rajiv Kapoor	Smt Deepika Kapoor	Sh. Abhay Kumar Khanna
		He pioneered the introduction of new technologies of Moving Bolster in 1992, Spot Welding Robot in 1999 and Tailor Welded Banks in 2006 in the Auto Component Sector in India. His continuous pursuit for timely supply of best quality products at competitive prices has made Rasandik a very dependable and preferred Auto component supplier in the industry.		
Area of Expertise	:	Tool & Dyes manufacturing, Sheet Metal Industry	Tool & Dyes manufacturing, Sheet Metal Industry	Rail Coach Manufacturing
Date of First Appointment on Board	:	10 January, 1984	10 January, 1984	14 September, 2020
Interse relationship with other Director / manager and other KMP	:	Shri Rajiv Kapoor is related to Smt Deepika Kapoor, Whole Time Director of the Company	Smt Deepika Kapoor is related to Shri Rajiv Kapoor, Chairman and Managing Director of the Company	None
No of Shares Held in the Company	:	1,209,441 Shares	54,300 Shares	Nil
Board Position Held	:	Chairman Cum Managing Director	Director	Director
Term and Condition of Appointment alongwith details of remuneration sought to be paid	:	As per the resolution at item no. 3 of the Notice convening this meeting read with explanatory statement thereto.	As per the resolution at item no. 2 of the Notice convening this meeting read with explanatory statement thereto.	As per the resolution at item no. 4 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration Last Drawn (if applicable)	:	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance
No of Board Meetings attended during the year -2020-21	:	5 out of 5 meetings	5 out of 5 meetings	3 out of 5 meetings
Directorship held in other Companies	:	None	None	None
Chairman / Member of the Committees of Board of Directors of Other Companies	:	None	None	None
Chairman / Member of the Committees of Board of Directors of the Company	:	Member of Audit Committee of Rasandik Engineering Industries India Limited	Member in Corporate Social Responsibility Committee of Rasandik Engineering Industries India Limited	None

Notice (Contd.)

ANNEXURE 2

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE-V OF THE COMPANIES ACT, 2013

I. General Information:

(1) Nature of Industry	The Company is engaged in manufacturing of sheet metal component, TWB & Tool & Dyes.
(2) Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since 1986
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

II. Information about the appointee:

1. Background details:

Sh. Rajiv Kapoor, Chairman cum Managing Director:

Sh. Rajiv Kapoor is the founder, promoter and Managing Director of the Company and an IIT Delhi Graduate, a technocrat turned first generation industrialist. With visionary skills and foresightedness, he realized the potential for the Auto component manufacturing industry and established Rasandik in 1986. He manages business operations largely concentrating on the product developments, new business opportunities, technology up-gradation, product quality and growth strategies. He pioneered the introduction of new technologies of Moving Bolster in 1992, Spot Welding Robot in 1999 and Tailor Welded Banks in 2006 in the Auto Component Sector in India. His continuous pursuit for timely supply of best quality products at competitive prices has made Rasandik a preferred Auto component supplier in the industry.

2. Past remuneration:

Amount (₹ in Lacs)

Financial Years	Rajiv Kapoor
2017-18	45
2018-19	60
2019-20	52

3. Recognition or Awards:

Rasandik has received the following awards from its Customers:

Customer	Particulars of Award
1. Honda Siel Cars India Ltd	Best Suppliers Award for Quality ikon
2. New Holland Tractors Ltd.(CNH)	Local Partnership / Global Reach
3. Maruti Udyog Ltd	Trophy for excellence for Cost Reduction Certificate for Yield Improvement

4. Financial Performance for last 3 years is given below:

Particulars - On Standalone Basis	(₹ In lacs)		
	FY 2020	FY 2019	FY 2018
Revenue from Operations (Gross)	20,761.15	26,676.10	24,732.55
Other Income	154.68	779.87	538.20
Total Income	20,915.83	27,455.97	25,270.75
Total Expenses	22,786.23	26,804.13	25,117.89
Profit/(Loss) before tax	(1,870.40)	651.84	152.86
Tax Expenses (including Current tax, MAT Credit Entitlement, Deferred Tax, short/excess provision for earlier years)	(1,538.44)	361.52	25.53
Profit/(Loss) for the year	(319.40)	296.49	136.38
Paid up Share Capital	597.50	597.50	472.50
Other Equity	9,805.09	10,124.49	7,621.26
Net Worth	10,402.59	10,721.99	8,093.76

Note: Figures for the Previous Year has been regrouped/rearranged wherever required

5. Others

Sh. Rajiv Kapoor was Past President (Two consecutive Terms) – Gurgaon Chamber of Commerce & Industries, Gurgaon, Haryana, Founder & Member – Rozka Meo Industrial Association, Sohna and Past Member-Investment Committee - SIDBI Venture Fund etc.

6. Job Profile and his suitability:

Sh. Rajiv Kapoor as Chairman and Managing Director has been looking after the overall affairs and operations of the Company guiding the supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities

Notice (Contd.)

of the Company. He has been instrumental in taking the Company from strength to strength to its present position. The Company has made enormous progress under his stewardship.

7. Remuneration proposed: As stated in the Explanatory Statement at Item No. 3 of this Notice.

8. Comparative remuneration policy with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered, the remuneration as proposed of Sh. Rajiv Kapoor is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and nature of its businesses. Moreover in position as Chairman and Managing Director of the Company, Sh. Rajiv Kapoor devotes his substantial time in overseeing the operations of the Company.

9. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Sh. Rajiv Kapoor, Chairman cum Managing Director does not have any pecuniary relationship with the Company.

Rajiv Kapoor is the husband of Smt Deepika Kapoor. Sh. Rajiv Kapoor belongs to the Promoter Group and Chairman and Managing Director holds 1,209,441 nos of equity shares in the share capital of the Company. Shri Deepika Kapoor belongs to the Promoter Group and Wholetime Director holds 54,300 nos of equity shares in the share capital of the Company

III. OTHER INFORMATION:

1. Reasons of loss or inadequacy of profits:

The Company is passing a Ordinary Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Company adversely impacted at present and also in future due to Covid-19 and the uncertain economic environment during the period for which no remuneration is payable to Sh. Rajiv Kapoor i.e. till 30 September, 2025.

2. Steps taken or proposed to be taken for improvement:

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The Company has also strategically planned to address the issue of productivity, improve sales and increase profits and has put in place measures to reduce cost and improve the bottom-line.

3. Expected increase in productivity and profits in measurable terms:

The Company has taken various initiatives to maintain profitability, improve sales and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

IV. DISCLOSURES:

1. Remuneration package of the managerial person: Fully described in the explanatory statement as stated above.
2. Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2020-21: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2020-21

Notice (Contd.)

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS POST CHANGE IN THE LOGIN MECHANISM FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE, PURSUANT TO SEBI CIRCULAR DATED 09 DECEMBER, 2020:

Pursuant to SEBI circular dated 09 December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> ▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:- <ol style="list-style-type: none"> A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click “confirm” (Your password is now generated). 2. Click on ‘Login’ under ‘SHARE HOLDER’ tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’. 4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link). 7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Notice (Contd.)

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8

characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at

<https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Notice (Contd.)

- ▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details: -
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide Folio Number registered with the Company**
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Notice (Contd.)

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting

via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

ANNEXURE – 3

UPDATION OF SHAREHOLDER'S INFORMATION

I/ We request you to record the following information against my/ our Folio No. / DP ID-Client ID:

General Information:

Folio No./ DP ID-Client ID	
Name of the first named Shareholder	
PAN	
CIN/ Registration No. (applicable to Corporate Shareholders)	
Tel. No. with STD Code	
Mobile No.	
Email ID	

Self-attested copy of PAN/ Voter ID/ Aadhaar Card is attached.

Date:

Signature of Sole/First holder

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 37th Annual Report of your Company together with the Audited Statement of Accounts of the Company for the financial year ended 31 March, 2021 and the Auditors Report thereon.

FINANCIAL RESULTS:

The summarized working results for the year ended 31 March, 2021 as compared to earlier year are as under:

Particulars	2020-21	2019-20
₹ in Million		
FINANCIAL RESULTS		
Total Income	1392.78	2091.58
Profit Before Finance Cost, Depreciation and Taxation	157.39	55.41
Finance Cost	98.24	111.31
Depreciation	133.37	131.14
Profit Before Tax	(74.22)	(187.04)
LESS:		
Tax expense		
Current tax	-	-
Deferred tax	16.54	153.84
Profit/Loss After Tax (Loss)	(57.73)	(33.20)

OPERATING RESULTS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the overall performance of the Company showed downward movement as compared to the previous year. The total income of the Company for the year ended 31 March, 2021 was ₹ 1392.78 Million as compared to ₹ 2091.58 Million in the previous year. The profit before depreciation, finance cost, taxation is increased to ₹ 157.39 Million from ₹ 55.41 Million in the previous year. The net loss after depreciation, finance cost and tax is ₹ 57.70 Million for the current financial year as compared to net loss of ₹ 33.20 Million in the previous year.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report. There has been no change in the nature of the business of the Company.

DIVIDEND

In view of the losses, the Board of Directors has not recommended any dividend for the year under review.

IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic has continued affecting the global economy from almost more than a year and second wave of the COVID-19 continued the restrictions and disruption

in the routine. Indian economy has been experiencing a slow growth phase and your Company is expecting effect of Covid-19 impact in the coming financial year.

Share Capital

The paid up Equity Share Capital as on 31 March, 2021 was ₹ 597.50 Lacs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options or sweat equity shares.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, is presented in a separate section forming part of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013, Smt Deepika Kapoor, Director of the Company, will retire by rotation at the ensuing

Directors' Report (Contd.)

Annual General Meeting, and being eligible, offers herself for reappointment.

Sh. Rajiv Kapoor is appointed as Chairman cum Managing Director of the Company for a term three (3) years w.e.f. 01 October, 2017 and the said term expired on 30 September, 2020. Re-Appointment of Sh. Rajiv Kapoor to hold office for a period of five (5) years starting from 01 October, 2020 to 30 September, 2025 is for approval of Members of the Company at the ensuing Annual General Meeting.

The brief profile(s) of the director(s) seeking appointment/re-appointment at the ensuing Annual General Meeting are presented in the Annual Report.

Formalisation programme for independent directors was completed by the Company during the year 2020-21.

There is no change in the Key Managerial Personnel of the Company during the year under review. None of the Key Managerial Personnel has resigned during the year under review.

DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149 (7) of the Act and including the added criteria prescribed under Regulation 25 of SEBI Listing Regulations, stating that they

meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and they are not disqualified from continuing as Independent Directors of our Company.

PARTICULARS W.R.T. RATIO OF REMUNERATION OF DIRECTORS AND KMP

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the required information with respect to ratio of remuneration of directors, key managerial personnel and employees is set out as Annexure – II which forms part of this report. There were no employees during the year under review, drawing remuneration specified under Section 197 of the Companies Act, 2013 read with applicable rules.

NUMBER OF MEETINGS OF THE BOARD

During the year under review five Board Meetings were convened and held and four Audit Committee Meetings were convened and held. The details of Board meetings and Audit Committee meetings are presented in the Corporate Governance report, which forms part of this Annual Report. The time gap between the said meetings was within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI guidelines thereof.

AUDIT COMMITTEE

The composition of Audit Committee of the Company as under:

S No	Name	Category	Position
1	Shri Shyam Sunder Sethi	Non Executive - Independent Director	Chairman
2	Shri Mysore Siddappa Ramaprasad	Non Executive - Independent Director	Member
3	Shri Agharam Ramakrishnan Halasyam	Non Executive - Independent Director	Member
4	Shri Rajiv Kapoor	Executive - Chairman cum Managing Director	Member

The time gap between the said meetings was within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI guidelines thereof.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, the Board of Directors of the Company state that:

- The applicable accounting standards have been followed in the preparation of the Annual Accounts.;
- Such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Directors' Report (Contd.)

- d) The Directors have prepared the annual accounts on a going concern basis.
- e) Proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) Proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities. Towards this, the Company has adopted a policy on Vigil Mechanism and Whistle Blower to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company .

DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee as specified under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee ('CSR Committee'). The terms of reference of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance. **(Annexure-III)**

During the year under review the Company ceases to be covered under subsection (1) of 135 of Companies Act, 2013 the Company incurred the losses and could not satisfy the other parameters as well to make CSR contributions in terms of the provision of the Act. Hence, the Statement on CSR activities is not applicable. However, the CSR Committee reviewed the other compliance requirements viz. formulating & monitoring the CSR policy, etc. in accordance with the provisions of the law.

CSR policy of the Company can be accessed on the Company's website at the link: www.rasandik.com

POLICY ON NOMINATION & REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration, specifying criteria for evaluation of performance and process. The Remuneration Policy is stated in the Corporate Governance Report and also available at Company website i.e. www.rasandik.com.

AUDITORS

The Members of the Company appointed M/s. V Sankar Aiyar & Co., Chartered Accountants, New Delhi, having Firm Registration No. 109208W, Statutory Auditors of your Company for a period of five years from the conclusion of 33rd Annual General Meeting (AGM) till the conclusion of the 38th AGM of the Company to be held in the year 2022.

AUDITORS' REPORT

The Audit Report does not contain any qualification, reservation or adverse remarks requiring any comment or explanation from the Company. The notes on financial statements referred in the Auditor's Report are self explanatory. No fraud has been reported by the Auditors to the Audit Committee or the Board.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Arun Gupta & Associates, Company Secretaries, New Delhi to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit Report forms part of this report as "**Annexure – C**". The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

DEPOSITS

During the Financial Year 2020-21, your Company has neither accepted nor renewed any deposits during the in terms of Chapter V of the Companies Act, 2013 and no amount of principal or interest was outstanding in respect of deposits from the public as on the date of balance sheet.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required

Directors' Report (Contd.)

to be disclosed under the Act, are provided in **Annexure A** to this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a comprehensive system of Internal Controls for effective conduct of business and ensure reliability of financial reporting. Your Company has laid down set of standards which enables to implement internal financial control across the organization and ensure that the same are adequate and operating effectively (1) to provide reasonable assurances that: transactions are executed in conformity with generally accepted accounting principles/ standards or any other criteria applicable to such statements, (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization and the maintenance of records that are in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that could have a material effect on the financial statements. The Audit Committee of the Board reviews reports submitted by the independent internal auditors and monitors the functioning of the system.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given in **Annexure - B** to this Report. (www.rasandik.com/report.html)

PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134(3) (g) of the Companies Act, 2013 the particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2020-21 are attached as **Annexure – V** which forms part of this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

The Policy on related party transactions as approved by the Board has been uploaded on the Company's Website at www.rasandik.com. Pursuant to the requirement under Section 134(3) (h) of the Companies Act, 2013, the particulars of

contracts or arrangements with related parties referred to in section 188(1) of the Act, are attached as **Annexure – VI** which forms part of this report.

The policy on materially related party transaction and on dealing with related party transaction as approved by the Board and the detail policy can be referred on the website of the Company i.e., www.rasandik.com.

ANNUAL PERFORMANCE EVALUATION OF BOARD

The Companies Act, 2013 and SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015 stipulates the annual performance evaluation of the Directors including Chairperson, Board and its Committees. Further, SEBI vide its circular dated 05 January, 2017 issued a guidance note on Board Evaluation for listed companies. In view of the same and in terms of Board approved Nomination and Remuneration policy, the annual evaluation of Directors of their own performance, Board Committees and individual directors (including Independent Directors) based on criteria for the Directors and the Board are done through separate structured questionnaires. The Nomination and Remuneration committee has also carried out evaluation of every director's performance. The performance of Board and its Committees, individual Directors, and Chairperson were found satisfactory.

The independent directors had met separately without the presence of Non-Independent directors and the members of management and discussed, inter alia, the performance of Non-Independent directors and Board as a whole and the performance of the Chairman of the Company.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.rasandik.com.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected

Directors' Report (Contd.)

behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

DETAIL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary, joint venture or associate of the Company during the Financial Year 2020-21.

EMPLOYEES STOCK OPTION PLANS /SCHEMES

No Employee Stock Options were granted to the Directors or Employees of the Company during the year under review.

INSURANCE

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

QUALITY SYSTEM

Your Company has been certified as an ISO/TS 16949-2002 version Quality System Company by AIB Vincotte Inter Belgium and also an ISO 14001 - Environment Management System Company by British International Standard (BIS).

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

The amount represents unclaimed dividends which were lying with the Company for a period of more than seven years

from their respective due dates of payment had transferred to the Investor Education and Protection Fund established by the Central Government, in compliance with Provision of the Companies Act, 2013.

SECRETARIAL STANDARDS

Your Company is in Compliance with the Secretarial Standard in Meeting of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) for the financial year ended 31 March, 2021.

INFORMATION ON MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

During the financial year ended 31 March, 2021, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Bank and Its operations in future.

CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations included: global and domestic demand, new capacity additions, changes in government policies and tax laws and other factors which are material to the business operation of the Company.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep sense of gratitude to the bankers, employees, shareholders, customers and suppliers for their continued support and confidence in the management.

Your Company is grateful for the co-operation and continued support extended by Maruti Suzuki India Ltd, Tata Motors Ltd, CNH, Mahindra, Ashok Leyland, and all other Customers. Your Directors look forward to receive their continued confidence, support and encouragement.

For and on Behalf of the Board of
Rasandik Engineering Industries India Limited

Sd/-
(RAJIV KAPOOR)

Chairman And Managing Director

Annexure – I

Independent Auditors' Certificate on Corporate Governance

To the members of Rasandik Engineering Industries India Limited

1. We, V. Sankar Aiyar & Co., the statutory auditors of Rasandik Engineering Industries India Limited have examined the compliance of regulations of Corporate Governance by **Rasandik Engineering Industries India Limited** (the Company') for the year ended 31 March, 2021 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations')

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

3. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

6. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the SEBI Listing Regulations during the year ended 31 March, 2021. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

7. RESTRICTION ON USE

The certificate is issued solely for the purpose of complying with the above said regulations and may not be suitable for any other purpose.

For **V. Sankar Aiyar & Co.**

Chartered Accountants
ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Partner

Membership No. 514998
UDIN: 21514998AAAAHB2662

Place : New Delhi
Dated : 29 June, 2021

Annexure – II

Details under section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and remuneration of Managerial personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

S. No.	Name of Director(s)	Annual Remuneration for FY 2020-21 (in Lacs ₹)	Median Annual Remuneration of Employees for the Financial Year 2020-21 (in Lacs ₹)	Ratio of remuneration of each director of the median remuneration of the employees for Financial year
1	Sh. Rajiv Kapoor	30.00	3.38	8.88: 1
2	Smt Deepika Kapoor	16.00	3.38	4.73:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year.

