

Rasandik Engineering Industries India Limited



November 14, 2023

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

Stock Code: 522207

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on November 14, 2023 and Submission of Un-Audited Financial Results for the Second Quarter and Six Months ended 30-09-2023


Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), we wish to inform you that the Board of Directors of the Company in its meeting held today, November 14, 2023, has, inter alia considered and approved the Statement showing Un-audited Financial Results of the Company for the second quarter and six months ended September 30, 2023. Copy of duly signed Un-audited Financial Results for the second quarter and six months ended September 30, 2023 along with Limited Review Report(s) thereon issued by Statutory Auditors under Regulation 33 of the Listing Regulations is enclosed herewith.

The meeting of Board of Directors commenced at 12 Noon and concluded on 4.00 PM.

Kindly take this information on your record.

Thanking you,

Yours faithfully,
For Rasandik Engineering Industries India Limited


Pradeep Chandra Nayak
Company Secretary
Encl: As above



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30 September 2023



₹ in lakhs

S No	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	Revenue from operations	2,189.43	2,751.27	4,308.11	4,940.70	9,642.76	15,001.86
	Other income (Refer Note No. 6)	906.44	236.77	474.82	1,143.21	475.48	637.71
	Total Income	3,095.87	2,988.04	4,782.93	6,083.91	10,118.24	15,639.57
2	EXPENSES						
	Cost of materials consumed	1,442.52	1,940.09	2,994.86	3,382.61	6,777.77	10,351.23
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	160.74	45.70	(3.47)	206.44	177.16	358.67
	Power & Fuel	103.57	113.43	215.02	217.00	431.93	681.64
	Packing & Forwarding Expenses	25.51	48.18	54.81	73.69	93.56	175.74
	Freight & Transportation Expenses	40.82	50.84	48.54	91.66	94.14	181.71
	Employee benefits expense	265.33	287.30	387.79	552.63	727.86	1,337.89
	Finance costs	262.84	307.05	279.19	569.89	534.45	1,067.85
	Depreciation and amortization expense	161.37	160.89	184.44	322.26	366.86	708.88
	Other Expenses	218.25	246.75	261.41	465.00	511.86	1,056.67
	Total Expenses	2,680.95	3,200.23	4,422.59	5,881.18	9,715.59	15,920.28
3	Profit / (Loss) before Exceptional items and tax (1-2)	414.92	(212.19)	360.34	202.73	402.65	(280.71)
4	Exceptional Items - Gain/(Loss) {refer note no. 5(e)}	-	(26.19)	-	(26.19)	-	(191.09)
5	Profit / (Loss) before tax (3-4)	414.92	(238.38)	360.34	176.54	402.65	(471.80)
6	Tax Expenses						
	Current Tax	-	-	-	-	-	-
	Deferred Tax	141.79	(39.85)	79.12	101.94	89.78	(142.06)
7	Net Profit / (Loss) for the period/year (5-6)	273.13	(198.53)	281.22	74.60	312.87	(329.74)
8	Other Comprehensive Income(net of tax)						
	(i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	16.08
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	(4.05)
9	Total Comprehensive Income for the period/year (net of tax) (OCI) (7-8)	273.13	(198.53)	281.22	74.60	312.87	(317.71)
10	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	597.50	597.50	597.50	597.50	597.50	597.50
11	Other Equity						8,713.55
12	Basic and Diluted Earnings per Share for the period/year (₹)	4.57	(3.32)	4.71	1.25	5.24	(5.52)



Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	As at
	30.09.2023	31.03.2023
	Unaudited	Audited
ASSETS		
Non Current Assets		
Property, plant and equipment	14,171.54	14,587.81
Capital work-in-progress	0.72	9.74
Financial assets		
Others	153.36	92.77
Non current tax assets (Net)	92.20	72.78
Other non-current assets	75.26	74.77
Subtotal (A)	14,493.08	14,837.87
Current Assets		
Inventories	3,623.59	4,191.89
Financial assets		
Trade receivables	747.41	1,165.70
Cash and cash equivalents	3.49	3.25
Bank balance other than above	39.88	38.85
Others	282.82	344.42
Other current assets	301.84	147.82
Subtotal (B)	4,999.03	5,891.93
Non Current Assets held for sale (C)	1,532.08	1,777.15
Total Assets (A+B+C)	21,024.19	22,506.95
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	597.50	597.50
Other equity	8,794.08	8,713.55
Total equity (D)	9,391.58	9,311.05
LIABILITIES		
Non Current Liabilities		
Financial Liabilities		
Borrowings	1,070.02	1,449.96
Provisions	49.15	51.23
Deferred tax liabilities (net)	2,123.46	2,019.53
Other non current liabilities	95.25	95.25
Total Non Current Liabilities (E)	3,337.88	3,615.97
Current Liabilities		
Financial Liabilities		
Borrowings	4,965.56	6,185.00
Trade payables		
Micro Enterprises and Small Enterprises	-	-
Other than Micro Enterprises and Small Enterprises	1,103.15	1,641.90
Other financial Liabilities	280.38	300.06
Provisions	766.31	740.72
Other current liabilities	1,097.29	630.21
Current tax liabilities (Net)	82.04	82.04
Total Current Liabilities (F)	8,294.73	9,579.93
Total Equity and Liabilities (D+E+F)	21,024.19	22,506.95



