

# Rasandik Engineering Industries India Ltd.



**RASANDIK**

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

CIN: L74210HR1984PLC032293

E-Filing/Online Filing

July 5, 2023

**THE STOCK EXCHANGE MUMBAI (BSE)  
1<sup>ST</sup> 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 2022-2023 along with notice of the 39th 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 2022-2023**, alongwith Notice convening 39<sup>th</sup> 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 39<sup>th</sup> AGM to be held on Saturday, July 29, 2023, 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 2022-2023** containing the notice of AGM is also uploaded on the Company's website [www.rasandik.com](http://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



# TRANSFORMATION TO THE FUTURE



# Across the Pages

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An electronic version of this report is available online at: <http://www.rasandik.com/report.html>

Scan this QR code to navigate investor-related information:



#### 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 several 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.

Investor Information	
Market Capitalization as at 31 March, 2023	Rs.33.46 Crs
CIN	L74210HR1984PLC032293
BSE Code	522207
Bloomberg Code	RSDE:IN
AGM Date	29 JULY, 2023
AGM Venue	Video conference and other audio-visual means ("VC")

# Transformation to the Future

Rasandik Engineering Industries India Limited embodies the core values of innovation, versatility, and agility. As the Company navigates the path ahead, it constantly evolves to enhance its capacity and capability, strengthening its offerings to meet the ever-changing demands of the industry. Being at the forefront of automotive component manufacturing, Rasandik has earned a reputation for its commitment to introducing cutting-edge technologies. The Company strives for nothing short of perfection, consistently raising the bar and setting new benchmarks in the industry.

As Rasandik charts its course for the future, it recognizes that the landscape of transportation is undergoing a rapid transformation, largely driven by the advent of electric vehicles (EVs). With the world increasingly embracing the vision of a sustainable future, advancements in technology and infrastructure have made EVs more accessible and affordable for consumers.

With a keen eye on growth opportunities, Rasandik is poised to seize the potential within the Electric Three-Wheeler market. Guided by its core philosophy of 'Passion for Excellence,' it has introduced the 'SAMRAT' brand – an innovative range of L5 category vehicles – in 2022. Through its unwavering commitment to sustainability and customer satisfaction, Rasandik is at the forefront of driving the Transformation to the Future, crafting mobility solutions that contribute to a cleaner, greener, and more advanced tomorrow.

40+

Product Portfolio

450 +

Employees

5

State-of-the-art Manufacturing

Electric Vehicle  
Manufacturing,  
Sheet Metal Fabrication

Business Division



RASANDIK

# Embracing Future with Innovative Endeavours

Rasandik Engineering Industries India Limited (hereon referred to as 'Rasandik' or 'the Company' or 'It'), since its establishment in 1986, has firmly positioned itself as a premier provider of critical engineering components for automotive, commercial vehicle, and electric vehicle (EV) solutions. With a remarkable journey spanning 40 years, Rasandik has consistently pursued manufacturing excellence, prestige, and innovation, with an eye on embracing future with innovative endeavours.

Over the years, Rasandik has emerged as a prominent player in the automobile manufacturing industry. The Company offers a comprehensive portfolio of products, encompassing customized laser welding blanks, tractor body parts, fuel tanks, scissor jacks, body stampings, as well as assemblies for air conditioners, refrigerators, and washing machines. Furthermore, Rasandik specializes in the production of skin and inner-body components for automobiles, suspension parts, and body-in-white parts, strengthening its position as a versatile provider in the industry.

Building on its expertise and diversified business offerings, the Company has successfully ventured into the rapidly growing mobility sector. Today, Rasandik is positioned as an emerging player in the L5 category vehicle, delivering cutting-edge engineering solutions that surpass global customer expectations. The strength of Rasandik lies in its five state-of-the-art manufacturing facilities, advanced technology, and unwavering dedication to innovation, propelling the Company to achieve greater success in the future.