Sr. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during financial year 2019-20 (in Lacs ₹)	Annual Remuneration during financial year 2020-21 (in Lacs ₹)	Percentage increase in remuneration since last financial year
1	Sh. Rajiv Kapoor, Chairman cum Managing Director	52.00	30.00	-
2	Mrs. Deepika Kapoor, Whole-time Director	23.42	16.00	-
3	Mr. Gautam Bhattacharya, CFO	49.06	39.59	-
4	Mr. Pradeep Chandra Nayak, Company Secretary	7.20	5.40	-

(iii) The percentage increase in the median remuneration of employees in the financial year:

Median Annual Remuneration (In ₹) of employees for the F/Y 2019-20	Median Annual Remuneration (In ₹) of employees for the F/Y 2020-21	Percentage increase in Median Annual remuneration (In ₹) of employees
304,734	338,496	11.10%

(iv) Number of permanent employees on the rolls of the Company – 129

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration – Not applicable

(vi) Names of the top ten employees in terms of remuneration drawn and the name of every employee, who-

(i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one Crs and two Lacs rupees:	None
(ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight Lacs and fifty thousand rupees per month:	None

If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. **None**

Annexure – III

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

OUTLINE OF PROJECTS:

All CSR programmes are developed in partnership with the stakeholders to ensure that they cater to specific needs, and further inculcate a sense of ownership amongst the community members. The CSR programmes and activities are aligned to national development goals.

- The Company has framed a CSR Policy in compliance with the provision of the Companies Act, 2013 and the same is placed on the Company website i.e. (<http://www.rasandik.com/report.html>)
- The Composition of the CSR Committee.

As on 31 March, 2021, the Corporate Social Responsibility (CSR) committee consists of the following members:

Sr. No	Name	Category	Designation
1	Shri Mysore Siddappa Ramaprasad	Independent Director	Chairman
2	Shri Shyam Sunder Sethi	Independent Director	Member
3	Mrs. Deepika Kapoor	Whole-Time Director	Member

- Average net profit of the Company for last three financial years is ₹ **28.56 Lacs**

Year	Net Profit/(Loss) ₹ in Lacs
2017-18	12,733,000
2018-19	29,031,686
2019-20	-33,195,969
Total (A)	85,68,717
Average Net Profit (A/3)	2,856,239
2% of Average Net Profit	57,125

- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The Company has incurred loss so no amount is prescribed for CSR Expenditure.
- Details of CSR spent during the financial year:
 - Total amount to be spent for the financial year: **Nil**
 - Amount unspent: **Nil**

Annexure – IV

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In terms of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The Policy is applicable to:

Directors (Executive and Non Executive)
Key Managerial Personnel
Senior Management Personnel
Other employees

OBJECTIVE

The Composition and Terms of Reference of the Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and SEBI (Listing Obligations & Disclosures Requirements) Regulation, 2015. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee known as "Nomination and Remuneration Committee" consisting of three or more non-executive directors out of which not less than one-half are independent Directors.

At present, the Nomination and Remuneration Committee comprises of following Directors:

S No	Name	Category	Position
1	Dr. Shyam Sunder Sethi	Non Executive -Independent Director	Chairman
2	Shri Mysore Siddappa Ramaprasad	Non Executive -Independent Director	Mem ber
3	Shri Agharam Ramakrishnan Halasyam	Non Executive -Independent Director	Mem ber

The Chairman of the Committee is an Independent Director.

THE POLICY FOCUS ON FOLLOWING AREAS:

Criteria for Appointment & Removal of Director and members of Senior Management
Disqualifications for Appointment of Directors
Term / Tenure
Managing Director/Whole-time Director
Independent Director
Removal
Retirement
Criteria for Determining Positive Attributes and Independence of Directors
Criteria for determining positive attributes

PERFORMANCE EVALUATION:

Criteria for Evaluation of Directors and The Board

1. Executive Directors
2. Non Executive Director (including Independent Director)

EVALUATION OF BOARD PERFORMANCE:

Remuneration of Directors, Key Managerial Personnel and Other Employees

1. Remuneration to Whole-time / Executive / Managing Director
2. Remuneration to Non-Executive / Independent Director
3. Remuneration to KMP, Senior Management Personnel and Other Employees.

Annexure – V

Particulars of Loans, Guarantees or investments under section 186 of the Companies Act, 2013 as on 31 March, 2021

(₹ in Lacs)

	Name of the Body Corporate	Loans given	Investments	Guarantees given	Aggregate as on 31 March 2021
In Wholly Owned subsidiaries	-	-	-	-	-
In subsidiaries	-	-	-	-	-
In JV/ Associates	-	-	-	-	-
In Others	-	-	-	-	-

Annexure - VI

FORM NO. AOC -2

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contract / arrangements /transactions	Salient terms of contracts or arrangements or transactions including the value, if any	justification for entering into such contracts or arrangements or transactions'	Date of approval by the Board/ Audit committee	Amount paid as advance, if any	Date on which special resolution was passed in General meeting as required under first provision to section 188
Not Applicable									

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Exceeding 10% of the annual consolidated turnover of the Company)

SL No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contract / arrangements /transactions	Salient terms of contracts or arrangements or transactions including the value, if any	Date of approval by the Board/ Audit committee	Amount paid as advance, if any	Sane value during the year (₹ In Crs)
NIL								

Annexure – C

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED
14 ROJ-KA-MEO INDUSTRIAL AREA SOHANA DISTT.
GURGAON HR 122103

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rasandik Engineering Industries India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Rasandik Engineering Industries India Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Rasandik Engineering Industries India Limited** for the financial year ended on 31 March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014; (Not applicable to the Company during the Audit Period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; (Not applicable to the Company during the Audit Period) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the Audit Period)
- (vi) Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - The Factories Act, 1948

Annexure – C (Contd.)

- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees Provident Fund And Misc. Provisions Act, 1952
- Employees State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (Protection) Act, 1986
- Income Tax Act 1961, Wealth Tax Act, Goods and Services Tax Act, 2016 and rules made thereof.
- Negotiable Instrument Act, 1881
- Maternity Benefits Act 1961
- Payment of Gratuity Act, 1972
- The Industrial Disputes Act, 1947
- The Child Labour (Regulation and Abolition) Act, 1970
- The Weekly Holidays Act, 1942
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, (erstwhile Listing Agreement) entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

However, During the year BSE BSE, vide email dated 17 November, 2020 (SOP-CReview-Nov20), has imposed a penalty on the Company of ₹ 542,800/- for the delay in this matter of appointment of a sixth Director to the Board of the Company in terms of Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, Company has filed waiver application mentioning the fact that, the Company had faced difficulty in finalizing a candidate for the appointment of a sixth Director. The Board of the Company found it impossible to meet in person suitable candidates for the sixth director. On 14 September, 2020, in compliance with Regulation 17(1)(c), the Company has appointed Shri Abhay Kumar Khanna as the sixth Director to the Board of the Company. Consequently, the penalty imposed by the BSE has been waived off.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **ARUN KUMAR GUPTA & ASSOCIATES**
COMPANY SECRETARIES

(ARUN KUMAR GUPTA)

FCS: 5551

CP: 5086

UDIN: F005551C000541482

Place : Delhi

Date : 29 June, 2021

Annexure – A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made there under and the Memorandum and Articles of Association of the Company with regard to:-

1. Maintenance of various statutory registers and documents and making necessary entries therein;
2. Contracts, Common Seal, Registered Office and Publication of name of the Company;
3. Forms, Returns, Documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board and such other authorities;
4. Service of documents by the Company on its Members, Directors, Auditors and Registrar of Companies;
5. Constitution of the Board, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee;
6. Appointment, Re-appointment, Retirement of Directors including Whole Time Directors and payment of remuneration.
7. Disclosure of Interest and Concerns in Contracts and Arrangements, Shareholdings and Directorships in other Companies and interest in other entities by Directors and Key Managerial Personnel;
8. Disclosures requirements in respect of their eligibility for appointment, declaration of their independence, compliance with the code of conduct for Directors of Rasandik Engineering Industries India Limited;
9. Related party transactions which were in the ordinary course of business and at arm's length basis and were placed before the Audit Committee for their review/ approval as and when required;
10. Formulation and adopting Nomination and Remuneration Policy;
11. Appointment and remuneration of Statutory Auditors;
12. Notice of the meetings of the Board and Committees thereof;
13. Minutes of the meeting of the Board and Committees thereof;
14. Notice convening Annual General Meeting held on 30 September, 2020 and holding of the meeting on that date;
15. Minutes of General Meeting;
16. Approval of the Members, Board of Directors, Committees of Directors and Government Authorities wherever required;
17. Form of the Balance Sheet as at 31 March, 2020 as prescribed under part I of schedule III of the Companies Act, 2013 and requirements as to Profit & Loss Account for the year ended on that date as per Part II of the said schedule;
18. Report of the Board of Directors for the financial year ended 31 March, 2020;
19. Transfer of Equity and Preference Shares and issue and delivery of share certificates;
20. Borrowings and registration of charges;
21. Investment of Company's funds and inter-corporate loans and investments.

Annexure – A to Directors’ Report to the shareholders Information pursuant to Section 134(3)(m) of the Companies Act, 2013

A. CONSERVATION OF ENERGY

i. Measures taken in the year 2020-21

Your Company has given utmost importance to the Energy conservation by adopting the most modern technology and has implemented many Energy conservation measures through small group activities and suggestion schemes. It is taking various steps for optimizing operations in use of power and energy and also reduction in energy consumption. These are as follows:

- To reduce electrical energy consumption by enhancing use of natural light and switching over to LED lighting.
- To conserve energy by reducing compressed air consumption.
- To conserve energy by using energy efficient Welding Guns.

In addition to the above, constant energy monitoring is being done in various sections of the plant for which energy meters have been installed in each Press Machines as well as in various Shops. Statistical analysis will be carried out and energy consumption and reduction plans will be worked out.

ii. Steps taken for utilizing alternate sources of energy

The Company has been continuously thriving to optimize energy consumption levels by selecting energy efficient and environment friendly technologies for its plants. Utilization of already existing low cost source of energy for plant and

administrative area is under evaluation. Further the Company uses CNG gas for its Paint Shop.

iii. Capital investment in energy conservation equipment

Energy conservation measures have been taken by process optimization without any major capital investment.

B. TECHNOLOGY ABSORPTION FOR THE YEAR 2020-21

(i) Efforts made towards technology absorption

Highly automated and advance machinery has been introduced in the Company.

(ii) The benefit derived like production improvement, cost reduction, product development or import substitution

The introduction of modern technologies has resulted in improvement of productivity and reduction in process cost alongwith improvement and consistency in product quality and operational efficiency.

(iii) Data relating to imported technology Nil

(iv.) Expenditure on Research and Development Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR 2020-21

Total foreign exchange earned and used (actual) (₹)	
Foreign exchange used	24,746,115
Foreign exchange earned	123,819

Annexure – B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i) CIN :	L74210HR1984PLC032293
ii) Registration Date :	10 January 1984
iii) Name of the Company:	Rasandik Engineering Industries India Limited
iv) Category / Sub-Category of the Company :	Public Company
v) Address of the Registered office and contact details:	14, Roj-Ka-Meo Industrial Area, Sohna Haryana - 122103 0124-2362646, 2362647 www.rasandik.com
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Tel No: 011-49411000, E-mail id : delhi@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company

Sl. No	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Sheet Metal Components for Automobiles	25910	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the	CIN / GIN	Holding / Subsidiary / Associates	% of Share held	Applicable Section
N.A.					

Annexure – B (Contd.)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(A) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the end of the year [As on 31 March, 2021]			No. of Shares held at the beginning of the year [As on 01 April, 2020]			Changes during the year	
	Total number of Shares	Number of Shares held in dematerialized form	Shareholding as a percentage of total number of shares	Total number of Shares	Number of Shares held in dematerialized form	Shareholding as a percentage of total number of shares	No of Shares Change during the year	% Change during the year
Shareholding of Promoter and Promoter Group								
Indian								
Individuals / Hindu Undivided Family	1517525	1517525	25.40	1300878	1300878	21.77	216647	3.62
Bodies Corporate	1465315	1465315	24.53	1465315	1465315	24.52		
Total (A)	2982840	2982840	49.92	2766193	2766193	46.30	216647	3.62
Public Shareholding								
Institutions								
Mutual Funds / UTI	78100	75000	1.31	78100	75000	1.31		
Non-Institutions								
Bodies Corporate	392230	391130	6.56	472796	471696	7.91	(80566)	(1.45)
Individual shareholders holding nominal share capital upto ₹ 2 Lacs.	896855	731532	15.51	926491	760868	15.51	(29636)	(0.89)
Individual shareholders holding nominal share capital in excess of ₹ 2 Lacs	1481782	1481782	24.80	1685147	1685147	28.20	(203365)	(3.40)
Clearing Member	16476	16476	0.28	1723	1723	0.03	4753	0.25
Non Resident Indians	28702	28702	0.48	32585	32585	0.55	3883	0.07
Hindu Undivided Family	98015	98015	1.64	95033	95033	1.59	2982	0.05
Total (B)	2992160	2822637	50.08	3208807	3038984	53.70	(225967)	(3.62)
Total (A)+(B)	5975000	5805477	100	5975000	5805177	100		
Shares held by custodians and against which depository receipts have been issued	-	-	-	-	-	-		
Total (A)+(B)+(C)	5975000	5805477	100	5975000	5797177	100		

(B) Shareholding of Promoters and Promoters group-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 01 April, 2020]			Shareholding at the end of the year [As on 31 March, 2021]			Change in share holding during the year	
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	(In Nos)	%
1	Rajiv Kapoor	992,794	16.62	8095 (0.14%)	1,209,441	20.24	8095 (0.14%)	216,647	3.62
2	Deepika Kapoor	54,300	0.91		54,300	0.91			
3	Krishna Kumari Kapoor	248,000	4.15		248,000	4.15			
4	Manmohan	5,784	0.10		5,784	0.10			
5	Kapoor & Budhwar Associates Private Limited	197,200	3.30		197,200	3.30			
6	Radhika Securities Private Limited	651,383	10.90		651,383	10.90			
7	Ganesha Securities Private Limited	616,732	10.32		616,732	10.32			
	TOTAL	2,766,193	46.30	8,095 (0.14%)	2982840	49.92	8,095 (0.14%)	216,647	3.62

Annexure – B (Contd.)

(C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01 April, 2020 to 31 March, 2021)	
		No. of shares at the beginning (01 April, 2020) / end of the year (31.03.2021)	% of total Shares of the Company				No. of shares	% of total Shares
1	Rajiv Kapoor	992,794	16.62	01 April, 2020			992,794	16.62
				17 November, 2020	250	Market Purchase		
				18 November, 2020	510	Market Purchase		
				20 November, 2020	820	Market Purchase		
				23 November, 2020	318	Market Purchase		
				24 November, 2020	1,180	Market Purchase		
				25 November, 2020	267	Market Purchase		
				26 November, 2020	227	Market Purchase		
				27 November, 2020	300	Market Purchase		
				01 December, 2020	300	Market Purchase		
				02 December, 2020	300	Market Purchase		
				03 December, 2020	100	Market Purchase		
				04 December, 2020	1,890	Market Purchase		
				07 December, 2020	550	Market Purchase		
				08 December, 2020	500	Market Purchase		
				09 December, 2020	700	Market Purchase		
				10 December, 2020	600	Market Purchase		
				11 December, 2020	200	Market Purchase		
				14 December, 2020	10	Market Purchase		
				15 December, 2020	20	Market Purchase		
				17 December, 2020	10	Market Purchase		
				21 December, 2020	10	Market Purchase		
				22 December, 2020	732	Market Purchase		
				23 December, 2020	1,103	Market Purchase		
				24 December, 2020	860	Market Purchase		
				28 December, 2020	1,000	Market Purchase		
				29 December, 2020	700	Market Purchase		
				17, February, 2021	10	Market Purchase		
				18, February, 2021	335	Market Purchase		
				22, February, 2021	400	Market Purchase		
				23, February, 2021	80	Market Purchase		
				25, February, 2021	15	Market Purchase		
				01 March, 2021	200	Market Purchase		
				02 March, 2021	50	Market Purchase		
				03 March, 2021	600	Market Purchase		
				04 March, 2021	350	Market Purchase		
				05 March, 2021	250	Market Purchase		
				08 March, 2021	200	Market Purchase		
				16 March, 2021	100	Market Purchase		
				17 March, 2021	150	Market Purchase		
				25 March, 2021	200,000	Market Purchase		
				31 March, 2021	450	Market Purchase		
		1,209,441	20.24	31 March, 2021			1,209,441	20.24

Annexure – B (Contd.)

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	Name of Shareholders	Shareholding at the end (31 March, 2021)		Shareholding at the beginning (01 April, 2020)	
		No of Shares	% total Shares of the Company	No of Shares	% total Shares of the Company
1	Siddharth Iyer	200,024	3.35	400,000	6.69
2	Lalita Kayan	75,000	1.26	75,000	1.26
3	Rahul Kayan	175,000	2.93	75,000	1.26
4	Tradelink Exim India Private Limited	154,634	2.43	145,027	2.43
5	Sangeetha S	142,900	2.39	142,900	2.39
6	Atul Kayan	223,528	3.74	223,528	3.74
7	Harsha Hitesh Javeri	117,500	1.97	117,500	1.97
8	Hitesh Ramji Javeri	117,810	1.97	117,500	1.97
9	Alberta Agro Private Limited	100,000	1.67	100,000	1.67
10	C Mackertich Private Limited	100,000	1.67	100,000	1.67
11	Lakshmi Narain Goel	77,510	1.30	0	0
12	Mars Associates Pvt Ltd	77,490	1.30	77,490	1.30
13	Kaizen Comtrade LLP	75,000	1.26	75,000	1.26
14	Polus Global Fund	75,000	1.26	75,000	1.26

E) Shareholding of Directors and Key Managerial Personnel:

Sr No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Sh. Rajiv Kapoor, Managing Director:	992,794	16.62	992,794	16.62
	At the beginning of the year				
	Sale/Purchase during the year#	216,647	3.62	216,647	3.62
	At the end of the year	1,209,441	20.24	1,209,441	20.24
2	Smt Deepika Kapoor, Whole-Time Director:				
	At the beginning of the year	54300	0.91	54300	0.91
	Sale/Purchase during the year	0	0	0	0
	At the end of the year	54300	0.91	54300	0.91
3	Sh. Shyam S Sethi, Director:				
	At the beginning of the year	10242	0.17	10242	0.17
	Sale/Purchase during the year	0	0	0	0
	At the end of the year	10242	0.17	10242	0.17
4	Sh. M S Ramaprasad, Director:				
	At the beginning of the year	0		0	
	Sale/Purchase during the year				
	At the end of the year	0		0	

Annexure – B (Contd.)

