

Rasandik Engineering Industries India Ltd.

E-Filing

February 14, 2022

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

Stock Code: 522207

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 14-02-2022 and Submission of Un-Audited Financial Results for the Quarter/Nine Months ended 31-12-2021

This is to inform you that the Board of Directors at its meeting held today, inter alia, considered and approved the following;

- a. Un-audited Financial Results for the Quarter and Nine Months ended December 31, 2021. Copy of Un-audited Financial Results for the Quarter and Nine Months ended December 31, 2021 along with Limited Review thereon is also enclosed herewith for your information and records.
- b. Seeking authorisation of the shareholders vide Special Resolution through postal ballot for Re-appointment of Sh. Agharam Ramakrishnan Halasyam (DIN 00775926) as a Non-Executive Independent Director for a **second term** of 5 (five) consecutive years with effect from March 6, 2022 to March 5, 2027 and who has attained the age of 75 years. Brief profile of Shri A R Halasyam is enclosed herewith as Annexure A.

The cut-off date for eligible shareholders to get notice of postal ballot and E-Voting has been fixed as February 18, 2022.

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


The meeting of Board of Directors commenced at 12.00 Noon and concluded on 3.30 PM.

We request you to take the above on record.

Thanking you,

Yours faithfully,

For Rasandik Engineering Industries India Limited


Pradeep Chandra Nayak
Company Secretary
Encl: As above



corpadm@rasandik.com
www.rasandik.com

CIN: L74210HR1984PLC032293

RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED.

CIN : L74210HR1984PLC032293

Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2021

Rs. In lacs

S No	Particulars	Three Months Ended			Nine Months Ended		
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	Revenue from operations	5,373.47	5,241.81	3,939.38	14,935.31	8,148.60	13,684.26
	Other income	0.40	16.06	10.22	34.35	39.15	243.52
	Total Income	5,373.87	5,257.87	3,949.60	14,969.66	8,187.75	13,927.78
2	EXPENSES						
	Cost of materials consumed	4,029.83	3,901.96	2,680.25	11,144.48	5,276.81	9,144.86
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	28.41	(80.17)	(195.23)	(299.77)	(261.57)	(521.51)
	Power & Fuel	204.08	237.37	201.63	650.90	433.39	692.46
	Packing & Forwarding Expenses	32.66	51.99	92.60	168.05	234.86	290.21
	Freight & Transportation Expenses	63.39	56.27	41.62	165.86	90.98	159.53
	Employee benefits expense	360.22	389.70	395.92	1,093.06	846.63	1,281.47
	Finance costs	289.47	298.19	245.53	857.85	730.11	982.36
	Depreciation and amortization expense (Refer Note No. 3)	207.11	112.68	338.14	637.63	1,000.41	1,333.74
	Other Expenses	305.67	296.36	313.53	915.69	848.94	1,307.30
	Total Expenses	5,520.84	5,264.35	4,113.99	15,333.75	9,200.56	14,670.42
3	Profit / (Loss) before tax (1-2)	(146.97)	(6.48)	(164.39)	(364.09)	(1,012.81)	(742.64)
4	Tax Expenses						
	Current Tax	-	-	-	-	-	-
	Deferred Tax	(36.44)	(1.69)	(44.35)	(90.48)	(254.90)	(165.36)
5	Net Profit /(Loss) for the period (3-4)	(110.53)	(4.79)	(120.04)	(273.61)	(757.91)	(577.28)
6	Other Comprehensive Income (net off tax)						
	(i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	10.65
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	(2.68)
7	Total Comprehensive Income for the Period (net of tax) (OCI) (5-6)	(110.53)	(4.79)	(120.04)	(273.61)	(757.91)	(569.31)
8	Paid-up Equity Share Capital (Face Value Rs. 10/- each)	597.50	597.50	597.50	597.50	597.50	597.50
9	Other Equity						9,235.78
10	Basic and Diluted Earnings per Share for the period (Rs.)	(1.85)	(0.08)	(2.01)	(4.58)	(12.68)	(9.66)



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED.

CIN : L74210HR1984PLC032293

Unaudited Financial Results for the Quarter and Nine months ended 31st December, 2021

Notes:

- 1 The above unaudited results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th February, 2022. The statutory auditors have expressed an unmodified opinion on the aforesaid results.
- 2 The Company has only one reportable primary business segment i.e. "Auto Components". Accordingly, separate Segment Information are not required to be disclosed.
- 3 Effective 1st April 2021, during the quarter ended 30 September 2021, the Company has revised the estimated useful life of certain Plant & equipments based on independent technical evaluation. Pursuant to this change in estimated useful life of certain assets, depreciation for the quarter and nine months ended 31st December 2021 is lower by Rs. 279.83 lacs. Therefore, figures for the previous periods are not comparable.
- 4 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. During the previous quarter ended 30 June, 2021, the bankers have approved One-time restructuring (OTR) cum renewal of credit facilities of the company. Accordingly, the borrowing have been classified in the financials statements after considering the moratorium available under the OTR. Further, during the quarter ended 30th September, 2021, the Company has been sanctioned additional working capital term loan under Government Emergency Credit Line (GECL 2.0), which will enable the Company to improve its volume of business operations and cash flow.
- 5 For the nine months ended 31st December, 2021, the Company has recorded a net loss after tax of Rs. 273.61 lacs. The Company's net current liabilities as at 31st December, 2021 is Rs. 2,810.19 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.4), 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.
- 6 The Company's financial performance were adversely impacted due to Covid-19 pandemic and the ensuing economic slowdown. As the Company is dealing with manufacture and supply of auto-components and is dependent on business from a few customers, the revenue for the nine months ended is impacted due to low business volume. The Management has used internal and external information upto to the date of approval of these financial results in determining the possible impact on its business operation, liquidity position, contractual obligations, the recoverability of property, plant & equipment, inventories, other financial assets and trade receivables as at the quarter end. However, given the effect of the pandemic on the overall economic environment and in particular the automotive industry, the impact assessment of COVID-19 is subject to significant estimation uncertainties and, accordingly, the actual impact in future may be different from those estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.
- 7 Capital work in progress includes certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of Rs. 350.29 lacs (PY Rs. 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 utilise such machinery. The company continues to show such plant & equipment under Capital work in progress. Further, notice under section 80(1) of Code of Civil Procedure has been served upon Govt. of West Bengal for filing of suit for recovery of expenditure loss and reliance loss incurred on Singur Project. During the quarter, Company has also filed a civil suit in Hon'ble High Court of Calcutta.
- 8 The Company had imported certain plant & equipment including the machinery referred in note no. 7 above under EPCG license scheme. The Company has not been able to meet the export obligations during the stipulated 9 year period. The possible interest liability, if the export obligations are not met under EPCG license is estimated at Rs. 2561.14 lacs (PY Rs. 2319.28 lacs). The same has not been provided for in the books and continues to be shown as contingent liability.
- 9 The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- 10 Figures of the previous periods are re-grouped, wherever necessary, to correspond to the current period figures.

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

Karthik Srinivasan

Karthik Srinivasan
Partner
Membership No. 514998

For Rasandik Engineering Industries India Limited

Rajiv Kapoor

Rajiv Kapoor
Chairman & Managing Director
DIN: 00054659

Place : New Delhi
Date : 14-02-2022





V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Flat No.202 & 301, Satyam Cinema Complex
Ranjit Nagar Community Centre, New Delhi – 110008
Tel.(011) 25702691, 25704639; e-mail: newdelhi@vsa.co.in

Independent Auditor's Limited Review Report on Unaudited Financial Results of Rasandik Engineering Industries India Limited for the Quarter and Nine Months ended 31st December, 2021

To The Board of Directors

Rasandik Engineering Industries India Limited

1. We have reviewed the accompanying statement of un-audited financial results of Rasandik Engineering Industries India Limited ('the Company') for the quarter and nine months ended 31st December, 2021 ('the statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the company's management and has been approved by the company's Board of Directors in their meeting held on 14th February, 2022 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited standalone financial results prepared in accordance with recognition and measurement principle laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.



Material uncertainty relating to going concern

5. We draw attention to Note no. 4 and 5 of the accompanying Statement regarding preparation of the financial statements on going concern basis for the reasons stated therein. The appropriateness of going concern assumption is dependent upon realization of the initiatives to be undertaken by the Company, such as ability to raise funds / generate cash flows including monetization of non-core assets and projected increase in turnover. Further, we draw attention to note no. 6 of the accompanying statement which explains how the economic environment surrounding the automotive industry has become uncertain due to COVID 19.

The accompanying results indicate that the Company has recorded a loss after tax of Rs. 110.53 lakhs during the quarter ended December 31, 2021. As of date, the Company's total current liabilities exceeds total current assets by Rs. 2810.19 lakhs.

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

6. We draw attention to note no. 7 and 8 of the accompanying statement regarding certain plant and equipment classified as "capital work in progress" as explained therein and possible interest liability on non-fulfilment of export obligations.

Our conclusion is not modified with regard to the above matter.

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

Karthik Srinivasan

Place: New Delhi

Date: 14-02-2022

UDIN: 22514998ABZMTA8855

Karthik Srinivasan
Partner
Membership No. 514998



Annexure A

Appointment of Additional Director (Non-Executive and Independent)

Sr. no.	Particulars	Details of Shri Agharam Ramakrishnan Halasyam
1	Reason for change viz. appointment, resignation, removal, death or otherwise;	Re-Appointment of Shri A. R. Halasyam as a Director (Non-Executive & Independent)
2	Date of appointment & term of appointment;	With effect from March 6, 2022. Second term of 5 (five) consecutive years with effect from March 6, 2022 to March 5, 2027
3	Brief profile (in case of appointment);	Shri Agharam Ramakrishnan Halasyam is a management graduate with experience of over thirty-five years in industry. Of the said period of experience around twenty years of experience is 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 expertise in treasury management, project management, project financing, and business development. He is having expertise in providing hands-on leadership and direction in corporate finance, formulation, appraisal and implementation of large scale projects, funding strategies (global and domestic), innovative treasury management, foreign currency risk management and business development. Adept in identifying partner companies, negotiating and closing major contracts and deals, including transactions, as well as developing and monitoring business relationships at the highest levels. Successful at establishing and maintaining mutually profitable business relationships with both suppliers and customers. Highly effective management skills, noted for creating beneficial and productive employee/management relationship
4	Disclosure of relationships between directors (in case of appointment of a director)	Shri Agharam Ramakrishnan Halasyam is not related to any Directors of the Company