41+

Years of Excellence

TWB, Tool and Dies,  
Electric Vehicles

Critical Engineering Components

8

Accreditation



**MISSION**

- » To leverage high-end TWB auto component requirements of the OEMs in the auto sector
- » To focus on expanding the product portfolio in the high-growth railway segment
- » To build capabilities for electrical three-wheelers based on lithium batteries
- » To target exports to the extent of 10% of turnover



**VISION**

- » To build capabilities for the design and manufacture E-Auto (L5 Category) and aggregates for the aerospace industry
- » To enhance presence in Electric Vehicle Market



**CORE VALUES**

- » Quality
- » Cost
- » Delivery
- » Development



# Offering Products with Forward-thinking Approach

Rasandik, throughout its journey, has consistently embraced a proactive approach, allowing the Company to stay nimble in its offerings and effectively respond to the ever-evolving dynamics of the automotive industry. With unyielding zeal and focused efforts, Rasandik has swiftly adapted to the emergence of electric vehicles, showcasing its agility and forward-thinking mindset. By investing in new technologies, Rasandik has positioned itself as a dependable company, ready to meet the changing needs and demands of the electric vehicle market.

## ELECTRIC VEHICLES

We stand on the verge of a fresh era in eco-friendly transportation, placing great emphasis on leading the way in inventive automotive solutions. Our objective is to continually provide new technologies in the automotive component manufacturing. To cater the growing needs Rasandik has launched Samrat – L5 categories of vehicle.

- » Manufactures electric autos of L5 categories vehicle as part of a forward-thinking strategy to produce vehicles with zero emissions
- » Aligns perfectly with the Government's emphasis on establishing regulatory bodies and fostering the adoption of environmentally friendly electric vehicles
- » The products offered quality, reliability, and cost-effectiveness, product which is backed by delivery and exceptional customer service
- » Provides a unique option of driver plus six passengers, offering different configurations for passenger capacity



## LASER TAILOR-WELDED BLANKS

- » Serves as reinforcement elements in the automotive sector, with these components finding application as side members, pillars, door reinforcements (including door inners), and floor pans, among other areas
- » Facilitates lucrative business opportunities with substantial growth potential and attractive profit margins, without immediate capital expenditure requirements





### HOME PRODUCTS

- » Encompasses household items including an iron board, shoe rack, hat rack, and clothes hanger, among others
- » Serves as a one-stop shop, as the products are manufactured within a single facility located in Surjapuri, Greater Noida
- » Exhibits a global reach by exporting to countries such as Sweden, the USA, Brazil, and the UK, while also catering to the Indian market through sales on various e-commerce platforms

### PRESS TOOL ENGINEERING SOLUTIONS AND COMPONENTS MANUFACTURING

- » Press tool & dies
- » Skin panels
- » Fuel tanks
- » Chassis parts
- » BIW parts
- » Tractor parts
- » Jack





RASANDIK

# Accelerating towards a Sustainable Future

The global electric vehicle (EV) market is witnessing a remarkable growth, with projections indicating sales of 10 million units by 2025. India, in particular, is emerging as one of the fastest-growing EV markets on a global scale. This growth is primarily fueled by the proactive initiatives undertaken by the Government and the increasing environmental consciousness among the population. As the world accelerates towards a sustainable future, the rise of electric vehicles plays a pivotal role in creating a cleaner, greener transportation ecosystem.

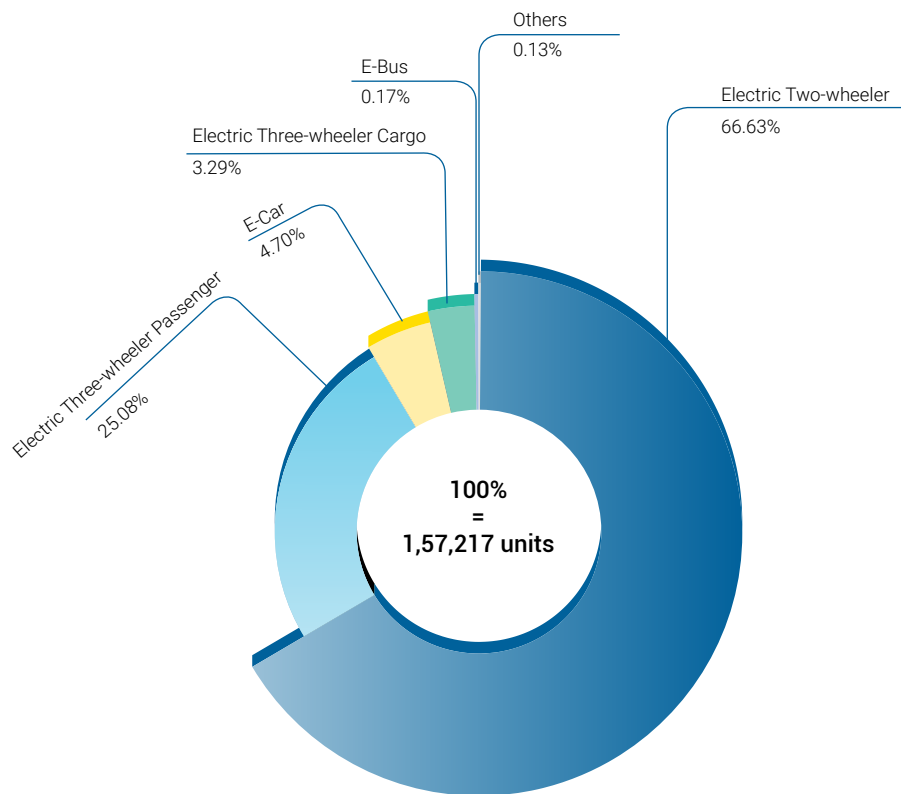
As the world embraces a growing array of sustainable transportation solutions, electric three-wheelers (E3Ws) have emerged as a key player, particularly in India. These vehicles have gained immense popularity owing to their affordability, fuel efficiency, and minimal maintenance requirements. As the Indian E3W market continues to witness substantial growth, driven by competitive pricing, suitability for short-distance travel, and increasing adoption by individuals and businesses, a transformational shift is underway.