Sr. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
5	Sh. A R Halasyam, Director:				
	At the beginning of the year	23000	0.38	23000	0.38
	Sale/Purchase during the year	0	0	0	
	At the end of the year	23000	0.38	23000	0.38
6	Sh. Abhay Kumar Khanna, Director				
	At the beginning of the year	0		0	
	Sale/Purchase during the year				
	At the end of the year	0		0	
7	Gautam Bhattacharya, CFO:				
	At the beginning of the year	100	0.00	100	0.00
	Sale/Purchase during the year	-	-	-	-
	At the end of the year	100	0.00	100	0.00
8	Pradeep Chandra Nayak, Company Secretary:				
	At the beginning of the year	100	0.00	100	0.00
	Sale/Purchase during the year	-	-	-	-
	At the end of the year	100	0.00	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount (₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	81.26	-	81.26
ii) Interest due but not paid	0.83	-	0.83
iii) Interest accrued but not due	-	-	-
Total	82.09	-	82.09
Change in Indebtedness during the financial year	-	-	-
- Addition	7.43	-	7.43
- Reduction	-	-	-
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	89.51	-	89.51
ii) Interest due but not paid	0.01	-	0.01
iii) Interest accrued but not due	-	-	-
Total	89.52	-	89.52

Annexure – B (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sh. Rajiv Kapoor, Managing Director	Mrs. Deepika Kapoor, Whole Time Director	
1	Gross salary	30.00	16.00	46.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	30.00	16.00	46.00

B. Remuneration to other Directors (₹ in Lacs)

Particulars of Remuneration	Name of Directors				Total Amount
	Dr. Shyam S. Sethi	Sh. A. R. Halasyam	Sh. M. S. Ramaprasad	Sh. Abhay Kumar Khanna	
Fee for attending board/ committee meetings	2.50	2.50	0.50	1.50	7.00
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (B)	2.50	2.50	0.50	1.50	7.00
Total Managerial Remuneration* (A+B)					53.00

* Total Remuneration to the Managing Director, WTD and other Directors (being the Total of A and B)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in Lacs)

Particulars of Remuneration	Key Managerial Personnel		
	CFO	CS	Total
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39.59	5.40	44.99
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 Stock Option Sweat Equity Commission -as % of profit Others, please specify (Provident Fund)	-	-	-
Total:	39.59	5.40	44.99

Annexure – B (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
			/ Punishment / Compounding fees imposed		
A. COMPANY					
Penalty					
Punishment Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment Compounding					

Report on Corporate Governance

(Pursuant to regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Corporate Governance relates to system, by which companies are directed and controlled ethically, keeping in mind value creation for each of its stakeholders. It refers to blend of law, regulations, ethical and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while balancing the interests of other stakeholders and the society at large.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the information on the corporate governance compliance by your Company.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Rasandik Engineering Industries India Limited ("The Company") philosophy is to view corporate governance principles in true letter and genuine spirit rather than mere compliances of norms. Corporate Governance has been considered as a business strategy as this adds considerable value to the Company both internally and externally. Ideal governance practices have rewarded the Company with improved share valuations, stakeholder's confidence, market capitalization, environmental protection, etc.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value. Your Company seeks to execute the practices of corporate governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on the following:

- Appropriate composition and size of the Board, with each member bringing in expertise in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material, operational and financial information to the stakeholders;

- System and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and employees.

GOVERNANCE STRUCTURE

The Corporate Governance structure at Rasandik is as follows:

Board of Directors: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

Committees of the Board: The Board has constituted committees viz, Audit Committee, Stakeholders Relationship Committee, Remuneration and Nomination Committee, Corporate Social Responsibility Committee. Each of the said committee has been mandated to operate within a given framework.

THE BOARD OF DIRECTORS

Composition and category of Directors

The Board is broad based and consists of eminent persons with considerable professional expertise and experience. The Board comprises of Executive, Non-Executive Directors. The Company is managed by the Board of Directors in co-ordination with the senior management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on 31 March, 2021, the total strength of the Board was six. As the Company has an Executive Chairman Sh. Rajiv Kapoor who is the Chairman and Managing Director, the Board is required, in terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations), to have fifty percent of its directors as independent directors and at least one Woman Director.

Category of directors	No. of Directors	% of Total no. of Directors
Executive (Including women Director)	2	33%
Non Executive Independent	4	67%
Total	6	100 %

Report on Corporate Governance (Contd.)

As on 31 March, 2021, the Company's Board consists of 6 Directors. Besides the Chairman and Managing Director, a Promoter Director (Woman Director), the Board Comprises of four Non-Executive Independent Directors. The Composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Directors' Attendance and their other Directorships/ Committee memberships:

As mandated by Regulation 26(1)(b) of the Listing Regulations, none of the Directors is member of more than ten Board Level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he / she is a Director. Further all Directors have informed about their Directorships, Committee memberships / Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31 March, 2021 are given below.

Name of the Director / DIN	Category	Attendance Particulars			Number of other directorships and committee memberships / chairmanships		
		No. of Board meetings held (Five)	No. of meetings attended	Attendance at the last AGM held on 30 September, 2020	Directorships in listed entities*	Committee memberships	Committee chairmanships
Sh. Rajiv Kapoor** DIN-00054659	Promoter/Chairman & Managing Director Executive	5	5	Yes	1	1	-
Mrs. Deepika Kapoor** DIN-00054799	Promoter/ Director	5	5	No	1	1	-
Dr. Shyam S. Sethi DIN-01394311	Independent Director Non Executive	5	5	No	1	4	3
Sh. Mysore Siddappa Ramaprasad DIN-00842539	Independent Director Non Executive	5	1	Yes	1	4	1
Sh. Agharam Ramakrishnan Halasyam DIN: 00775926	Independent Director Non Executive	5	5	Yes	1	3	-
Sh. Abhay Kumar Khanna DIN: 06919161	Independent Director Non Executive	5	3	Yes	1	-	-

* Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.

** Sh. Rajiv Kapoor and Mrs. Deepika Kapoor are related to each other.

*** Details of Director (s) retiring or being re-appointed is given in notice to the Annual General Meeting.

**** Sh. Abhay Kumar Khanna appointed as Director w.e.f. 14 September, 2020

BOARD FUNCTIONING

The Board meets at regular intervals to discuss and decide on business strategies / policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

Report on Corporate Governance (Contd.)

The Board has complete access to all the information available within the Company. The following information, inter-alia, is provided periodically by the management to the Board for its review:

- Quarterly/Half yearly/Yearly financial results and items arising out of Annual Accounts.
- Proceedings of various Committees of the Board (on quarterly basis)
- Internal/External Audit findings & recommendations (on quarterly basis)
- Report on Share Capital Audit (on quarterly basis)
- Related Parties Transactions (on quarterly basis)
- Compliance Reports: Share Capital Audit, Investors Complaints, Corporate Governance, Transfer/Transmission/Demat of shares (on quarterly basis)
- Annual Report (on Annual basis)
- Capital and Revenue Budgets (on Annual basis)
- Overall business scenario, operations of the Company (on quarterly basis)
- Sales Forecast, Margin outlook etc. (as and when required)
- Growth plans. (as and when required).
- Codes and Policies. (as and when required)

NUMBER OF BOARD MEETINGS

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2020-21 the Board of Directors met five times i.e., on 31 July, 2020, 14 September, 2020, 30 September, 2020, 12 November, 2020 and 13 February, 2021. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations (as amended) and the Secretarial Standards issued by Institute of Company Secretaries of India.

ROLE OF INTERNAL AUDITOR

Rasandik has an adequate Internal Control framework, which has been instituted considering the nature, size and risk in the business. The framework comprises, inter alia, of a well-defined organization structure, roles and responsibilities, documented policies and procedures etc. This is complemented by a management information and monitoring system, which ensures compliance to internal processes, as well as with applicable laws and regulations. The operating management is not only responsible for revenue and profitability, but also for maintaining financial discipline. In order to ensure efficient Internal Control systems, the Company also has a well established independent Internal Auditor that is responsible for providing, assurance on compliance with operating systems, internal policies and legal requirements, as well as, suggesting improvements to systems and processes.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS

There are no inter-se relationships between the Board members except Shri Rajiv Kapoor and Mrs. Deepika Kapoor being husband and wife.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Dr. Shyam S. Sethi, Non-executive Independent Director is holding 10,242 nos of equity shares and Shri A. R. Halasyam, Non-executive Independent Director is holding 23,000 nos of equity shares of Re. 10/- each in the Company.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with senior management personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. (<http://www.rasandik.com/report.html>)

Report on Corporate Governance (Contd.)

SKILL/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS FOR THE

FINANCIAL YEAR ENDED 31 MARCH, 2021

Sl. No.	Name of Directors	Expertise/Skill
1	Shri Rajiv Kapoor	<ul style="list-style-type: none"> • Founder Promoter and Managing Director of the Company and an IIT Delhi Graduate, a technocrat turned first generation industrialist • His visionary skills and foresightedness made him realize the potential for the Auto component manufacturing industry as the Government policy was for the indigenization of the Auto components • He possesses great project management skills coupled with deep understanding of the auto component manufacturing system • It is his drive and passion for Auto component business Rasandik was borne in 1986; since then he is the main driving force behind the Company's progress till date • He manages business operations largely concentrating on the product developments, new business opportunities, technology up-gradation, product quality and growth strategies <p>He pioneered the introduction of new technologies of Moving Bolster in 1992, Spot Welding Robot in 1999 and Tailor Welded Banks in 2006 in the Auto Component Sector in India. His continuous pursuit for timely supply of best quality products at competitive prices has made Rasandik a very dependable and preferred Auto component supplier in the industry</p>
2	Mrs. Deepika Kapoor	<ul style="list-style-type: none"> • An educationist having a considerable experience in Human Relations and Company Management • She serves as a Woman Director on the Board
3	Dr. Shyam S. Sethi	<ul style="list-style-type: none"> • He is a B. Tech (Hons) graduate with M. Tech degree from IIT, Kharagpur. He has Ph. D. degree from Delhi University. • He possesses around thirty years of industrial experience in India and overseas, with Companies like Kelvinator India and Whirlpool as Executive Vice President for South East Asia • Currently he is an Honorary Faculty member at IIT Delhi and is involved in Project Guidance, Faculty Selection and mentoring Ph. D. Scholars.
4	Shri Mysore Siddappa Ramaprasad	<ul style="list-style-type: none"> • He is a B. Sc., LLB and an Industrialist by profession • He has an experience of over 35 years • He is the proprietor of Saraswathi Rice & Oil Mills, Nanjangud, Karnataka • He is founder member of the Nanjangud Industries Association and president for 4 years • Posses rich experience in Industrial Management and thorough knowledge of Factory Act, Labour Laws and Industry related safety regulations

Report on Corporate Governance (Contd.)

Sl. No.	Name of Directors	Expertise/Skill
5	Shri Agharam Ramakrishnan Halasyam	<ul style="list-style-type: none"> • He is a Management Graduate with an experience of over thirty-five years in industry with twenty years of experience at senior management level • He has worked with public sector Companies at management levels since 1982 • He was Finance Director and Member of the Executive Board of Maruti Udyog Limited for ten years beginning from 1991 • He has an expertise in treasury management, project management, project financing and business development • His highly effective management skills has resulted in creating beneficial and productive employee/management relationship • His project management skills, contract negotiation skills and his presence at the Board is of great value to the Company
6	Shri Abhay Kumar Khanna	<ul style="list-style-type: none"> • Shri Khanna (1976, Indian Railway Accounts Service) has served the Government of India for 36 years and superannuated in June 2013. Thereafter, he was appointed as Advisor/consultant with Dedicated Freight Corridor Corporation of India (DFCL) and is currently serving on the Board of Institute Of Director (IOD) as Executive Member as well as Independent External Monitor of RITES and BVFCL, GOI PSUs. • Mr. Khanna superannuated as General Manager, Integral Coach Factory (Chennai) one of the largest Rail Coach Production Unit and has worked as DRM Jodhpur. He has also served as Additional Member Budget (Ministry of Railways) besides Construction organization, Research Design and Standards Organization (RDSO) and Economic Directorates (MOR) in senior positions. • His educational and professional qualifications include M.Phil (Public Administration), Masters Diploma in Public Administration (IIPA), M.Sc. (Maths), Diploma in HRD (UNE- Australia), Diploma in Strategic Planning and Management (HEC Paris), Project Finance (UK), PPP (USA) and several programs organized by World Bank, Asian Development Bank and MDI. • He has qualified Masterclass program for independent Directors held by IOD.

CODE OF CONDUCT

The Code of Conduct is available on the website of the Company www.rasandik.com. All Board members and senior management personnel affirm compliances with the Code of Conduct annually. A declaration signed by the Chairman to this effect is placed at the end of this report.

Adherence to ethical to ethical professional conduct is a must for every employee, including Board members and senior management personnel of Rasandik Engineering Industries India Limited. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 also forms part of the Code of Conduct. (<http://www.rasandik.com/report.html>)

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 13 February, 2021 without the presence of Non- Independent Directors and the members of management. The meeting was conducted informally to enable the Independent Directors to discuss

Report on Corporate Governance (Contd.)

matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company. In accordance with the Listing agreement, following matters were, inter alia, discussed in the meeting:

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company after taking into consideration the views of Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Chairman and Managing Director

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a world-class organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- Provide leadership to the Board and preside over all Board and General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

Non-Executive Directors (including Independent Directors) play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter-alia, includes:

- Impart balance to the Board by providing independent judgement.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for

further improvements.

Appointment / Re-Appointment of Directors:

In terms of Regulation 36(3) of SEBI (LODR) Regulations, a brief resume of director proposed to be re-appointed / appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholdings and relationships, if any, with other directors are provided in the Notice convening the ensuing annual general meeting of the Company.

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

COMMITTEES OF THE BOARD

Rasandik has following Board level committee

- A) Audit Committee,
- B) Nomination and Remuneration Committee,
- C) Stakeholders Relationship Committee, and
- D) Corporate Social Responsibility Committee

The Board has constituted the above mandatory committees. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent Board meetings.

Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below.

(A) AUDIT COMMITTEE

Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation

Report on Corporate Governance (Contd.)

18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Company has a qualified and Independent Audit Committee. The Committee deals with accounting matters, financial reporting and internal controls.

(a) Composition, category and Attendance record during the year

The Audit Committee met 4 times during the financial year 2020-21. The maximum gap between two meeting was not more that 120 days. The Committee met on 31 July, 2020, 14 September, 2020, 12 November, 2020 and 13 February, 2021. The requisite quorum was present at all the Meetings. The members of the audit Committee were present at the last Annual General Meeting of the Company held on 30 September, 2020.

The table below provides the attendance of the Audit Committee members:

S No	Name	Category	Position	No. of Meetings Attended
1	Dr. Shyam Sunder Sethi	Non Executive - Independent Director	Chairman	4 of 4
2	Shri Mysore Siddappa Ramaprasad	Non Executive - Independent Director	Member	1 of 4
3	Shri Agharam Ramakrishnan Halasyam	Non Executive - Independent Director	Member	4 of 4
4	Shri Rajiv Kapoor	Executive - Chairman cum Managing Director	Member	4 of 4

Mr. Pradeep Chandra Nayak, Company Secretary acts as the secretary of the Committee.

(b) Role of Audit Committee

The role of the audit committee includes the following:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. Recommendation to the Board for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving

estimates based on the exercise of judgment by management;

- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly / annual financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Report on Corporate Governance (Contd.)

- vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary; xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with the Internal Auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- xvii. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of SEBI (LODR) Regulations.

(B) NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors had constituted a Remuneration Committee. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

Composition:

As at 31 March, 2021, the NRC consists of the following directors as its members with majority of non-executive independent directors:

Sr. No	Name	Category	Position	No. of Meetings Attended
1	Dr. Shyam Sunder Sethi	Non Executive -Independent Director	Chairman	4 of 4
2	Shri Mysore Siddappa Ramaprasad	Non Executive -Independent Director	Member	1 of 4
3	Shri Agharam Ramakrishnan Halasyam	Non Executive -Independent Director	Member	4 of 4

Mr. Pradeep Chandra Nayak, Company Secretary acts as the secretary of the Committee.

During the year, the Nomination and Remuneration Committee met on 31 July, 2020, 14 September, 2020, 12 November, 2020 and 13 February, 2021.

Report on Corporate Governance (Contd.)

Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy, relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. While formulating the policy in point (i) above, the Committee shall ensure that:
 - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- iii. Ensure that the policy mentioned in point (i) and (ii) above, are disclosed in the Board's Report.
- iv. Formulation of criteria for evaluation of Independent Directors and the Board;
- v. Shall carry out evaluation of every Director's performance.
- vi. Devising a policy on Board diversity;

- vii. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- viii. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of the independent directors.
- ix. Issue and allotment of shares against exercise of stock options
(<http://www.rasandik.com/report.html>)

Remuneration Policy:

i) Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole-time Director is governed by the recommendation of the Remuneration and Nomination Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of Chairman and Managing Director and Whole-time Director as approved by the shareholders at the Annual General Meeting and General Meeting respectively.

Presently, the Company does not have a stock options scheme for its Directors.

The remuneration payable to the Chairman and Managing Director (CMD) and Whole Time Director (WTD) is fixed by the board within the limits approved by the shareholders in terms of the relevant provisions of the Act, 2013.

Particulars of remuneration paid to executive directors during the financial year 2020-21:

S No	Name	Designation	Remuneration (₹ in Lacs)
1	Shri Rajiv Kapoor	Executive - Chairman & Managing Director	30.00*
2	Mrs. Deepika Kapoor	Executive – Whole-time Director	16.00*

* remuneration paid upto 30 September, 2020 ** remuneration paid upto 30 November, 2020

ii) Remuneration to Non-Executive Directors (including Independent Director):

The Non-executive directors are paid remuneration by way of sitting fees. Sitting fee is paid to the Non-executive directors for every meeting attended by them, which is within the limits, prescribed under the Act, 2013.

Report on Corporate Governance (Contd.)

Details of shareholdings of non-executive directors in the Company as on 31 March, 2021 and particulars of sitting fees paid to the non-executive and independent directors during the financial year 2020-21 are as follows:

S No	Name of Director	Category	Sitting Fee (In ₹)	Commission	Equity Shares held (In Nos)
1	Dr. Shyam Sunder Sethi	Independent Director	250,000	NIL	10,242
2	Shri Mysore Siddappa Ramaprasad	Independent Director	50,000	NIL	0
3	Shri Agharam Ramakrishnan Halasyam	Independent Director	250,000	NIL	23,000
4	Shri Abhay Kumar Khanna	Independent Director	150,000	NIL	0

Apart from payment of sitting fee for attending the meetings of the Board/Committee of Directors, no other remuneration has been paid to the Directors. During 2020-21, the Company did not advance any loan to any of its Directors

There were no pecuniary relationships or transactions with the non-executive directors' vis-a-vis the Company during the year under review, except payment of sitting fees.

The Company has not granted any stock option to its non-Executive directors.

iii) Performance Evaluation of Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, Directors individually as well as evaluation of its Committees. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, attendance of Directors, participation levels, bringing specialized knowledge for decision making, smooth functioning of the Board and effective decision making.

The Nomination and Remuneration committee has also carried out evaluation of every director's performance.. The performance of Board and its Committees, individual Directors, and Chairperson were found satisfactory. (<http://www.rasandik.com/report.html>)

iv) REMUNERATION OF DIRECTORS, KMP/OTHER EMPLOYEE

On the appointment or re-appointment of Managing Director, Whole-time Director and KMPs, the Committee will recommend to the Board for their approval, the remuneration to be paid to them. The Committee shall recommend to the Board, all remuneration to be paid to the Senior Management Personnel. The remuneration to all other employees shall be as per HR policy of the Company.