Statement of Cash Flow

(₹ in lakhs)

		Half year ended	
		30.09.2023	30.09.2022
		Unaudited	Unaudited
A	Cash Flow from Operating Activities:		
	Profit / (Loss) after exceptional Items & before Tax	176.54	402.65
	Adjustments for :		
	Depreciation	322.26	366.86
	Interest income on bank deposit	(1.20)	(0.93)
	Provision for diminution in Stocks	70.00	-
	Profit on sale of property, plant and equipments	(1,139.53)	(467.61)
	Balance written back of trade payable / advances/provisions	(0.99)	-
	Bad debts written off	14.39	-
	Finance costs	569.89	534.45
	Operating profit before working capital changes	11.36	835.42
	Adjustments for :		
	Trade receivables	418.29	(174.66)
	Inventories	498.30	202.14
	Other financial asset	(60.59)	82.82
	Other current/non current asset	(107.30)	(100.90)
	Trade payables	(537.76)	(125.34)
	Other financial liabilities	(9.31)	57.64
	Other current/non current liabilities and Provisions	(30.71)	(195.79)
	Cash generated from operations	182.28	581.33
	Direct taxes paid	(19.42)	(11.38)
	Net Cash from Operating Activities	162.86	569.95
B	Cash Flow from Investing Activities:		
	Purchase of property, plant and equipment including capital work in progress	(62.05)	(179.47)
	Capital advances	-	-
	Advance against sale of property, plant and equipment	521.30	-
	Sale of property, plant and equipment	1,549.68	787.00
	Investment in fixed deposits (Net)	(1.03)	(17.96)
	Interest received	1.20	0.93
	Net Cash used in Investing Activities	2,009.10	590.50
C	Cash Flow from Financing Activities		
	Repayments of long term borrowings	(398.41)	(858.87)
	Proceeds from long term borrowings	20.00	-
	(Repayments) / proceeds from short term borrowings (Net)	(1,218.93)	263.81
	Interest paid	(574.38)	(564.89)
	Net Cash used in Financing Activities	(2,171.72)	(1,159.95)
	Net Increase in Cash and Cash Equivalents	0.24	0.50
	Cash and Cash Equivalents (Opening Balance)	3.25	3.70
	Cash and Cash Equivalents (Closing Balance)	3.49	4.20
	Break up of closing cash & cash equivalent		
	Current Accounts	2.93	3.06
	Cash in Hand	0.56	1.14
		3.49	4.20