E3Ws not only offer cost-effectiveness but also present significant environmental advantages by mitigating both air and noise pollution concerns. Furthermore, the Government's strong commitment to promoting electric vehicles, including E3Ws, acts as a catalyst for the market's sustained growth and advancement.





### Category wise EV Sales in India-May'23



Source: Vahan Dashboard, JMK Research

Note: Sales figures represent EVs registered across 1,350 RTOs in 34 states/UTs; Others include adapted vehicle, agricultural tractor, forklift, and goods carrier.



# Pioneering Future-Focused Mobility Solutions

Rasandik, with a strong commitment to promoting electric mobility, has bolstered its futuristic product portfolio to meet the evolving demands of the industry. In response to the increasing market for electric vehicles in the L5 category, Rasandik proudly presents SAMRAT Electric Three-Wheeler vehicles. Designed to cater to a wide range of needs, the SAMRAT portfolio encompasses various variants, tailored for passenger transportation, load carrying, and garbage collection services. Through this diverse and innovative product range, the Company showcases its dedication to excellence and continuous advancements in the field of electric mobility.

With zero pollution emissions and no permit requirements, SAMRAT portfolio offers a reliable and environmentally friendly mobility solution. The Company prioritizes customer satisfaction through its dedication to delivering products of the highest Quality, Reliability, and Economy. It understands the significance of meeting customer expectations and strives to exceed them by ensuring Timely Delivery and providing Exceptional Service. As Rasandik takes this exciting stride into the EV market, its aim is to provide an outstanding experience and contribute to a sustainable future with the following products:

## PASSENGER (7-SEATER)

- » Extra Strong Ladder Chassis
- » Heavy Duty Leaf Spring having Tested on Load upto 1,100 Kg
- » PMSM Motor and Controller on 60V Platform with High Efficiency of 94%
- » Three Speed Regulation Functions: Normal, ECO and Sport
- » Smooth Start and more Comfortable Driving
- » On No Load, Vehicle Speed 50-55 Kmph and on Full Load, Vehicle Speed 45-50 kmph



## PASSENGER (4-SEATER)

- » Extra Strong Ladder Chassis
- » Heavy Duty Leaf Spring having Tested on Load upto 1,100 Kg
- » High and Low-speed Torque Conversion, Effectively Increase the Climbing and Load Capacity
- » Three Speed Regulation Functions: Normal, ECO and Sport
- » Smooth Start and more Comfortable Driving
- » On No Load, Vehicle Speed 50-55 Kmph and on Full Load, Vehicle Speed 45-50 kmph
- » 3.75-12, 6 Ply MRF Tyre having Excellent Straight-line Stability, Better Vehicle Control, and Grip on any Terrain

## DELIVERY VAN

- » Extra Strong Ladder Chassis
- » Heavy Duty Front Suspension
- » PMSM Motor Torque 30% Increased than the Ordinary Motor
- » Smooth Drive on hills
- » On No Load, Vehicle Speed 50-55 Kmph and on Full Load, Vehicle Speed 45-50 kmph
- » High and Low speed torque conversion, effectively increase the Climbing and Load Capacity