The annual increment of remuneration for Managing Director/ Whole-time Directors shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMP (other than Managing Director/ Wholetime Directors), Senior Management Personnel shall be recommended by the Committee to the Board. The annual increment in Salary for all other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully.

(C) STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

The Stakeholders Relationship Committee comprises of three Directors. Dr. Shyam Sunder Sethi, Independent Director is the Chairman of this Committee. The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings. During the Financial year 2020-21, SRC meetings were held on 31 July, 2020.

Report on Corporate Governance (Contd.)

The Stakeholders' Relationship Committee consists of following three members:

S No	Name	Category	Designation	No. of Meetings Attended
1	Dr. Shyam Sunder Sethi	Independent Director	Chairman	1 of 1
2	Shri Mysore Siddappa Ramaprasad	Independent Director	Member	0 of 1
3	Shri Agharam Ramakrishnan Halasyam	Independent Director	Member	1 of 1

Mr. Pradeep Chandra Nayak, Company Secretary, acts as the secretary of the Committee.

The constitution of the Stakeholders' Relationship Committee and terms of reference are as prescribed under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scope of the Committee:

- i. The Committee investigates and resolves shareholders' grievances relating to transfer, transmission, dematerialization and re-materialization of shares, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividend and other matters relating to the shareholders/investors.
- ii. The Committee meets for transfer of shares beyond the above limit/ transmission of shares/ issue of duplicate share certificate(s) in case of loss of share certificate(s) / split up of shares/re-materialization of shares and for any other grievances on need basis.
- iii. The details of correspondence of shareholders / SEBI / Stock Exchanges or any other authority are being provided to the Committee along with MIS and all complaints are responded by the Company / Registrar & Share Transfer Agent appropriately.
- iv. The Company has to obtain the following certificates / Reports from Practicing Company Secretary:
 - (a) Certificate for compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on half-yearly basis;
 - (b) Reconciliation of Share Capital Report for reconciliation of the share capital of the Company pursuant to SEBI's circular on quarterly basis.
- v. The dividend request / dividend warrant revalidation, dematerialization/ re-materialization of Shares and other requests of shareholders are generally processed on weekly basis or at an earlier date on need basis.

As required by SEBI (LODR) Regulations, Mr. Pradeep Chandra Nayak, Company Secretary is the compliance officer of the Company, who oversees the redressal of investor grievances.

INVESTOR GRIEVANCE REDRESSAL

During the Financial Year 2020-21, the Status of the Complaint received/solved as follows:

Complaints pending as on April 1, 2020	Complaints received during the year	Complaints disposed off during the year	Complaints pending as on March 31, 2021
0	0	0	0

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted by the Board and the Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the year, CSR Committee meeting was held on 13 February, 2021.

Report on Corporate Governance (Contd.)

Composition and Category

S No	Name	Category	Designation	No. of Meetings Attended
1	Shri Mysore Siddappa Ramaprasad	Independent Director	Chairman	1 of 1
2	Shri Shyam Sunder Sethi	Independent Director	Member	1 of 1
3	Mrs. Deepika Kapoor	Whole Time Director	Member	1 of 1

Mr. Pradeep Chandra Nayak, Company Secretary acts as the secretary of the Committee.

Role & Responsibilities

The role of the CSR Committee includes the following:

- Formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the Rules made thereunder.
- Recommend the amount of expenditure to be incurred on the activities under Corporate Social Responsibility and
- Monitor Corporate Social Responsibility Policy of the Company.

SHAREHOLDERS INFORMATION

GENERAL BODY MEETING

Details of last three Annual General Meetings (AGM) / Extra-Ordinary General Meetings (EGM) and Postal Ballot:

Year	Type	Date of Meeting	Venue of Meeting	Special Resolution passed
2018-19	EGM	30 June, 2018 at 9 AM	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana	1. Further Issuance of 156,000 Equity Shares on Preferential Basis
	34th AGM	29 September, 2018 at 10 AM	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana	
	Postal Ballot	20 December, 2018 at 10 AM		1. Continuation of Sh. Agharam Ramakrishnan Halasyam (Din 00775926) as an Independent Director 2. Continuation of Dr. Shyam Sunder Sethi (Din 01394311) as an Independent Director 3. Re-Appointment of Mrs. Deepika Kapoor (Din: 00054799) as Whole-Time Director of the Company
2019-20	35th AGM	30 September, 2019 at 10 AM	Conference Hall, Saras Tourist Complex, Damdama, Sohna Haryana	1. Re-Appointment of Dr. Shyam Sunder Sethi (Din 01394311) as an Independent Director 2. Re-Appointment of Sh. M S Ramaprasad (Din: 00842539) as an Independent Director of the Company
2020-21	36th AGM	30 September, 2020 at 10 AM	AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	

Resolution passed through Postal Ballot during 2020-21

Pursuant to section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and administration) Rules, 2014, the Company had not passed any Special Resolution through Postal Ballot Voting (Including Electronic Voting).

Report on Corporate Governance (Contd.)

MEANS OF COMMUNICATION TO SHAREHOLDERS:

- a) **Newspapers:** The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers viz, Financial Express and Veer Arjun (local newspaper).
- b) **News Release and Presentation:** The Company releases presentation and news to enable the stakeholders to appreciate the important developments and updates about the Company. News releases, presentations are displayed on the Company's website www.rasandik.com.
- c) **Website:** The Company's website www.rasandik.com contains a separate dedicated section "Investors" where shareholders information is available. Quarterly and annual financial results, annual report are also available on the website. Press releases made by the Company from time to time are also displayed on the website.
- d) **Annual Report:** Annual Report containing, inter alia, Board's report, auditors' report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the Company. Verbatim copy of financial statements, reports etc are circulated in this Report and the same shall be deemed as signed copy.
- e) **Website of the Stock Exchange:** Disclosures and filing with the BSE Limited (BSE) by the Company are also hosted on website of the said stock exchange.
- f) **Disclosures:** The Company also informs by way of intimation to the Stock Exchange all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.
- g) **Communication to shareholders on email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ RTA. This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
- h) **SCORES (SEBI complaints redressal system):** SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI. Exclusive email ID for investors: The Company has designated the email id cs@rasandik.com exclusively for investor servicing, and the same is prominently displayed on the Company's website www.rasandik.com.

GENERAL SHAREHOLDERS' INFORMATION

Company Registration Details

The Company is registered in the State of Haryana, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is L74210HR1984PLC032293.

Annual General Meeting for the Financial Year 2020-21

Date and Time	Thursday, 30 September 2020
Venue	Video Conference
Financial Year	01 April, 2020 to 31 March, 2021
Book closure dates	24 September, 2020 to 30 September, 2020
Last date for receipt of proxy form	Not Applicable

Tentative Calendar for Financial Year ending on 31 March, 2022

The tentative date for Board Meetings for consideration of Quarterly Financial Results is as follows:

S No	Particulars of Quarter	Tentative Dates
1	Quarter ending 30 June, 2021	0n or before 14 August, 2021
2	Quarter & Half year ending 30 September, 2021	0n or before 14 November, 2021
3	Quarter & nine months ending 31 December, 2021	0n or before 14 February, 2021
4	Quarter & Year ending 31 March, 2022	0n or before 30 May, 2022

Report on Corporate Governance (Contd.)

BOOK CLOSURE

The dates of Book Closure are from 24 September, 2021 to 30 September, 2021 (Both days are inclusive).

Dividend: No Dividend declared for the financial year 2020-2021.

Dividend Payment History

The Table below highlights the history of Dividend declared by the Company in the last 10 financial years:

S No	Financial year	Date of Declaration of Dividend	Amount declared per share
1	2011-2012	No Dividend Declared	NIL
2	2012-2013	No Dividend Declared	NIL
3	2013-2014	No Dividend Declared	NIL
4	2014-2015	No Dividend Declared	NIL
5	2015-2016	No Dividend Declared	NIL
6	2016-2017	No Dividend Declared	NIL
7	2017-2018	No Dividend Declared	NIL
8	2018-2019	No Dividend Declared	NIL
9	2019-2020	No Dividend Declared	NIL
10	2020-2021	No Dividend Declared	NIL

Unpaid / Unclaimed Dividend of the Company for Previous Years

During the year under review, the Company has no unclaimed dividend standing to be transferred to the Investor Education and Protection Fund.

As per Section 123 of the Companies Act, 2013, the Company is required to transfer the balance amount of dividends remaining unpaid/ unclaimed for a period of 7 years from the due date to the Investor Education Protection Fund (IEPF) set up by the Central Government. It is important to note that no claim shall lie against the Company or IEPF, once amount is transferred to IEPF. No amount standing in the unpaid/ unclaimed dividend for a period of 7 years.

Any person, whose unclaimed dividend has been transferred to the Fund, may claim such shares / dividend from the IEPF Authority by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in along with fee specified by the Authority from time to time in consultation with the Central Government.

Dematerialization of Shares and Liquidity

97.16 % of the equity shares of the Company have been dematerialized (NSDL 67.08% and CDSL 30.08%) as on 31 March, 2021. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories. The status of Demat is given below:

Particulars	Number of Shares as on 31 March, 2021	% of Total Issued Capital
Held in Dematerialized form in CDSL	1,797,461	30.08
Held in Dematerialized form in NSDL	4,008,016	67.08
Physical	169,523	2.84
Total No of Shares	5,975,000	100.00

Dematerialization of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

Report on Corporate Governance (Contd.)

- a) Demat account should be opened with a Depository Participant (DP).
- b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Link Intime India Private Limited.
- e) RTA will process the DRF and confirm or reject the request to DP/ depositories.
- f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

Reconciliation of Share Capital Audit:

A Practicing Company Secretary carries out a Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository

Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The report was placed before the board for perusal.

The RSC audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Registrar and Share Transfer Agent (RTA)

The Company has appointed M/s. Link Intime India Private Limited as Registrar and Share Transfer Agent (RTA) to take care of share transfer related matters, dematerialization / re-materialization of Shares, etc. Investor may contact the RTA at the below mentioned address:

Link Intime India Private Limited

1st Floor, Plot No. NH 2, LSC, C-1 Block,
Near Savitri Market, Janakpuri, New Delhi-110058
E-mail id : delhi@linkintime.co.in,
Tel No: +91 011-41410592, 93, 94
Website: www.linkintime.co.in

Price of Shares and Market Capitalization:

The closing price of the Company's share as on 31 March, 2021 on the Stock Exchanges are given below:

S No	Name of the stock exchanges	Share price (₹)	Market Capitalisation (₹ in Crs)
1.	BSE Limited ("BSE") ₹	₹ 91.80	₹ 54.85 Crs

Listing on Stock Exchanges:

The equity shares of the Company are listed and traded on the following Stock Exchanges:

Sr. No.	NAME & ADDRESS OF STOCK EXCHANGES	STOCK / SCRIP CODE
1.	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 Tel. No. 022-22721233/34 Fax: 022-22721919	522207

Report on Corporate Governance (Contd.)

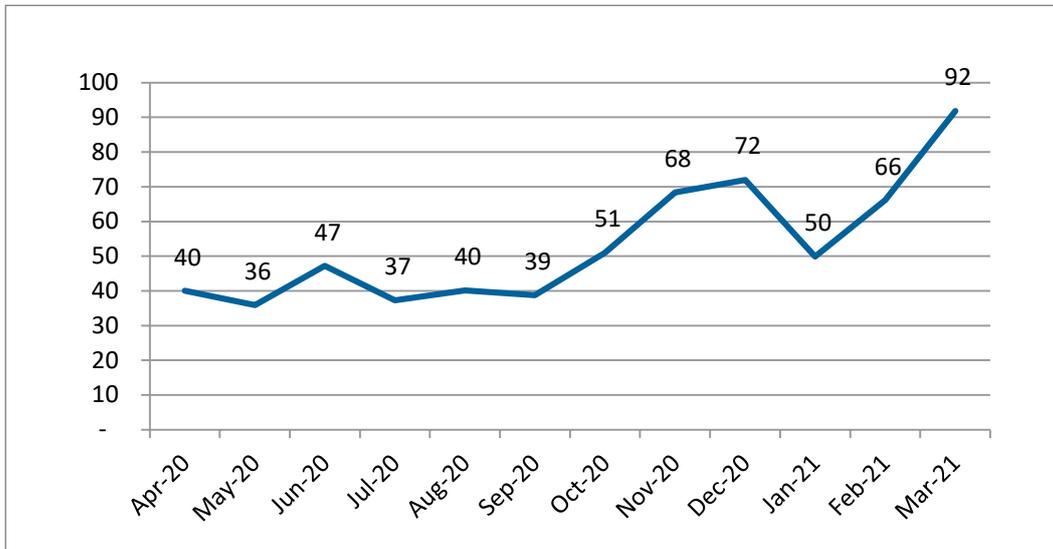
Share Price Data:

The monthly High/Low Prices and Volume during the financial year 2020-21:

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr-20	34.1	45.9	32.6	40.0	8,498	132	3,21,232	6,281	73.91	13.3	5.9
May-20	48.0	48.0	31.9	36.0	7,552	112	2,67,292	5,504	72.88	16.05	-12
Jun-20	36.0	50.3	34.1	47.2	10,242	145	4,13,000	9,843	96.1	16.2	11.25
Jul-20	44.9	50.0	37.1	37.3	7,814	139	3,36,361	6,183	79.13	12.9	-7.55
Aug-20	35.6	43.2	35.6	40.1	14,292	162	5,65,609	12,764	89.31	7.65	4.55
Sep-20	38.2	43.5	36.1	38.8	7,955	110	3,10,235	6,159	77.42	7.4	0.6
Oct-20	37.0	54.9	37.0	51.0	46,107	223	22,66,180	38,488	83.48	17.9	13.95
Nov-20	53.5	68.4	53.5	68.4	9,773	127	5,83,288	9,670	98.95	14.95	14.95
Dec-20	71.6	73.0	61.5	72.0	18,788	173	12,88,064	18,788	100	11.5	0.4
Jan-21	72.0	72.0	49.7	49.9	6,445	87	3,77,260	6,445	100	22.35	-22.15
Feb-21	47.7	66.2	46.0	66.2	9,893	135	5,42,993	8,063	81.5	20.15	18.5
Mar-21	69.5	100.0	64.6	91.8	2,54,315	281	2,45,71,451	2,54,315	100	35.45	22.35

*Data downloaded from www.bseindia.com

Share Price Movement in 2020-21 at BSE:



Share Transfer Agents and Share Transfer System:

- The shareholders have also been advised to contact Link Intime India Private Limited, the share transfer agent of the Company (STA) about the share registry works of the Company.
- All matters connected with the share transfer, dividends and other matters are being handled by the STA located at the address mentioned elsewhere in this report.
- Shares lodged for transfers are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects.
- All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondences relating to change of address, mandates, etc., are processed by the STA within 7 days.
- Certificates are being obtained and submitted to Stock Exchanges, on half-yearly basis, from a Company Secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of SEBI (LODR) Regulations.

Report on Corporate Governance (Contd.)

- f. The Company, as required under Regulation 6(2)(d) of SEBI (LODR) Regulations, has designated the following e-mail IDs, namely cs@rasandik.com or delhi@linkintime.co.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- g. A certificate signed by the compliance officer of the STA and the Company secretary towards maintenance of share transfer facility by STA in compliance with Regulation 7(3) of the SEBI (LODR) Regulations have been obtained and the same have been submitted to the Stock Exchanges.
- h. Shareholders are, therefore, requested to correspond with the STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this report.

Distribution of Shareholding as on 31 March, 2021

SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	to	500	3479	91.96	391764	6.56
501	to	1000	109	2.88	88800	1.49
1001	to	2000	72	1.90	109210	1.83
2001	to	3000	38	1.00	99192	1.66
3001	to	4000	19	0.50	65312	1.09
4001	to	5000	4	0.11	18850	0.32
5001	to	10000	21	0.56	157138	2.63
10001	to	*****	41	1.08	5044734	84.44
Total			3783	100.00	5975000	100.00

Shareholding pattern of the Company as on 31 March, 2021

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01 April, 2020				Shareholding at the end of the year – 31 March, 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1300878	0	1300878	21.77	1517525	0	1517525	25.40	3.62
(b)	Central Government / State Government(s)									
(c)	Financial Institutions / Banks									
(d)	Any Other (Specify)									
	Bodies Corporate	1465315	0	1465315	24.52	1465315	0	1465315	24.52	0.00
	Sub Total (A)(1)	2766193	0	2766193	46.30	2982840	0	2982840	49.92	3.62
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)									
(b)	Government									
(c)	Institutions									
(d)	Foreign Portfolio Investor									
(e)	Any Other (Specify)									
	Sub Total (A)(2)									
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	2766193	0	2766193	46.30	2982840	0	2982840	49.92	3.63

Report on Corporate Governance (Contd.)

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 01 April, 2020				Shareholding at the end of the year – 31 March, 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	3100	3100	0.05	0	3100	3100	0.05	0.00
(b)	Venture Capital Funds									
(c)	Alternate Investment Funds									
(d)	Foreign Venture Capital Investors									
(e)	Foreign Portfolio Investor	75000	0	75000	1.26	75000	0	75000	1.26	0.00
(f)	Financial Institutions / Banks									
(g)	Insurance Companies									
(h)	Provident Funds/ Pension Funds									
(i)	Any Other (Specify)									
	Sub Total (B)(1)	75000	3100	78100	1.31	75000	3100	78100	1.31	0.00
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 2 Lacs.	677800	165623	843423	14.12	731532	165323	896855	15.01	0.89
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 Lacs	1685147	0	1685147	28.20	1481782	0	1481782	24.80	-3.40
(b)	NBFCs registered with RBI									
(d)	Overseas Depositories (holding DRs) (balancing figure)									
(e)	Any Other (Specify)									
	Hindu Undivided Family	95033	0	95033	1.59	98015	0	98015	1.64	0.05
	Non Resident Indians (Non Repat)	24197	0	24197	0.41	24197	0	24197	0.41	0.00
	Non Resident Indians (Repat)	8388	0	8388	0.14	8388	0	8388	0.14	-0.21
	Clearing Member	2223	0	2223	0.04	16476	0	16476	0.28	0.24
	Bodies Corporate	471696	1100	472796	7.91	391130	1100	392230	6.56	-1.45
	Sub Total (B)(3)	2964484	166723	3131207	52.41	2964484	166723	3131207	52.41	-0.69
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	3039484	169823	3209307	53.71	3039484	169823	3209307	53.71	-0.69
	Total (A)+(B)	5805177	169823	5975000	100.00	5805177	169823	5975000	100.00	
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
	Total (A)+(B)+(C)	5797177	177823	5975000	100.00	5805477	169523	5975000	100.00	

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity as on 31 March, 2021.

Report on Corporate Governance (Contd.)