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30 September 2023

**Notes:**

- The above unaudited results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14 November 2023. These results have been subjected to limited review by the Statutory Auditors of the Company.
- The Company has only one reportable primary business segment i.e. "Auto Components". Accordingly, separate Segment Information is not required to be disclosed.
- The Company has issue related to interest costs on borrowings and has thus decided diversify and focus on other areas of automotive business. The management is initiating Marketing, Development and Manufacturing of Electric 3 Wheeler (L-5) category and build its own Brand. Since the attention of the management has been focussing on improving automotive/Electric Vehicle operations, it has not been possible to make critical evaluation of items of inventory lying unconsumed (either due to ageing or utility) to suit the nature of production. In these circumstances there is a likely fall in the NRV of individual items requiring provision for impairment (which is unascertained). The Company expects that a critical evaluation can be carried out during the subsequent quarters of the current financial year 2023-24.
- The Company's net current liabilities as at 30 September 2023 is ₹ 3,295.70 lakhs as compared to ₹ 3,688.00 lakhs as at 31 March 2023. Further, notwithstanding the above, the financial results are prepared on a going concern basis as the Company believes that its business operations would be able to generate sufficient cash flow to meet its short-term obligations in future. Towards this objective, the management is constantly engaged in various initiatives like rationalizing costs, negotiating extended credit terms with suppliers, monetising of certain assets (refer note no. 5 & 6) and taking appropriate initiatives to improve revenues. In addition, the Company has received a letter of financial support from a substantial shareholder (Managing Director) / promoter to provide continuing financial support to the Company as and when required to meet the Company's working capital needs.
Further, during the previous quarter ended 30 June 2023, the Company has received interest free unsecured long-term loan of Rs. 20.00 lakhs from its Promoter Managing Director. As the loan is interest free, it is accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. Accordingly, the difference between initial fair value of loan determined in accordance with the governing Ind AS and the proceeds of loan received of Rs. 5.93 lakhs (net of deferred tax) has been recognised during the quarter as deemed equity under the head "Other equity".
- (a) Towards the objective to generate cash flow, improve leverage ratios by reducing working capital facilities of the Company and to improve the financial performance of the Company, the Board of Directors in their meeting 30 May 2023 had identified and decided to sell certain Fixed Assets in the near future. Accordingly, it is considered appropriate to classify the carrying value of Fixed Asset Rs. 1,330.78 lakhs as at 31 March 2023 of such identified fixed asset as "non-current assets held for sale". During the quarter, the Shareholders of the Company has accorded their consent to monetise certain parcels of Land and Building at the Annual General Meeting held on 29th July 2023. Further, the Company has obtained No Objection Certificate from its bankers.
Out of the above, "non-current assets held for sale" the Company has sold assets having carrying value of ₹ 229.29 lakhs. For the balance carrying value of land and building of ₹ 1,101.49 lakhs, the Company has executed a formal agreement to sell for a total sales consideration of ₹ 2,900 lakhs on 4 September 2023. During the quarter the Company has received ₹ 580 lakhs, being 20% of the sales consideration as advance, which is included under the head other current liability as at 30 September 2023. The Company is in the process of obtaining other necessary approvals to execute this transaction. This sale of certain property, plant & equipment will not affect the continuity of business/operations of the Company and would rather improve the financial performance in the near term.
(b) Till 30 June 2022, capital work in progress included certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of ₹ 320.00 lakhs (PY ₹ 320.00 lakhs) net of impairment. Due to business reasons, the installation and commissioning of the said plant & equipment could not be proceeded with. Further, the management was considering various options to utilise such machinery. The Board of Director's in their meeting held on 13 August 2022 decided to sell the said equipment on "as is where is" basis. Considering the Company's intention to sell the equipment in the near future, it is considered appropriate to classify the said plant and equipment as "non current asset held for sale" at lower of cost or fair value less costs to sell.
(c) The Company had imported certain plant & equipment including the machinery referred in note no. 5(b) above under EPCG license scheme. The Company has not been meet the export obligations during the stipulated period. Ministry of Commerce & Industry, Govt. of India vide public notice 2/2023 dated 01/04/2023 has come out with an Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorisation holders. The Scheme read with subsequent clarificatory notice no. 7/2023 dated 18/04/2023, requires payment of the saved custom duty with interest being capped at maximum 100% of basic custom duty on or before 31st March, 2024. The management has filed application under the Amnesty Scheme as mentioned above. The total interest liability as per the documents filed under the said scheme aggregates to ₹ 217.28 lakhs. The Company has made a provision of Rs. 191.08 lakhs on account of interest payable under the above mentioned scheme during the previous quarter ended 31 March 2023 and debited the statement of profit and loss as an exceptional expense. Further, during the previous quarter ended 30 June 2023, the additional interest liability of ₹ 26.19 lakhs payable under the scheme is debited to statement of profit and loss as an exceptional item. The duty payable including interest under "Amnesty scheme" on account of pending export obligation aggregates to ₹ 752 lakhs as on 30th September, 2023 included under the head Provisions (current).
- Other income for the half year ended 30 September 2023 includes profit on sale of assets of ₹ 1,139.53 lakhs, total consideration received ₹ 1549.68 lakhs. The entire proceeds were utilised for payment of finance cost and repayment of loans obtained from Banks.
- Figures of the previous period/year are re-grouped, wherever necessary, to correspond to the current period/year figures.

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No.109208W

Karthik Srinivasan

Karthik Srinivasan

Partner

Membership No. 514998

Place : New Delhi

Date: 14 November 2023



For Rasandik Engineering Industries India Limited





V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

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

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

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

To the Board of Directors of Rasandik Engineering Industries India Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Rasandik Engineering Industries India Limited ("the Company") for the quarter and half year ended 30 September 2023 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of interim Financial information Performed by the independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to note no. 3, regarding non assessment of net realizable value of certain items of inventory lying unconsumed (either due to ageing or utility). In the absence of such an assessment, Net Realizable Value of certain items of inventories are not determinable as at 30 September 2023. Accordingly, we are unable to comment upon the value of adjustments required to the carrying value of the inventories and consequential effects thereof, if any, on these unaudited financial results.

Our audit report dated 30 May 2023 on the audited financial results of the Company for the year ended 31 March 2023 and our review reports dated 14 August 2023 on the unaudited financial results for the quarter ended 30 June 2023, were also qualified in respect of the above matters.

5. Based on our review conducted as above, except for the possible effects of outcome of the evaluation referred in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations



and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note no. 4 of the accompanying Statement regarding preparation of the financial statements on going concern basis for the reasons stated therein. The accompanying results indicate that the Company's total current liabilities exceeds total current assets by Rs. 3,295.70 lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern i.e., whether the Company will be able to realise its assets and discharge all its contractual obligations and liabilities as they fall due in near future in the normal course of the business. However, based upon the measures as set forth in the note 4, including necessary financial support from a promoter shareholder, the management and the Board of Directors of the Company have a reasonable expectation that the Company will be able to operate as a going concern in the near future. Accordingly, management has prepared the financial results on a going concern basis.

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

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

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

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

Chartered Accountants

ICAI Firm Regn. No. 109208W

Karthik Srinivasan

Karthik Srinivasan

Partner

Membership. No. 514998

Place: New Delhi

Date: 14 November 2023

UDIN: 23514998BGXFAO3252