PLANT LOCATIONS:

Plant I	Tool Shop II	Plant III	Plant IV	Plant V
13,14 Roz-Ka-Meo Industrial Area, Sohna, Haryana - 122103	1, Roz-Ka-Meo Industrial Area, Sohna, Haryana – 122103	A-1/2-2 & A-1/2-3 Surajpur Industrial Area, Site - B, Greater Noida Uttar Pradesh -201306	E-82 & 83, MIDC, Ranjangaon, Pune Maharashtra - 412220	Kanwarsika, Sohna Haryana-122103

ADDRESSES FOR CORRESPONDENCE:

Company at its Registered office	SHARE TRANSFER AGENT
Rasandik Engineering Industries India Limited 14, Roj-Ka-Meo Industrial Area, Sohna, Haryana - 122103 Email: cs@rsandik.com Website: www.rasandik.com	Link Intime India Private Limited 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Tel No : +91 011-49411000 E-mail id : delhi@linkintime.co.in Website : www.linkintime.co.in

OTHER DISCLOSURES

i) Related Party transactions:

All transactions entered into with Related Parties, as defined under the Act, 2013 and SEBI (LODR) Regulations during the financial year 2020-21 were in the ordinary course of business and at arms' length, hence do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict with the interests of the Company and that requires approval of the Company in terms of SEBI (LODR) Regulations. The transactions with the related parties, namely its promoters, its holding, subsidiary and associate companies etc., of routine nature have been reported elsewhere in the annual report.

All Related Party Transactions are approved by the Audit Committee prior to the transaction. Related Party Transactions of repetitive nature are approved by the Audit committee on omnibus basis for one financial year at a time. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis, where ever necessary.

A confirmation as to material Related Party Transactions as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, is sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance. (<http://www.rasandik.com/report.html>)

ii) Subsidiary Companies

The Company does not have any Subsidiary Company.

iii) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed prescribed Indian Accounting Standards in preparation of its financial statements.

iv) Instances of non-compliances, if any:

There were no instance of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

v) Whistle-Blower Policy / Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and in line with the best international governance practices, Rasandik has established a system through which directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal.

The Company has set up a Direct Touch initiative, under which all directors, employees / business associates have direct access to the Chairman of the Audit committee. The Whistle-Blower Protection Policy aims to:

- Allow and encourage stakeholders to bring to the management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.

Report on Corporate Governance (Contd.)

- Provide protection against victimization.

(<http://www.rasandik.com/report.html>)

vi) Total Fee Paid to the Statutory Auditor

An amount of ₹ 15.75 Lacs p.a. was paid to statutory auditor for all services provided to the Company.

vii) Prevention of Sexual Harassment Policy

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIII) Declaration Affirming Compliance of Provisions of the Code of Conduct

The Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31 March, 2021.

ix) CEO and CFO Certification:

The Chairman and Managing Director and Chief Financial Officer (CFO) of the Company have certified to the board on financial and other matters in accordance with Regulation 33 of the SEBI (LODR) Regulations for the financial year ended 31 March, 2021.

x) Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of SEBI (LODR) Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated

under the appropriate headings detailed elsewhere in this report.

xi) Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations for Insider Trading and the provisions of Companies Act, 2013, the Company has formulated a comprehensive code of conduct for Prevention of Insider Trading, for its management and staff. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of Rasandik, and cautioning them of the consequences of violations. The Company Secretary has been appointed as the Compliance Officer.

The Company has also formulated a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

(<http://www.rasandik.com/report.html>)

xii) Management discussion and analysis report, Familiarization Programme forms the part of the Directors' Report.

(<http://www.rasandik.com/report.html>)

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of annual report through electronic means to such of the members whose e-mail addresses are registered with NSDL and CDSL or the shareholders who have registered their E-mail ID with the Company to receive the documents in electronic form and physical copies sent to those shareholders whose e-mail ids have not been either registered with the Company or with the depositories.

To support this green initiative of the Government, members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the STA, in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the Company / DPs, from time to time.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

To,
The Board of Directors
Rasandik Engineering Industries India Limited

Sub: Annual Certificate of Compliance for FY 2020-21

Sir

We

- a) We have reviewed financial statements and the cash flow statement for the year ended 31 March, 2021 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
 - i) significant changes in such internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

For **Rasandik Engineering Industries India Ltd.**

New Delhi,
29 June, 2021

(Gautam Bhattacharya)
Chief Financial Officer

(Rajiv Kapoor)
Chairman & Managing Director

Compliance with Code of Business Conduct and Ethics

To
The shareholders of

Rasandik Engineering Industries India Limited, Sohna, Haryana

On the basis of the written declarations received from members of the Board and senior management personnel in terms of the relevant provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that both the members of the Board and the senior management personnel of the Company have affirmed compliance with respective provisions of the code of Business Conduct and Ethics of the Company as laid down by the board for the year ended 31 March, 2021.

For **Rasandik Engineering Industries India Limited**

New Delhi, 29 June, 2021

Sd/
(Rajiv Kapoor)
Chairman and Managing Director

Management Discussion and Analysis

India's real GDP on average grew 6.9% during fiscals 2014-2020. Fiscal 2020 witnessed a decline in consumption and consumer demand because of a weakness in the real estate sector and stress in the financial sector. Thus, the economy was already on a sticky wicket before the pandemic started spreading in India in late January/ early February. With the spread of infections intensifying in March, a nation-wide lockdown was imposed.

As a consequence, CRISIL Research sees Indian economy shrinking 5% on year in fiscal 2021. There is a strong downside to the number. Any revision will depend on the severity of the pandemic, and impact on businesses. Most of the assumptions that CRISIL had made while revising the growth rate to -5% are largely materialising. Local lockdowns have continued even beyond June 2020. Restrictions continue in high consumption areas such as Mumbai, National Capital Region (NCR), and Bengaluru, impacting economic activity. The government has not announced any further fiscal support to revive income and demand. All these have made financiers wary of possible delinquencies.

INDIAN AUTO INDUSTRY

In 2020, India was the fifth-largest auto market, with ~3.49 Million units combined sold in the passenger and commercial vehicles categories. It was the seventh largest manufacturer of commercial vehicles in 2019. The Indian automobile industry is one of the driving forces of the economy, contributing about 49% to the country's manufacturing GDP (gross domestic product) and 7.5% to its overall GDP. The sector's value chain employs about 32 Million people. In the last decade, while the production of two-wheelers in India has nearly trebled, the production of passenger vehicles and commercial vehicles in the country has doubled. The USD 100-Billion Indian automobile industry has also seen a massive qualitative jump as products have become safer and more environment- friendly, driven by a mix of policy changes and buyers' demands.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two-wheeler and four-wheeler market in the world.

The automotive manufacturing has been amongst the most affected sectors at present due to COVID-19 and the recovery from the effect of the pandemic will majorly be demand-driven. All OEMs are equipped to produce as per the demand of the market.

For the automotive industry - already under a shadow cast by the sales slowdown in 2019 - COVID-19 darkened the outlook further. The pandemic came with fluctuating supply chain scenarios, a big change in people's relationship with mobility and newer growth areas such as the aftermarket.

The auto sector had already undergone a considerable slowdown over the last 12-18 months due to structural changes caused by the Goods and Services Tax, beginning of shared mobility, amendments in axle-load norms, the Bharat Stage-IV to Bharat Stage-VI transition, liquidity Crunch and many more. Auto industry body SIAM has been urging the government to reduce the GST rate on vehicles and to introduce an incentive-based scrappage policy so that it would help in reviving the commercial vehicle sector which has been facing headwinds for quite some time now. The revival situation would depend on various factors like the impact of reforms initiated by the government and other factors like availability of liquidity at the right time.

Prime Minister Narendra Modi while unveiling his vision for an Atmanirbhar Bharat where "The country now needs to manufacture products which are Made in India but are Made for the World". India's auto components industry's share in global components exports is less than 1.5 percent. Industry experts believe subject to an enabling environment India's component industry have ability to increase its export footprint as the general perception is COVID-19 has forced multinationals to explore a China+1 strategy and even auto companies are looking for alternate supply chains

ROAD AHEAD

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development.

With environmental pollution concerns mounting across the world, the push for vehicles running on alternative fuel sources has gained momentum. With battery costs plunging in last few years, EVs are fast emerging as a desirable option.

The rapidly changing world scenario has created unprecedented times. Five trends stand out that define the landscape for the automotive sector:

Global supply chain disruption: Shifting trade patterns, propelled by geo-political shifts and of late COVID-19, have

Management Discussion and Analysis (Contd.)

been impacting the industry - operating margins dropped by 1.2 percentage points between 2017 and 2019, while margins for auto-part makers fell by 2 percentage points.

Cautious demand outlook, with some green shoots: Global light vehicle sales were down by 4 percent between 2017 and 2019. The 2020 outlook remains cautious with over a 20 percent fall in yearly sales. The slowdown in demand, further aggravated by COVID-19, could mean that production capacity utilization could nearly halve in 2020. The trajectory of automotive sales in India is similar. In April and May 2020 the sales were around 90 percent lower than the previous year. This trend could continue, with car buyers deferring purchases for financial reasons or because they have nowhere to go. There could, however, be some green shoots in the form of a preference shift to two-wheelers or smaller cars.

Shift in mobility trends: Globally, the pandemic has enforced a massive change in attitudes towards mobility, with health and safety taking utmost precedence. The preference could be for micro-mobility or small-format mobility. While the electric vehicle (EV) segment

CHALLENGES

Used cars could be game-changers

Pre-owned cars could be the flavour of the post-Covid-19 world. It is easy to guess the main reason behind the popularity of pre-owned vehicles – lower prices. A recent survey by Cars24 validates the reason. It found that a considerable percentage of the respondents preferred to buy old cars due to financial constraints. According to industry insiders, there was a 10 per cent rise in the sale of used cars in FY2020.

The pre-owned segment might benefit more because people moving from public transport to private vehicle are not very well to do to begin with. With the Indian economy facing stagnation since over a year and the Covid-19 lockdown only likely to worsen the financial constraint of the middle-class, used cars could end up becoming the 'go-to' choice.

Indian component makers are gearing up to meet the challenges of supplying new technology and equipment for stringent BS-6 emission norms coming from April 2020, and the much publicized transition to Electric Mobility, vociferously advocated by the Central government and crash test requirements for cars where overall architecture of existing vehicles will undergo a massive change. Besides, bigger car manufacturer Maruti Suzuki has already announced plans to stop making diesel cars from next year.

OUTLOOK:

Automotive Industry Outlook for 2020 to 2025

The coronavirus outbreak has heavily impacted the manufacturing industry. OEMs and parts suppliers have yet to return to full production capacity. Consequent delays in delivery might impact the market at multiple levels from postponed new car model launches, shattered supply chains, financially drained SMEs, and dampened vehicle sales in Q1, 2020. The effects will spill over into Q2 as well, with unfulfilled order deliveries due to ongoing production slowdowns. This situation is set to exacerbate the numerous challenges already facing the auto industry, including tougher CO2 emissions standards and higher investments in new technologies. The study sheds light on the impact of the pandemic on the global light vehicle production of global OEMs across key regions such as North America, Europe, APAC, China and India in three different scenarios.

One of the study analyses the impact of the pandemic and new opportunities created on other mobility verticals such as shared mobility, electric vehicles, connectivity solutions, aftermarket, and vehicle leasing. The study highlights the unit shipments and growth rates across different verticals along with opportunity areas in each of these verticals. Personal mobility modes will make a strong comeback. The demand for micro-mobility solutions, in particular, will surge. Micro-mobility solutions are easy-to-use and ideal in congested city environments. In the current context of COVID-19, these single or double seaters, like mopeds and scooters, offer riders better control over their health & wellness. Automakers are likely, therefore, to explore the potential of this sector as they attempt to draw up blueprints for a post-corona virus scenario.

Companies are stepping up to the challenge created by the coronavirus outbreak. They are supporting governments in developing and supplying various health and wellness solutions. This massive crisis is going to change the outlook for auto manufactures in the near future as the focus is likely to shift towards health and wellness solutions in vehicles.

The Indian government has also set up an ambitious target of having only EVs being sold in the country. The Ministry of Heavy Industries, Government of India, has shortlisted 11 cities in the country for introduction of EVs in their public transport system under the FAME scheme. The first phase of the scheme was extended to March 2019 while in February 2019, the government approved FAME-II scheme with a fund requirement of ₹ 10,000 Crs (USD 1.39 Billion) for FY20-22. Under Union Budget 2019-20, government announced to

Management Discussion and Analysis (Contd.)

provide additional income tax deduction of ₹ 1.5 Lacs (USD 2146) on the interest paid on the loans taken to purchase EVs.

EV sales, excluding e-rickshaws, in India witnessed a growth of 20 per cent and reached 1.56 Lacs units in FY20 driven by two wheelers. The government of India expects automobile sector to attract USD 8-10 Billion in local and foreign investment by 2023.

RISK AND CONCERNS

Political factors affecting the automotive industry:

Safety Regulations: The governments across the world enforce strict safety regulations around the automotive industry.

Emissions Policies: A major concern with motor vehicles is that of carbon emissions, i.e. the amount of carbon dioxide produced by driving a vehicle. As such, governments also have a great interest in the emissions statistics of new and existing vehicles. This, along with other environmental concerns, is yet another regulatory hoop for automotive manufacturers to jump through.

Economic factors affecting the automotive industry:

Growing Disposable Incomes: It comes as no surprise, then, that demand for motor vehicles is slowly but surely growing with disposable income. Ultimately, this growing demand for motor vehicles means that more cars will be sold, and the automotive industry will become even more profitable for its participants.

Technological factors affecting the automotive industry:

Self-Driving Cars: With some automotive brands such as Tesla already offering nearly completely autonomous motor vehicles, there is a huge change to the way we commute on the horizon. This isn't necessarily a good or bad thing for the automotive industry, but it may mean that manufacturers of conventional cars have to change their business strategy to stay relevant.

Improved Safety: Aside from the advent of self-driving cars, another big Technological advancement in the automotive industry is, generally speaking, the safety of motor vehicles like seat belt, emergency brake etc.

Legal factors affecting the automotive industry:

Copyright Issues: Interestingly, the issue of copyright also affects the automotive industry. Certain features of a car -

from its branding to even its shape - can be protected by copyright, trademark, or patent laws.

Environmental factors affecting the automotive industry:

Carbon Emissions: Over the last few years, the issue of carbon emissions has gained global attention. We continue to drive motor vehicles on a daily basis, but it's unclear whether governments will be forced to take greater action to stop global warming - and that might involve a complete ban on production or usage of motor vehicles, or at least a switch towards electric vehicles.

INDUSTRY BODIES

ACMA, along with various industry bodies representing the interests of auto component manufacturers could play a nodal role to help companies across the board undertake this journey towards the future, by actively doing the following:

- Assist in scale up of IPOs through avenues such as trade fairs, exhibitions and expos focused on bringing real decision makers together.
- Develop skilling curriculum and guidelines, e.g., on project management, Tier 2 quality control.
- Co-create a strategy for import substitution with all stakeholders -OEMs, suppliers, the government.
- Work with raw material and machine tools suppliers to improve quality and accelerate execution.

THE GOVERNMENT

The government could choose to be a valuable support for Indian auto component manufacturers in the following ways:

- Evaluate building Centres of Excellence on quality along with industry bodies.
- Consider setting up upskilling programs at vocational institutes with a focus on talent pool for new manufacturing hubs and addressing current skill gaps.
- Evaluate policy clarity and roadmap, e.g., import, export, EV/hybrid fuel like methanol, CNG, so that the industry can accordingly plan its future path.
- Explore setting up performance cells to monitor labour productivity in auto and allied industries.
- Explore means to incentivize Make in India by working with industries to localize and promote exports.

Management Discussion and Analysis (Contd.)

SWOT ANALYSIS

Strengths	Opportunities
<ul style="list-style-type: none"> • Established manufacturing base • Improving design abilities • High operational efficiency • Flexibility of Small Batch production • Use of latest technology • Operating smaller plants efficiently scheme • State-of-the-art Tool room • Cost competitiveness markets • Adheres to strict quality controls market • Customized solution • Growing domestic automotive industry • Manufacturing capabilities with international quality standards 	<ul style="list-style-type: none"> • Sourcing hub for global automobile majors • Low cost advantage primarily because of low cost high skilled manpower • Rising Per capita income and easy finance boost auto sales • Rising working population • Pursue export opportunities aggressively. • Enhance import substitution. • Expand aftermarket offerings to capture value from existing vehicle part and aftermarket exports. • Offer “rising star” components which could take off in the long run due to an increase in electric vehicle (EV) sales. • Form partnerships and ecosystems to create and capture value. • Expand portfolio to serve adjacent industries.
Weakness	Threats
<ul style="list-style-type: none"> • High interest rates • Very high fuel prices • Stagnating disposable income • Cyclical downturns in the automotive industry • Volatility in the prices of metals and other inputs could erode the industry's cost competitiveness • Intense competition from counterparts in other emerging economies may add pressure on margins of manufacturers • Low investment in Research and Development • The rejection rate for Indian auto components • Limited knowledge of product liability and offshore warranty handling • This fragmentation Indian auto components industry is preventing players to meet large volumes demand of global auto majors • Comparatively poor infrastructure for supply chain and exports 	<ul style="list-style-type: none"> • Trained man-power shortage • Indian auto component industry faces direct threat from China and Other Asian Countries • Material of components has been changed by OEMs from sheet metal to plastic • Raising steel and other raw material prices • Cost Cutting is putting pressures component maker • Pricing pressure is an industry norm globally and the same trend is continued in India • Shorter product life cycle • Appreciation of Rupee, Looming inflation and sharp rise in input costs • Labour Unrest • Large number of OEMs entering in Indian market may result into migration of talents from supplier to OEMs • Developments of new technologies like electric vehicles, hydrogen powered vehicles, which may affect the auto component industry.

Management Discussion and Analysis (Contd.)

PRODUCT ANALYSIS & REVIEW

Your Company caters to the following Product Sectors:

- Sheet Metal Components for Cars, Trucks, Tractors, Two Wheelers
- E-Rickshaw / E-Auto
- Die & Tools
- TWB

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that transaction are authorized, recorded and reported correctly.

The Company has established the internal control system by standardising and documenting policies and procedures for all the major processes and associated key controls, for credible reporting of the financial and operating results.

OPERATING RESULTS AND PROFITS

Strong economic growth, low interest rates and continued focus on several measures undertaken by the Company like new product introductions, cost cutting and quality and process improvements have all resulted in the Company achieving a satisfactory performance.

Finance Charges

The Finance Costs were ₹ 98.24 Million in the year 2020-21 as against ₹ 111.31 Million in the year 2019-20.

Depreciation

Current Year Depreciation was at ₹ 133.37 Million in comparison to ₹ 131.14 Million in previous year.

Tax

Deferred Tax amounting to (₹ 16.52) Million as compared to ₹149.18 Million in the previous year.

Net Profit /(Loss)

Net Profit/(Loss) after tax for the year 2020-21 is (₹ 56.90) Million as compared to Net Profit/(Loss) after tax for the year 2019-20 is (₹ 31.94) Million in the previous year.

PERSONNEL

Industrial Relations at all the plants remained cordial and peaceful throughout the year. The focus of the previous year was continuous organizational development and various training programmes introduced for skill up-gradation. The Company's focus during the year has been to improve productivity and information sharing.

CAUTIONARY STATEMENT

Statements in this Management Discussion & Analysis that describe the Company's objectives, expectations and predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to the Company's operations include raw material availability and price, demand and pricing by the Company's major customers, change in the Government regulations, tax regimes, economic development and other incidental factors.

Independent Auditor's Report

To the Members of Rasandik Engineering Industries India Limited

Report on the Audit of Financial Statements

OPINION

We have audited the accompanying financial statements of Rasandik Engineering Industries India Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to Note no. 36 to the financial 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 and projected increase in turnover. Further, we draw attention to note no. 37 to the financial statement which explains how the economic environment surrounding the automotive industry has become highly uncertain due to COVID 19.

The financial statement indicate that the Company has recorded a loss after tax of ₹ 577.28 Lacs during the year ended 31 March, 2021. As of date, the Company's total current liabilities exceeds total current assets by ₹ 2,806.31 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 opinion is not modified in respect of the above matter.

EMPHASIS OF MATTER

- a. We draw attention to footnote to Note no. 12 to the financial statement regarding classification of borrowings in the financial statement as per the terms & conditions of One-time restructuring (OTR) approved by the bankers subsequent to the end of the year.
- b. We draw attention to note no. 33 and 34 to the financial 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 opinion is not modified in respect of the above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Independent Auditor's Report (Contd.)

S No	Key Audit Matter	Auditor's Response
1	<p>Revenue recognition:</p> <p>For the year ended 31 March, 2021 the Company has recognized revenue from contracts with customers amounting to ₹ 13684.26 lakhs.</p> <p>Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company is entitled in exchange for those goods or services.</p> <p>The Company has generally concluded that as principal, it controls the goods or services before transferring them to the customer. Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.</p> <p>Accordingly, due to the risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it is determined to be a key audit matter in our audit of the financial statements.</p>	<p>Our audit procedure included, among others,</p> <ul style="list-style-type: none"> ● Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'. ● Performed sample tests of individual sale transactions and traced to sales invoices, sales orders and other related documents. ● Tested the provision calculations related to price revisions/increase etc., by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents. ● To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

Independent Auditor's Report (Contd.)

the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

Due to complete lockdown, imposed by the Government, to restrict the spread of COVID19, the audit finalization process, for the year under report, was carried out from

Independent Auditor's Report (Contd.)

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our

information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements – Refer Note No. 32(a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

(Karthik Srinivasan)

Partner

Place : New Delhi
Dated : 29th June, 2021

Membership No. 514998
UDIN:21514998AAAAHA5941

Annexure “A” to the Independent Auditors’ Report

(Referred to in Paragraph 1(f) under ‘Report on Other Legal and Regulatory requirements’ of our report on even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure “A” to the Independent Auditors’ Report (Contd.)

OPINION

The Company has represented that by virtue of its procedures it consider that its internal financial control system over financial reporting is adequate. However, the operating effectiveness of such internal financial control over financial reporting considering the essential components of internal control stated in the guidance note issued by ICAI needs improvement so far as it relates evaluation of recoverability of old balances of advances / trade receivables and old balances of inventories as this could potentially result in the

company not recognizing appropriate provisions in respect of assets that are doubtful of recovery / impaired.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

(Karthik Srinivasan)

Partner

Place : New Delhi

Membership No. 514998

Dated : 29th June, 2021

UDIN:21514998AAAAHA5941

Annexure “B” to the Independent Auditors’ Report

(Referred to in Paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report on even date)

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets are physically verified by the Management according to a phased periodical manner, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties, as disclosed in Note 2 to the financial statements on fixed assets, are held in the name of the Company.
- ii Read with note b of emphasis of matter paragraph, as informed to us, inventories have been physically verified during the year by the management except stocks lying with third parties for which confirmation are not available. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size and nature of the operations of the Company.
- iii The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in
- b) There are no disputed dues which have remained unpaid as on 31 March, 2021 in respect of income tax or sale tax or service tax or duty of customs or duty of excise or value added tax except as follows.

Nature of dues	Financial Year	₹ in Lacs	Forum where pending
Central Sales Tax	2014-15	39.70	Excise & Taxation officer, Mewat
Central Sales Tax	2015-16	69.21	Excise & Taxation officer, Mewat
Central Sales Tax	2016-17	30.26	Excise & Taxation officer, Mewat

- viii Read with footnote to Note no. 12 of the financial statement and on the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company does not have any loans or borrowings from financial institution or government in the books of accounts at any time during the year. The Company has not issued any debentures.
- ix The Company did not raise any money by way of initial / further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- x Based on the audit procedure performed and the representation obtained from the management, no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- xi According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

Annexure “B” to the Independent Auditors’ Report (Contd.)

- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into

any non-cash transactions with directors or persons connected with them under section 192 of the Act. Therefore, the provisions of clause 3(xv) of the Order are not applicable.

- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **V. Sankar Aiyar & Co.**
Chartered Accountants
ICAI Firm Regn. No. 109208W

(Karthik Srinivasan)

Partner

Place : New Delhi
Dated : 29th June, 2021

Membership No. 514998
UDIN:21514998AAAAHA5941

Balance Sheet

as at 31 March, 2021

₹ in Lacs

Particulars	Note No.	As at	
		31 March, 2021	31 March, 2020
ASSETS			
Non Current Assets			
Property, plant and equipment	2	17,437.06	18,650.46
Capital work-in-progress (Refer Note - 33)		375.29	462.31
Financial assets			
Others	3	195.84	115.64
Non current tax assets (Net)		75.17	13.05
Other non-current assets	4	202.49	225.43
Total Non Current Assets (A)		18,285.85	19,466.89
CURRENT ASSETS			
Inventories	5	4,373.39	3,927.20
Financial assets		-	-
Trade receivables	6	1,895.90	1,490.10
Cash and cash equivalents	7	33.34	27.12
Bank balances other than above	8	35.43	33.82
Others	9	83.35	146.75
Other current assets	10	576.69	263.30
Total Current Assets (B)		6,998.10	5,888.29
Total Assets (A+B)		25,283.95	25,355.18
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11	597.50	597.50
Other equity		9,235.78	9,805.09
Total equity (C)		9,833.28	10,402.59
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
Borrowings	12	2,648.40	1,366.09
Provisions	13	82.65	119.77
Deferred tax liabilities (Net)	14	2,232.70	2,395.38
Other non current liabilities	15	682.51	839.62
Total Non Current Liabilities (D)		5,646.26	4,720.86
Current Liabilities			
Financial Liabilities			
Borrowings	16	5,536.30	5,447.93
Trade payables - Dues to	17	-	-
Micro Enterprises and Small Enterprises		-	-
Other than Micro Enterprises and Small Enterprises		2,439.24	2,573.26
Other	18	988.07	1,640.57
Provisions	19	96.35	100.40
Other current liabilities	20	662.41	469.57
Current tax liabilities (Net)		82.04	-
Total Current Liabilities (E)		9,804.41	10,231.73
Total Equity and Liabilities (C+D+E)		25,283.95	25,355.18

As per our attached report of even date.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Karthik Srinivasan

Partner

Membership No. 514998

Rajiv Kapoor

Chairman & Managing Director

DIN : 00054659

Dr Shyam S. Sethi

Director

DIN : 01394311

Gautam Bhattacharya

Chief Financial Officer

Pradeep Chandra Nayak

Company Secretary

ACS 15852

Place : New Delhi

Dated : 29th June, 2021

Statement of Profit and Loss

for the year ended 31 March, 2021

₹ in Lacs

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
INCOME			
Revenue from operations	21	13,684.26	20,761.15
Other income	22	243.52	154.68
Total Income		13,927.78	20,915.83
EXPENSES			
Cost of materials consumed	23	9,144.86	13,636.75
Changes in inventories of finished goods, stock in trade and work in progress	24	(521.51)	659.65
Manufacturing and operating expenses	25	1,504.79	2,042.05
Employee benefits expense	26	1,281.47	1,903.51
Finance costs	27	982.36	1,113.13
Depreciation and amortization expense	28	1,333.74	1,311.38
Other expenses	29	944.71	2,119.76
Total Expenses		14,670.42	22,786.23
Profit/ (loss) before tax		(742.64)	(1,870.40)
Tax expense :			
Current tax		-	-
Tax relating earlier year written back		-	(46.60)
Deferred tax		(165.36)	(1,491.84)
Profit / (loss) for the year		(577.28)	(331.96)
Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		10.65	16.79
Tax effect on above		(2.68)	(4.23)
Other comprehensive income for the year		7.97	12.56
Total comprehensive income for the year		(569.31)	(319.40)
Earning per Equity Share of ₹ 10 each			
Basic (₹)			
Diluted (₹)			

As per our attached report of even date.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Karthik Srinivasan

Partner

Membership No. 514998

Rajiv Kapoor

Chairman & Managing Director

DIN : 00054659

Dr Shyam S. Sethi

Director

DIN : 01394311

Gautam Bhattacharya

Chief Financial Officer

Pradeep Chandra Nayak

Company Secretary

ACS 15852

Place : New Delhi

Dated : 29th June, 2021

Statement of Cash Flows

for the year ended 31 March, 2021

	Year ended 31 March, 2021	Year ended 31 March, 2020
		₹ in Lacs
CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) / Profit after exceptional Items & before Tax	(742.64)	(1,870.40)
Adjustments for :		
Depreciation	1,333.74	1,311.38
Interest income on bank deposit	(1.83)	(1.82)
EPCG grant income	(41.24)	(12.40)
Provision for leave encashment written back	(30.05)	-
Trade payable / advances/ provisions written back	(147.86)	-
Bad/debts/recoverables written off	13.90	372.92
Provision for doubtful debts	-	60.39
Provision for doubtful advances	-	51.68
Provision for Impairment of Assets	-	80.00
Provision for diminution in Stocks	199.40	190.98
Unrealised foreign exchange fluctuations	2.45	(0.59)
Lease rent income	-	(93.49)
Finance costs	982.36	1,113.13
Operating profit before working capital changes	1,568.23	1,201.78
Adjustments for :		
Trade receivables	(419.70)	1,523.63
Inventories	(645.58)	931.25
Other financial asset	(18.41)	9.88
Other current/non current asset	(313.39)	338.15
Trade payables	(103.98)	(1,153.10)
Other financial liabilities	(24.90)	(34.75)
Other liabilities	76.99	(498.43)
Provisions	117.32	(18.12)
Cash generated from operations	236.58	2,300.28
Direct taxes paid	19.92	144.77
Net Cash from Operating Activities	256.50	2,445.05
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed asset including capital work in progress	(33.32)	(45.56)
Capital advances	22.94	-
Capital account - Payables	-	(17.88)
Investment in fixed deposits (Net)	1.83	(1.81)
Interest received	-	0.06
Net Cash used in Investing Activities	(8.55)	(65.19)

Statement of Cash Flows

for the year ended 31 March, 2021 (Contd.)

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long term borrowings	(53.93)	(1,084.11)
Proceeds from long term borrowings	470.00	-
(Repayments) / proceeds from short term borrowings	88.37	(225.22)
Interest paid	(743.72)	(1,067.13)
Net Cash used in Financing Activities	(239.28)	(2,376.46)
Net Increase in Cash and Cash Equivalents	8.67	3.40
Cash and Cash Equivalents (Opening Balance)	27.12	23.13
Effect of exchange differences on translation of foreign currency cash & cash equivalents	(2.45)	0.59
Cash and Cash Equivalents (Closing Balance)	33.34	27.12
Break up of closing cash & cash equivalent		
Current Accounts	31.57	20.54
Cash in Hand	1.77	6.58
	33.34	27.12
Reconciliation of liabilities from financing activities		
	Long term	Short term
As at 31 March, 2020	2,677.92	5,447.93
Proceeds*	470.00	88.37
Unpaid interest converted into funded interest term loan (FITL)	320.71	-
Repayments	(53.93)	-
As at 31 March, 2021	3,414.70	5,536.30

Note : Proceeds in case of short term borrowings reflect amount received during the year net of payment.

The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

As per our attached report of even date.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Karthik Srinivasan

Partner

Membership No. 514998

Rajiv Kapoor

Chairman & Managing Director

DIN : 00054659

Dr Shyam S. Sethi

Director

DIN : 01394311

Place : New Delhi

Dated : 29th June, 2021

Gautam Bhattacharya

Chief Financial Officer

Pradeep Chandra Nayak

Company Secretary

ACS 15852

Statement of Changes in Equity

(A) EQUITY SHARE CAPITAL

Particulars	₹ in Lacs
	Amount
Balance as at 1 April, 2019	597.50
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	597.50
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	597.50

(B) OTHER EQUITY

Particulars	Reserves and Surplus				Share Application Money Pending Allotment	Total impact on Other Equity
	Retained Earning	General Reserve	Securities Premium Account	Capital Reserve		
As at 1 April, 2019	6,875.47	724.74	2,481.74	42.54	-	10,124.49
Adjustments:						
Profit/ (loss) for the year	(331.96)	-	-	-	-	(331.96)
Other Comprehensive Income						
Re-measurement gains (losses) on defined benefit plans	12.56	-	-	-	-	12.56
As at March 31, 2020	6,556.07	724.74	2,481.74	42.54	-	9,805.09
Adjustments:						
Profit/ (loss) for the year	(577.28)	-	-	-	-	(577.28)
Other Comprehensive Income						
Re-measurement gains (losses) on defined benefit plans	7.97	-	-	-	-	7.97
As at March 31, 2021	5,986.76	724.74	2,481.74	42.54	-	9,235.78

As per our attached report of even date.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Karthik Srinivasan

Partner

Membership No. 514998

Rajiv Kapoor

Chairman & Managing Director

DIN : 00054659

Dr Shyam S. Sethi

Director

DIN : 01394311

Place : New Delhi

Dated : 29th June, 2021

Gautam Bhattacharya

Chief Financial Officer

Pradeep Chandra Nayak

Company Secretary

ACS 15852

Notes to Financial Statements

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 Company Overview

Rasandik Engineering Industries India Limited (“the Company”) is a public limited company incorporated in India, listed on Bombay Stock Exchange (BSE). The registered office is located at 14 Roj-Ka-Meo Industrial Area Sohna Haryana - 122103. The principal activities of the company are manufacturing of sheet metal components, muffler assemblies, fuel tank, tools & dyes for motor vehicles, and spare parts.

1.2 Basis of preparation and Presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Companies Act, 2013, The Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on historical cost convention and on an accrual basis except for the following:

- i) Derivative financial instruments,
- ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

All assets and liabilities have been classified as current or non-current as per Company’s normal operating cycle (twelve months) and other criteria set out in the schedule III to the Act.

Company’s financial statements are presented in India Rupees, which is its functional currency.

1.3 Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. An overview of the areas that involves a higher degree of judgment or complexity, and of items which are more likely to be materially

adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed in note no. 1.4. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

1.4 Significant Estimates and judgments

- a. Depreciation and useful lives of Property, plant and equipment

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on technical evaluation and take into account anticipated technological changes. Depreciation for future periods is adjusted if there are significant changes from previous estimates.

- b. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change.

- c. Estimation of defined benefits obligations – refer note no. 26

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

Notes to Financial Statements (Contd.)

1.5 Property, Plant and equipment

On transition to Ind AS, the Company had elected to measure the certain items of property, plant and equipment at its fair value and is using its fair value as its deemed cost. Items measured at fair value are plant and equipment (including CWIP), freehold land and leasehold land. Building, furniture and fixtures, office equipments, computers and vehicles are carried at previous GAAP carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Depreciation on property, plant and equipment is provided on straight-line method on the basis of estimated useful life of the assets. The expected useful life and the expected residual value are reviewed at the end of each financial year. If the expected useful life and the expected residual value of an asset are significantly different from its previous estimates, depreciation is provided on the revised depreciable amount of the assets over the remaining useful life.

The management estimates the useful lives for the tangible assets as follows:

Property, plant and equipment	Useful life
Leasehold land	: Over the period of lease
Buildings	: 30 - 60 years
Plant and machinery and electrical installations	: 10 - 25 years
Dyes, jigs and fixtures	15 years
Office equipment	: 5 years
Computer and peripherals	: 3 - 6 years
Furniture and fixtures	: 10 years
Motor vehicles	: 8 years

For the above classes of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as given above best represent the period over which management expects to use these assets.

The residual values are not more 5% of the original cost of the assets.

*Individual assets costing ₹ 5,000/- or less are depreciated in full.

1.6 Capital work in progress

Capital work-in-progress includes assets in the course of construction for production and/or supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work in progress.

1.7 Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

1.8 Leases

Where the Company is a lessee:

The Company's lease asset classes primarily consist of leases for Plant & equipment, land and building. The Company, at the inception of a contract, assesses

Notes to Financial Statements (Contd.)

whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contract existing and entered into on or after 1 April, 2019. The Company has elected not to recognize Right-of-use Assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term. The Company recognizes a Right-of-use Asset and a lease liability at the lease commencement date. The Right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The Right-of-use Asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. Subsequently, lease liabilities are measured on amortized cost basis. In the comparative period, lease payments under operating leases are recognized as an expense in the statement of profit and loss over the lease term.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense.

Where the Company is the Lessor:

Lease under which the Company does not transfer substantially all the risks and benefits of ownership of the asset is classified as operating lease. Lease income from operating lease is recognized in the Statement of Profit and Loss on a straight line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Costs including depreciation are recognized as an expense in the Statement of Profit and Loss.

1.9 Inventories

Inventories are valued at the lower of cost or net realizable value, less any provisions for obsolescence. Cost is determined on the following basis:-

Raw Material, components, stores & spares is recorded at cost on a first-in, first-out (FIFO) basis;

Finished goods and work-in-process are valued at raw material cost plus cost of conversion and attributable proportion of manufacturing overhead incurred in bringing inventories to its present location and condition.

Scrap are valued at net realizable value.

Machinery spares (other than those qualified to be capitalized as PPE and depreciated accordingly) are charged to profit and loss on consumption.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.10 Financial Instruments

A. Financial asset

i. Initial recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities, which are not fair value through profit and loss, are adjusted to the fair value on initial recognition.

ii. Subsequent measurement

- Financial assets carried at Amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal outstanding.

Notes to Financial Statements (Contd.)

- Financial assets at Fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal outstanding.

- Financial asset at Fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit and loss.

- iii. Impairment of financial assets

The Company assesses impairment of financial assets carried at amortized cost based on expected credit loss model (ECL). The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses historical loss experience to determine the impairment loss allowance on trade receivables. At each reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

B. Financial liabilities

- i. Initial recognition and Measurement

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognized in profit and loss as finance cost.

- ii. Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using effective interest rate method. For trade and other payable maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short term maturity of these instruments.

C. Equity instruments

The Company measures its equity investments other than in subsidiary at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity instruments in other comprehensive income (currently no such choice made), there is no subsequent reclassification on sale or otherwise, of fair value gains and losses to the statement of profit and loss.

- D. Interest income is recognized using effective interest rate method. Dividends are recognized in the statement of profit and loss only when the right to receive payment is established.

E. Derecognition of financial instruments

The Company derecognizes financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or part of financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.11 Borrowings

Borrowings are initially recognized at net of transaction cost incurred and measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the statement of profit and loss over the period of borrowings using the effective interest rate.

1.12 Employee Benefits

Employee benefits includes salaries and wages, provident fund, gratuity, compensated absences

Notes to Financial Statements (Contd.)

and other welfare and terminal benefits.

Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits includes performance incentives, salaries and wages, bonus and leave travel allowance and other welfare and terminal benefits.

Defined contribution plans:

Contributions to defined contribution schemes such as provident fund, superannuation, etc are recognized as an expense during the year in which the employee renders the related service.

Employee State Insurance

The Company makes contribution towards employee state insurance scheme (ESIS), a defined contribution benefit plan for qualifying employees. The Company's contribution to the ESIS is deposited by the Company under the Employees State Insurance Act, 1948. The contributions deposited with authorities are recognized as expense during the year.

Compensated absence:

Benefits comprising compensated absences as per company policy constitutes other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

Gratuity

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation

under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

1.13 Foreign Currency Transactions and translations

Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions and Translations:

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transactions date. Realized gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and resultant exchange differences are recognized in the statement of profit and loss except exchange differences relating certain long term monetary items outstanding as at 31 March, 2017 in so far as they relate to the acquisition of

Notes to Financial Statements (Contd.)

fixed assets are adjusted in the carrying amount of such, in accordance with the option available to the Company under Ind AS 101.

1.14 Income tax

Current income tax

Current income tax represents the tax currently payable on the taxable income for the year and any adjustment to the tax in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

1.15 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractual terms and conditions. Taxes (GST) collected on behalf of the government are excluded from revenue. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs,

if applicable, can be measured reliably. Revenue is disclosed net of returns, incentives and returns, as applicable.

Variable consideration includes volume discounts, price concessions, liquidated damages, incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The variable consideration is adjusted as and when the expectation regarding the same changes.

Sale of goods

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when control of goods is transferred to the customers. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Sale of services:

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and are recognized net of service tax/ GST.

All other income is accounted on accrual basis when no significant uncertainty exists regarding the amount that will be received.

1.16 Government Grants

Grants from the Government are recognized when there is reasonable certainty that the grant will be received and all attaching conditions will be complied with.

Grants relating to property, plant and equipment are included in Non-current liabilities as deferred income and are credited to Profit and loss on fulfillment of associated condition.

1.17 Borrowing Cost

Borrowing costs include interest, other costs incurred in connection with borrowing. General and specific borrowing costs directly attributable to the acquisition, construction, production or

Notes to Financial Statements (Contd.)

development of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

1.18 Provisions and Contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when there is a possible obligation that arises from events and whose existence is only confirmed by one or more doubtful future events or when there is an obligation that is not recognized as a liability or provision because it is not likely that an outflow of resources will be required.

1.19 Segment reporting

The Company is primarily engaged in the business of "manufacturing of components" for automobiles for Indian market which is governed by the same set of risks and returns. Hence there is only one business and geographical segment. Accordingly, segment information has not been disclosed.

1.20 Recent accounting pronouncement

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standard or amendments in the existing standards. There is no such notification which would have been applicable from 1 April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April, 2021.

Notes to Financial Statements (Contd.)

2 || PROPERTY PLANT AND EQUIPMENT

₹ in Lacs

Particulars	Leasehold Land (Right to use)	Freehold Land	Building	Plant & Equipment	Dyes, Jigs & Fixture	Furniture & Fixtures	Vehicles	Computer	Office Equipment	Utilities	Total
Gross Block											
Balance as at 31 March,, 2019	5,588.70	4,094.87	3,092.52	9,258.37	1,424.62	101.37	259.15	60.25	15.59	149.27	24,044.71
Additions	-	-	-	10.56	46.68	-	-	10.38	0.80	12.87	81.29
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March,, 2020	5,588.70	4,094.87	3,092.52	9,268.93	1,471.30	101.37	259.15	70.63	16.39	162.14	24,126.00
Additions	-	-	-	74.32	43.78	-	-	2.25	-	-	120.35
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March,, 2021	5,588.70	4,094.87	3,092.52	9,343.25	1,515.08	101.37	259.15	72.88	16.39	162.14	24,246.35
Accumulated Depreciation											
Balance as at 31 March,, 2019	214.05	-	315.35	3,187.10	231.69	50.25	98.43	32.14	9.42	25.73	4,164.16
Charge for the year	70.63	-	110.65	966.53	107.78	9.62	29.15	7.51	0.40	9.11	1,311.38
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March,, 2020	284.68	-	426.00	4,153.63	339.47	59.87	127.58	39.65	9.82	34.84	5,475.54
Charge for the year	70.57	-	110.90	960.56	130.50	9.19	32.81	7.44	1.11	10.67	1,333.75
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March,, 2021	355.25	-	536.90	5,114.19	469.97	69.06	160.39	47.09	10.93	45.51	6,809.29
Net Block											
Balance as at 31 March,, 2020	5,304.02	4,094.87	2,666.52	5,115.30	1,131.83	41.50	131.57	30.98	6.57	127.30	18,650.46
Balance as at 31 March,, 2021	5,233.45	4,094.87	2,555.63	4,229.06	1,045.11	32.31	98.75	25.80	5.46	116.63	17,437.06

Refer note no. 12 and 16 for details of mortgage / hypothecation of Property, plant and equipment towards security.

Notes to Financial Statements (Contd.)

3 || OTHER NON-CURRENT FINANCIAL ASSETS

	₹ in Lacs	
	As at 31 March, 2021	As at 31 March, 2020
Retention Monies	80.00	-
Security Deposits		
Considered Good	115.84	115.64
Total	195.84	115.64

4 || OTHER NON-CURRENT ASSETS

(Unsecured, Considered Good unless otherwise stated)

	₹ in Lacs	
	As at 31 March, 2021	As at 31 March, 2020
Capital advances	130.00	152.94
Income tax paid under protest (Refer Note-32)	72.49	72.49
Total	202.49	225.43

5 || INVENTORIES

	₹ in Lacs	
	As at 31 March, 2021	As at 31 March, 2020
Raw materials	2,920.74	2,777.68
Raw materials in transit	0.82	1.19
Work-in-progress	1,057.68	551.61
Finished goods	252.07	236.61
Stores and spares	520.21	547.12
Packing material	12.25	3.97
Less : Provision for diminution in Stocks	(390.38)	(190.98)
Total	4,373.39	3,927.20

6 || TRADE RECEIVABLES

	₹ in Lacs	
	As at 31 March, 2021	As at 31 March, 2020
Considered good	1,895.90	1,490.10
Considered doubtful	180.98	167.09
	2,076.88	1,657.19
Less: Provision for doubtful debts	(180.98)	(167.09)
Total	1,895.90	1,490.10

7 || CASH AND CASH EQUIVALENTS

	₹ in Lacs	
	As at 31 March, 2021	As at 31 March, 2020
Bank balance in current accounts	31.57	20.54
Cash on hand	1.77	6.58
Total	33.34	27.12

Notes to Financial Statements (Contd.)

8 || BANK BALANCE OTHER THAN 8 ABOVE

	As at 31 March, 2021	As at 31 March, 2020
Bank deposit with original maturity more than 3 months less than 12 months*	35.43	33.82
Total	35.43	33.82
* Bank deposits represents deposits marked lien in favour of Bank(s)	22.10	21.18

₹ in Lacs

9 || OTHER CURRENT FINANCIAL ASSETS

	As at 31 March, 2021	As at 31 March, 2020
Interest accrued and due on loans and advances	77.26	138.56
Advance to employees	6.10	8.19
Total	83.36	146.75

₹ in Lacs

10 || OTHER CURRENT ASSETS.

(Unsecured, Considered Good)

	As at 31 March, 2021	As at 31 March, 2020
Advance recoverable in cash or in kind Considered good	19.06	24.43
Prepaid expense	22.68	27.06
Unbilled Revenue	303.95	-
Advance to suppliers		
Considered good	197.97	88.17
Considered doubtful	148.81	148.81
Balance recoverable from Government Authorities	33.03	123.64
	725.50	412.11
Less : Provision for doubtful advance to suppliers	(148.81)	(148.81)
Total	576.69	263.30

₹ in Lacs

Notes to Financial Statements (Contd.)

11 || EQUITY SHARE CAPITAL

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
Authorized		
100,00,000 (31 March 2020 100,00,000) Equity Shares of ₹10/- each	1,000.00	1,000.00
Issued, subscribed and fully paid		
59,75,000 (31 March,, 2020 - 59,75,000) Equity Shares of ₹10/- each	597.50	597.50
Total	597.50	597.50

(a) Terms/ rights attached to equity shares

- i) The Company's equity shares have a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share.
- ii) The Company declares and pays dividend in Indian Rupees. The dividend is proposed by Board of Directors and is subject to the approval of shareholders in the ensuing annual general meeting.
- iii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets of the company, if any remaining after distribution of all preferential accounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Reconciliation of number of shares outstanding

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
At the beginning of the year	59.75	59.75
Issued during the year	-	-
Total	59.75	59.75

(c) Shares held by each shareholder holding more than 5% shares

Name of the shareholder	Number of Shares	Number of Shares
₹ in Lacs		
Rajiv Kapoor	12.09	9.93
Radhika Securities Pvt Ltd	6.51	6.51
Ganesha Securities Pvt Ltd	6.17	6.17
Siddharth Iyer	2.00	4.00

	% holding	% holding
₹ in Lacs		
Rajiv Kapoor	20.23%	16.62%
Radhika Securities Pvt Ltd	10.90%	10.90%
Ganesha Securities Pvt Ltd	10.33%	10.33%
Siddharth Iyer	3.35%	6.69%

Notes to Financial Statements (Contd.)

12 || NON CURRENT BORROWINGS

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
Secured		
Term loans from Banks	3,414.70	2,677.92
Less : Current maturities of long term borrowings at the year end (Refer note no 18)	(766.30)	(1,311.83)
Total	2,648.40	1,366.09

The Company has sought 2 years moratorium for repayment of term loans from its bankers under the Resolution Framework for COVID-19 related stress, announced by RBI vide its Circular Dated 6th August-2020. Subsequent to the end of the year the bankers have approved One-time restructuring (OTR) cum renewal of credit facilities of the company. Accordingly, the borrowings have been classified in the financials statements after considering the moratorium available under the OTR.

Rupee term loans from banks (Secured)

Corporate Loan of ₹ 5700 lakhs (rate of interest @ 1 year MCLR plus 2.90% i.e 11.65%) is secured by first charge on entire fixed assets of the Company, pledge of 1% shareholding of Mr Rajiv Kapoor (Key promoter) and personal guarantee of Mr. Rajiv Kapoor and Mrs. Deepika Kapoor. The loan is repayable in 5 unequal quarterly installments starting from March 2022 and ending on March 2023 and the balance installments repayable in the following manner:

	Installment	Total
₹ in Lacs		
Particulars		
1 installments in 2021-22	314.00	314.00
3 installments in 2022-23	406.13	1,218.39
1 installments in 2022-23	506.00	506.00

FITL(Funded interest term loan) of ₹ 1.07 crore on above loan being interest from 01.09.2020 to 28.02.2020 is repayble in 18 equal installment starting from March 2021 and ending on August 2022

Corporate Loan of ₹ 1250 Lakhs (rate of interest @ 1 year MCLR plus 2.90% i.e 11.65%) is secured by first charge on entire fixed assets of the Company, pledge of 1% shareholding of Mr Rajiv Kapoor(Key promoter) and personal guarantee of Mr. Rajiv Kapoor and Mrs. Deepika Kapoor. The loan is repayable in 11 unequal quarterly installments starting from March 2022 and ending on Sep 2024 in the following manner:

	Installment	Total
₹ in Lacs		
Particulars		
1 installments in 2021-22	63.00	63.00
2 installments in 2022-23	63.00	126.00
2 installments in 2022-23	69.00	138.00
4 installments in 2023-24	69.00	276.00
1 installments in 2024-25	69.00	69.00
1 installments in 2024-25	107.00	107.00

FITL(Funded interest term loan) of ₹ 42 Lacs on above loan being interest from 01.09.2020 to 28.02.2020 is repayble in 18 equal installment starting from March 2021 and ending on August 2022

Loan facility under Covid 19 Emergency credit facility of ₹ 470 Lacs (rate of interest @) 1 year MCLR plus .50% i.e 8.25%) is secured by first charge on hypothecation of stocks of raw materials, stock in process, finished goods, stores & spares and receivables and personal guarantee of two directors of the Company. The same are also collaterally secured by first charge on the fixed assets including immoveable property of the Company situated at Sohna (Haryana), Pune (Maharashtra) and Gautam Budh Nagar (Uttar Pradesh) except the immovable property (industrial land only) charged to another bank for overdraft limit against property. Further the loan has been guaranteed by personal guarantee of two promoter directors of the Company. The loan is repayable in 18 equal monthly installments starting from Jan'21 and ending on June'22

The Company has taken vehicle loans from various banks which carries interest rate @ 9% to 12% per annum. The loans are secured against hypothecation of vehicles purchased. These Loans are taken for a maximum period of three years and fall due for repayment in 2019-20, 2020-21 and 2021-22.

Notes to Financial Statements (Contd.)

13 || NON CURRENT PROVISIONS

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
Provision for employee benefits.		
Gratuity	82.65	92.15
Leave Encashment	-	27.62
Total	82.65	119.77

14 || DEFERRED TAX LIABILITIES (NET)

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
Deferred Tax Liability :		
Property Plant & Equipment	3,121.31	3,263.42
	3,121.31	3,263.42
Deferred Tax Assets		
Trade Receivable, advances & inventories	143.80	90.12
Carry forward losses	527.99	548.80
Provision for Employee Benefit	45.05	46.97
Deferred Grant income	147.80	158.18
Deferred Rent	23.97	23.97
	888.61	868.04
Net Deferred Tax Liability	2,232.70	2,395.38

15 || OTHER NON CURRENT LIABILITIES

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
Deferred rent	-	95.25
EPCG deferred grant	587.26	628.50
Advance against lease rentals	95.25	115.87
Total	682.51	839.62

16 || BORROWINGS

	As at 31 March, 2021	As at 31 March, 2020
₹ in Lacs		
(Repayable on demand)		
Secured		
From Banks - Working capital loans	5,536.30	5,447.93
Total	5,536.30	5,447.93

Working capital loan (cash credit facility) from Bank is secured by first charge on hypothecation of stocks of raw materials, stock in process, finished goods, stores & spares and receivables and personal guarantee of two directors of the Company. The same are also collaterally secured by first charge on the fixed assets including immoveable property of the Company situated at Sohna (Haryana), Pune (Maharashtra) and Gautam Budh Nagar (Uttar Pradesh) except the immovable property (industrial land only) charged to another bank for overdraft limit against property. Further the loan has been guaranteed by personal guarantee of two promoter directors of the Company.

Loan against property taken from bank is secured by first charge (equitable mortgage) of industrial land located at Revenue Estate, Village Kanwarsikka, Tehsil Nuh, Distt Mewat, Haryana. Further the loan has been guaranteed by personal guarantee of one promoter director of the Company.

Notes to Financial Statements (Contd.)

17 || TRADE PAYABLES

	As at 31 March, 2021	As at 31 March, 2020
Due to Micro Enterprises and Small Enterprises		
Due to Other than Micro Enterprises and Small Enterprises	2,439.24	2,573.26
Total	2,439.24	2,573.26

Note

The Company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006. Hence disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said Act are not ascertainable.

18 || OTHERS - FINANCIAL LIABILITIES

	As at 31 March, 2021	As at 31 March, 2020
Current maturities of long term borrowings (Refer Note -12 and 35)	766.30	1,311.83
Interest accrued and due on borrowings	0.82	82.88
Retention monies	24.02	23.71
Security Deposits	30.00	30.00
Creditors for capital goods	6.43	-
Employee benefits payable	112.09	119.91
Expenses payable	48.42	72.24
Total	988.08	1,640.57

19 || CURRENT PROVISIONS

	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits.		
Gratuity	96.35	95.07
Leave encashment	-	5.33
Total	96.35	100.40

20 || OTHER CURRENT LIABILITIES

	As at 31 March, 2021	As at 31 March, 2020
Statutory dues payable	244.33	386.95
Advance from customers	418.08	82.62
Total	662.41	469.57

Notes to Financial Statements (Contd.)

21 || REVENUE FROM OPERATIONS

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Sale of products #		
Domestic Sales - Sheet Metal	12,597.30	19,238.02
Domestic Sales - Tools & Dyes	121.66	418.77
Domestic Sales - Auto	13.81	57.02
Export Sales - Auto	2.59	-
Export Sales - Sheet Metal	244.87	74.38
	12,980.23	19,788.19
Sale of services:		
Job Work - Tools & Dies	56.31	48.34
	56.31	48.34
Other operating revenues:		
Scrap Sales	647.72	924.62
	647.72	924.62
Grand Total	13,684.26	20,761.15

Disaggregation of revenue

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue based on Geography		
Domestic Sale	13,436.80	20,686.77
Export Sale	247.46	74.38
Revenue From operation	13,684.26	20,761.15
Revenue based on Business Segment		
Sheet Metal	12,842.17	19,312.40
Tools and Dyes	121.66	418.77
Auto	16.40	57.02
Job Work	56.31	48.34
Others	647.72	924.62
Total	13,684.26	20,761.15

Reconciliation of Revenue from operations with contract price:

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Contract Price	13,173.63	20,685.01
Add:-		
Supplementary Invoice due to escalation	256.85	559.83
Unbilled Revenue	303.95	2.87
Less:-		
Sales Returns	48.57	154.10
Late Delivery Charges		92.94
Supplementary Invoice due to De-escalation	1.60	239.52
Total Revenue from Operation	13,684.26	20,761.15

Notes to Financial Statements (Contd.)

22 || OTHER INCOME

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest on bank deposits	1.83	1.82
Interest from others	6.96	27.69
Lease rent income	-	93.49
Foreign exchange fluctuation	1.01	0.24
Duty Drawback / Export Incentive	8.19	-
EPCG Grant Income	41.24	12.40
Balances written back	177.91	-
Miscellaneous income	6.37	19.04
Total	243.51	154.68

23 || COST OF MATERIAL CONSUMED

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Raw Material Consumed		
Sheet Metals		
Opening stock	2,766.49	3,082.63
Add: Purchases	9,219.49	13,256.13
Less: Closing stock	(2,901.28)	(2,766.49)
Sub Total	9,084.70	13,572.27
Others		
Opening stock	11.20	4.80
Add: Purchases	67.96	70.88
Less: Closing stock	(19.00)	(11.20)
Sub Total	60.16	64.48
Total	9,144.86	13,636.75

24 || CHANGE IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE:

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening stock of Working Progress	551.61	1,017.02
Opening stock of Finished Goods	236.61	430.85
Less :		
Closing stock of Working Progress	(1,057.68)	(551.61)
Closing stock of Finished Goods	(252.07)	(236.61)
Total	(521.53)	659.65

Notes to Financial Statements (Contd.)

25 || MANUFACTURING AND OPERATING EXPENSES

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Power & fuel	692.46	850.01
Stores & spares consumed	294.68	239.91
Packing & forwarding expenses	290.21	535.23
Job Work Charges	60.35	137.45
Repairs to :		
Plant & machinery	57.63	98.58
Building	44.03	85.16
Others	57.56	92.82
Warranty claims, line rejections etc.	7.87	2.89
Total	1,504.79	2,042.05

26 || EMPLOYEE BENEFITS EXPENSE

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Salaries and wages, bonus, gratuity and allowances	637.44	1,033.22
Payment to contractors - wages	542.91	717.10
Contribution to provident and other funds	47.45	51.17
Director's remuneration	46.00	75.42
Staff welfare expenses	7.67	26.60
Total	1,281.47	1,903.51

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Defined Contribution Plan:		
The Company has recognized the following amount in the statement of profit and loss for the year		
Provident fund	44.26	44.25
ESIC	2.83	6.21
Employee welfare fund	0.35	0.71
Gratuity (Unfunded)		
Change in present value of Defined Benefit obligations		
- Present value of obligations at the beginning of the year	115.18	136.34
- Interest cost	7.68	10.32
- Current service cost	10.07	12.81
Actual Plan Participant contribution		
- Benefits paid	(15.34)	(27.50)
- Past Service Cost	-	-
- losses/(Gains) on curtailment / settlement	-	-
- Actuarial (gain) / loss on obligations	(10.65)	(16.79)
- Present value of obligations at the end of the year	106.95	115.18
Net Defined Benefit cost/(Income) recognized in Statement of Profit and Loss		
Current service cost	10.07	12.81
Interest cost	7.68	10.32
Total Defined benefit cost/(Income) included in profit /loss	17.76	23.13

Notes to Financial Statements (Contd.)

	Year ended 31 March, 2021	Year ended 31 March, 2020
₹ in Lacs		
Analysis of amount recognized in other comprehensive income / loss at year end		
Amount recognized in OCI, (gain)/loss beginning of Period	(133.10)	(116.32)
Remeasurement Due to :	-	-
Effect of change in financial assumption	(0.24)	(0.81)
Effect of Experience Adjustment	(10.41)	(15.97)
Total Remeasurement recognized in OCI(Gain) / Loss	(10.65)	(16.79)
Amount Recognized in other comprehensive income/loss at year end	(143.75)	(133.10)
Total Defined benefit cost/(Income) included in profit /loss and Other Comprehensive Income		
Amount Recognized in profit /loss ,End	17.76	23.13
Amount Recognized in OCI, End	(10.65)	(16.79)
Total Net defined benefit cost/(Income) included in profit /loss	7.11	6.34
Reconciliation of Balance Sheet Amount		
Balance sheet (Asset) / Liability , beginning of period	115.18	136.34
Total Charge / (Credit) recognized in profit / loss	17.76	23.13
Total Rembursement recognized in OC (Income) / loss	(10.65)	(16.79)
Benefit Paid	(15.34)	(27.50)
Balance sheet (Asset) / Liability , End of period	106.95	115.18
Current / Non Current Bifurcation		
Current liability	24.30	23.03
Non current liability	82.65	92.15
Net Liability	106.95	115.18
Defined benefit obligation by participant status		
Active	106.95	115.18
Total Defined Benefit Obligation	106.95	115.18
Sensitivity Analysis		
Defined Benefit Obligation - Discount Rate + 100 basis points	(5.61)	(6.89)
Defined Benefit Obligation - Discount Rate - 100 basis points	6.37	7.86
Defined Benefit Obligation - Salary Escalation rate + 100 basis points	6.38	7.87
Defined Benefit Obligation - Salary Escalation rate -100 basis points	(5.72)	(7.02)
Expected cashflows for next ten years		
Year-2021	24.86	23.58
Year-2022	30.19	10.83
Year-2023	8.67	34.17
Year-2024	8.29	10.66
Year-2025	15.93	10.90
Year-2026 to 2030	82.12	102.46

Notes to Financial Statements (Contd.)

27 || FINANCE COSTS

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense	968.84	1,063.69
Other borrowing costs	13.52	49.44
Total	982.36	1,113.13

28 || DEPRECIATION

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Depreciation of property, plant & equipment	1,333.74	1,311.38
Total	1,333.74	1,311.38

29 || OTHER EXPENSES

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Rent	67.64	82.15
Rates and taxes	24.17	41.80
Insurance	24.56	19.85
Transportation and forwarding charges	159.53	495.02
Traveling & conveyance	41.34	159.98
Legal, professional and consultancy charges	169.70	148.95
Communication	9.03	10.53
Provision for diminution in Stocks	199.40	190.98
Provision for doubtful debts/advances	13.90	112.07
Provision for Impairment of Assets	-	80.00
Bad debts/recoverables written off	-	544.45
Capital Advance Written Off	-	50.75
Security Deposits Written Off	-	18.78
Less: Adjusted against provision	-	(241.06)
Payment to auditors:	-	-
Statutory audit fees	8.00	13.00
Tax audit fees	1.00	3.00
Certification Fees	6.00	2.00
Other services	0.75	4.40
Reimbursement of expenses	-	0.05
Bank charges	13.09	8.50
Cash discount	33.38	103.83
Net gain/(loss) on foreign currency transactions and translation	2.45	(0.59)
Watch & Ward	87.06	159.06
Printing & Stationery	5.60	9.95
Testing Charges	21.84	21.29
Miscellaneous expenses	56.26	81.02
Total	944.70	2,119.76

Notes to Financial Statements (Contd.)

30 || TAX EXPENSE

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Excess provision of tax of previous year	-	(46.60)
Total Current tax	-	(46.60)
Deferred Tax	(162.68)	(1,487.62)
Total Income tax expense	(162.68)	(1,534.22)
Reconciliation of effective tax rate on profit before Income tax		
Enacted Income tax rate	25.17%	25.17%
Profit before tax	(742.64)	(1,870.40)
Current tax as per enacted tax rate	(186.91)	(470.74)
Previous year adjustment	-	(46.60)
Difference due to change in enacted tax rates & others	24.23	(1,016.88)
	(162.68)	(1,534.22)

31 || EARNING PER SHARE

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Computation of basic / diluted earning/ (loss) per share is as set out below:		
Net Profit / (Loss) after current and deferred tax	(577.28)	(331.96)
No of Shares outstanding at the beginning of the year	59.75	59.75
No of Shares outstanding at the end of the period	59.75	59.75
Weighted average number of equity shares of ₹ 10/- each	59.75	59.75
EPS(₹) - Basic and Diluted	(9.66)	(5.56)

32 || COMMITMENTS AND CONTINGENCIES

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
a) Contingent Liabilities:		
Claims against the Company, not acknowledged as debts	NIL	NIL
Disputed demand against central sales tax for FY 2014-15 to 2016-17 against C Form	139.17	139.17
Disputed demand against Haryana VAT for F.Y 2016-17	3.19	3.19
Income tax demand paid under protest for AY 2007-08	72.49	72.49
Possible interest liability, if the export obligations are not met under EPCG licence (Refer Note 34)	2319.28	2,042.04
b) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

In respect of the matter in note no. 32a, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities. Furthermore, there are no possibilities of any reimbursements to be made to the company by any third party.

Notes to Financial Statements (Contd.)

- 33** Capital work in progress includes certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of ₹ 350.29 Lacs (PY ₹ 350.29 Lacs) net of impairment. 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 utilize 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. During the year, the Company has also filed a civil suit in Hon'ble High Court of Calcutta.
- 34** The Company had imported certain plant & equipment including the machinery referred in note no. 33 above under EPCG license scheme. The Company has not been able to meet the export obligations during the stipulated 8 year period. The possible interest liability, if the export obligations are not met under EPCG license is estimated at ₹ 2319.28 Lacs (PY ₹ 2042.04 Lacs). The same has not been provided for in the books and continues to be shown as contingent liability.
- 35** Due to spread of COVID-19 pandemic and consequent mandatory lockdowns and restrictions in activities imposed by the Government, the Company's manufacturing plants and offices had to be closed down for a considerable period of time, during the year ended March 31, 2021. As a result of the lockdown, the manufacturing operations for the first two quarters were significantly impacted. Further, on the background of recent surge of COVID-19 cases in India, the Company is monitoring the situation closely. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets and the net realizable values of other assets. However, given the effect of these on the overall economic activity and in particular on the automotive industry, the impact assessment of COVID-19 on the above mentioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.
- 36** For the financial year ended 31 March 2021, the Company has recorded a net loss after tax of ₹ 577.28 Lacs (PY 331.96). The Company's net current liabilities as 31 March 2021 is ₹ 2806.31 Lacs (PY 4343.41 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 (refer note no.3), 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

Notes to Financial Statements (Contd.)

37 || RELATED PARTY DISCLOSURES AS PER IND AS 24

	₹ in Lacs	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Key Managerial Persons (KMP)		
Mr. Rajiv Kapoor (Chairman and Managing Director)		
Remuneration paid	31.00	52.00
Amount payable at the year end	72.05	76.29
Loan repayable at the year end		
Imprest		
Mrs. Deepika Kapoor (Whole-time Director)		
Remuneration paid	16.50	23.42
Amount payable at the year end	1.75	9.92
Imprest		
Mr. Gautam Bhattacharya (Chief Financial Officer)		
Remuneration paid	39.59	49.06
Amount payable at the year end	2.09	1.97
Non Executive Directors		
Meeting fee paid		
Dr. Shyam S. Sethi	2.50	2.00
Mr. Mysore Siddappa Ramaprasad	0.50	2.00
Mr. Agharam Ramakrishnan Halasyam	2.50	1.50
Mr. Abhay Kumar Khanna	1.50	-
Relative of KMP		
Mrs. Radhicka Kapoor		
Remuneration paid	21.25	29.27
Amount payable at the year end	0.62	6.96
(Enterprise over which KMP has significant influence)		
Ganesha Securities Private Limited		
Amount receivable at the year end	38.18	68.18
Radhika Securities Private Limited		
Amount receivable at the year end	37.41	67.41
Capital advance at the year end	130.00	152.94
Ganesha Agri Farms Private Limited		
Rent paid	67.64	66.00
Maintenance paid	7.64	15.00
Amount payable at the year end	2.55	55.70

38 || Disclosure as required under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in respect of transactions with entities viz. Ganesha Securities Private Limited and Radhika Securities Private Limited belonging to the promoters/promoter group which holds 10% or more shareholding in the Company are given in Note no. 37.

39 || OPERATING SEGMENT AS PER IND AS 108

The managing director of the company has been identified as the chief operating decision maker (CODM) as defined by Ind AS.108 - Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented. In the opinion of the management, there is only one segment - "Auto Components" which includes products of similar nature, risks and returns. So disclosure of primary segment and geographical segment are not applicable.

Revenue from Two customer was ₹ 8,519.68 Lakhs which is more than 10% of the total revenue of the Company.

Notes to Financial Statements (Contd.)

40 || FAIR VALUE MEASUREMENTS

(i) Financial Instruments by category

Particulars	₹ in Lacs			
	31 March 2021		31 March 2020	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
Financial Assets				
Trade Receivables		1,895.90		1,490.10
Cash and Cash Equivalents		33.34		27.12
Bank balances other than above		35.43		33.82
Other Financial Assets		279.19		262.39
Total Financial Assets	-	2,243.86	-	1,813.43
Financial Liabilities				
Long term Borrowings		3,414.70		2,677.92
Short term Borrowings		5,536.30		5,447.93
Trade Payables		2,439.24		2,573.26
Other Financial Liabilities		221.77		328.74
Total Financial Liabilities	-	11,612.01	-	11,027.85

Note : There is no item fair valued through OCI

- (ii) The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, short term borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.
- (iii) Fair value of non current other financial assets (fixed deposits) approximates their carrying amount due to no change in redemption value.
- (iv) For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.
- (v) The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current market conditions between willing parties, other than in a forced or liquidation sale.
- (vi) **The following methods and assumptions were used to estimate the fair values:**
- The fair values for loans were calculated based on cash flows discounted using current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.
 - The fair values of non-current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.
 - During the year ended March 31, 2021 and March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

(vii) Fair Value Hierarchy

Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Notes to Financial Statements (Contd.)

Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, tax free bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using their NAV at the reporting date.

Level 2 The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

41 || FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and other financial assets	Ageing analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing limits
Market risk - foreign exchange	Future commercial transactions recognized financial assets and liabilities not denominated in Indian rupee (INR)	"Cash flow forecasting Sensitivity analysis"	Forward foreign exchange contracts Foreign currency options

The management considers finance as the lifeline of the business and therefore, financial management is carried out on the basis of management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Company monitors capital on the basis of the following ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total equity (as shown in the balance sheet)

The gearing ratios were as follows:

Particulars	₹ in Lacs	
	31 March, 2021	31 March, 2020
Debt	8,951.00	8,125.85
Less: Cash and bank balances	33.34	27.12
Net Debt	8,917.66	8,098.73
Total Equity	9,833.28	10,402.59
Net debt to equity ratio	0.91	0.78

Note- Debt is defined as long term and short term borrowing including current maturities of long term debt.

Notes to Financial Statements (Contd.)

a) Credit Risk

Credit risk is the risk that counterparty might not honour its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables).

Customer credit risk is managed by each business unit location and is subject to the Company's established policy, procedures and control relating to customer credit risk management. Company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors. Company's business customers profile include large private automobile sector companies and Government owned entities, and accordingly its credit risk is low. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss. Impairment allowance for trade receivables if any, is provided on the basis of respective credit risk of individual customer as on the reporting date. The movement of expected credit loss is given below:

Movement in the expected credit loss allowance

	₹ in Lacs	
	31 March, 2021	31 March, 2020
Balance at the beginning of the year	167.09	275.62
Movement in expected credit loss allowance on trade receivables	13.90	(108.53)
Balance at the end of the year	180.99	167.09

b) Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs.

The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

The following are the remaining contractual maturities of financial liabilities as at 31 March, 2021.

	₹ in Lacs				
Particulars	On Demand	Less than One year	1 year to 3 year	More than 3 years	Total
Trade payables		2,439.24			2,439.24
Long Term borrowings		766.30	2,648.40		3,414.70
Short Term borrowings payable on demands	5,536.30				5,536.30
Other financial liabilities		221.77			221.77
Total	5,536.30	3,427.31	2,648.40	-	11,612.01

The following are the remaining contractual maturities of financial liabilities as at 31 March 2020.

	₹ in Lacs				
Particulars	On Demand	Less than One year	1 year to 3 year	More than 3 years	Total
Trade payables		2,573.26			2,573.26
Long Term borrowings		1,311.83	1,366.09		2,677.92
Short Term borrowings payable on demands	5,447.93				5,447.93
Other financial liabilities		328.74			328.74
Total	5,447.93	4,213.83	1,366.09	-	11,027.85

Notes to Financial Statements (Contd.)

The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

i) Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. Company's exports are exposed to foreign currency risks.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in USD, are as follows:

Particulars	₹ in Lacs			
	31 March 2021		31 March 2020	
	USD	INR	USD	INR
Financial Liabilities-Unhedged				
Foreign Currency convertible bond				
Payable for capital expenditure	-	-	-	-
Net Exposure to foreign currency risk (liabilities)	-	-	-	-

Sensitivity Analysis

AA reasonably possible strengthening (weakening) of the ₹ against USD as at 31 March, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2021			31 March 2020		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
USD Sensitivity (Increase)	1%	0.00	0.00	1%	0.00	0.00
USD Sensitivity (Decrease)	1%	0.00	0.00	1%	0.00	0.00

ii) Interest Rate Risk

The Company is exposed to risk due to interest rate fluctuation, on long and Short term borrowings.

The crucial aspect of the management of interest rate risk is to protect the value of borrowings as much as possible from the adverse impact of the interest rate movements. The focus of the borrowing strategy revolves around the overwhelming need to keep the interest risk of borrowing reasonably low with a view to minimize losses arising out of the adverse interest rate movements.

Notes to Financial Statements

Exposure to interest rate risk

Particulars	₹ in Lacs	
	31 March 2021	31 March 2020
Interest free borrowings		
Short term loan from related party	-	-
	-	-
Variable Rate borrowings		
Long term borrowings from bank and other party	3,414.70	2,677.92
Working capital loan payable on demand	5,536.30	5,447.93
	8,951.00	8,125.85

Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31 March 2021			31 March 2020		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate Sensitivity (Increase)	1%	(89.51)	(66.98)	1%	(81.26)	(60.81)
Interest Rate Sensitivity (Decrease)	1%	89.51	66.98	1%	81.26	60.81

iii) Other Price Risk

There is no other price risk on financial instrument outstanding as on 31 March, 2021 and hence sensitivity analysis with respect to movement in other price risk has not been given.

42 || Previous period figures have been regrouped / reclassified where necessary, to conform to this year's classification

43 || APPROVAL OF FINANCIAL STATEMENTS

These financial statements are approved by the Board of Directors on 29th June 2021

As per our attached report of even date.

For **V. Sankar Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.109208W

For and on behalf of the Board of Directors

Karthik Srinivasan

Partner

Membership No. 514998

Rajiv Kapoor

Chairman & Managing Director

DIN : 00054659

Dr Shyam S. Sethi

Director

DIN : 01394311

Place : New Delhi

Dated : 29th June, 2021

Gautam Bhattacharya

Chief Financial Officer

Pradeep Chandra Nayak

Company Secretary

ACS 15852

Corporate Information

BOARD OF DIRECTORS

Shri Rajiv Kapoor

Chairman & Managing Director

Mrs. Deepika Kapoor

Director

Dr. Shyam Sunder Sethi

Independent Director

Shri M. S. Ramaprasad

Independent Director

Shri Agharam Ramakrishnan

Halasyam

Independent Director

Shri Abhay Kumar Khanna

Independent Director

CHIEF FINANCIAL OFFICER

Mr. Gautam Bhattacharya

COMPANY SECRETARY

Mr. Pradeep Chandra Nayak

AUDITORS

M/s. V. Sankar Aiyar Co.,

Chartered Accountants

202-301, Satyam Cinema Complex

Ranjit Nagar Community Centre

New Delhi 110 008

BANKERS

Punjab National Bank (formerly
Oriental Bank of Commerce)

Indian Bank (formerly
Allahabad Bank)

REGISTERED OFFICE

14, Roz-Ka-Meo Industrial Area,
Sohna, Haryana 122 103



RASANDIK
Passion For Excellence

Registered office
14, Roz-Ka-Meo Industrial Area,
Dist. Gurugram, Sohna, Haryana 122103