### GARBAGE TIPPER

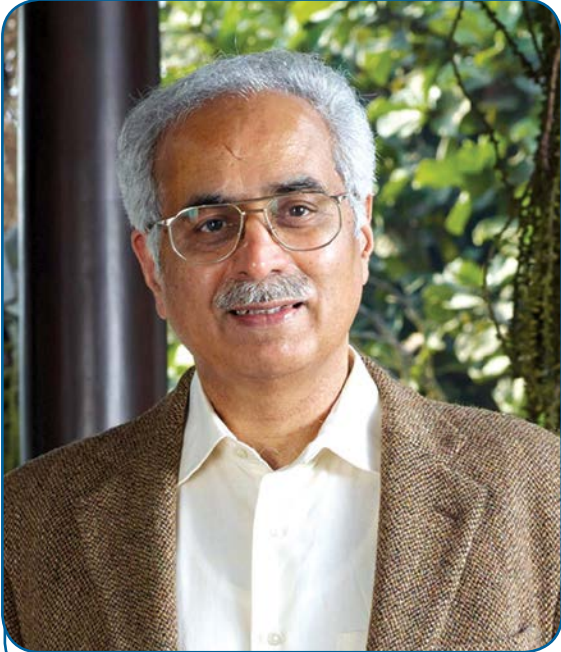
- » Heavy-duty Front Suspension
- » Heavy-duty Leaf Spring having Tested on Load upto 1,100 Kg
- » 4,000W Motor Power (W)
- » Three Speed Regulation Functions: Normal, ECO, and Sport
- » On No Load Vehicle, Speed 50-55 Kmph and on Full Load Vehicle, Speed 45-50 kmph
- » Full Load Climbing ability 7<sup>o</sup>-20<sup>o</sup>

### LOADER

- » 500 Kg Max Weight Capacity
- » Heavy Duty Leaf Spring having Tested on Load upto 1,100 Kg
- » 4,000W Motor Power (W)
- » Three Speed Regulation Functions: Normal, ECO, and Sport
- » On No Load Vehicle, Speed 50-55 Kmph and on Full Load Vehicle, Speed 45-50 kmph
- » 60V Battery Voltage



# Chairman's Communique



At Rasandik, we have been closely monitoring the shifting preferences of consumers, and the rising popularity of electric vehicles aligns with our foresight. Your Company has taken proactive steps to enhance our manufacturing capabilities in order to meet these evolving demands. Our strategic focus is on expanding our presence in the L5 Category electric vehicle market, aiming to boost our revenue and strengthen our position in the industry. 

Dear Shareholders,

I am delighted to address you as we reflect upon the past year, a period that has presented numerous challenges and opportunities for our organization.

## The Macroeconomic Landscape

Let me begin by emphasizing the significant economic landscape that has influenced our activities throughout 2022-23. Despite the prevailing global inflationary pressures, it is noteworthy that the Indian economy has demonstrated remarkable resilience and has emerged as one of the fastest-growing economies on a global scale. This is further underscored by the recent report from the National Statistical Office (NSO), which highlights the impressive growth rate of the Indian economy at 7.2% during the fiscal year 2022-23. It is important to note that this growth was achieved against the backdrop of a challenging international market, characterized by geopolitical tensions and disruptions in the global supply chain.

## The Industrial Landscape

Turning our attention to the industrial landscape, I would like to extend my appreciation to the Indian industry for its remarkable resilience in navigating the challenges of the past two years. The industry has not only overcome the profound impact of Covid-19 lockdowns but has also tackled disruptions in the global supply chain, semiconductor shortages, and the prevailing global inflationary pressures.

In particular, I would like to acknowledge the remarkable achievement of the automobile industry, which has witnessed a robust domestic sales growth rate of 20%. This noteworthy accomplishment demonstrates the resilience and determination of our industry as it rebounded and regained momentum.

Within the automobile industry, the Three-wheeler segment has exhibited remarkable growth, showcasing an outstanding increase of 87%, and demonstrating a significant shift

towards electric vehicles (EVs). This transition can be attributed to the unique advantages offered by EVs in terms of shorter distances, higher load-carrying capacity, and the ability to operate for a full day with a single charge. The increasing adoption of EVs in the three-wheeler segment reflects the growing preference for sustainable and efficient mobility solutions.

## Government Initiatives for the Burgeoning EV Segment

I would like to highlight the significant developments in the electric vehicle (EV) market, particularly in India. The mass and low-cost mobility segments, primarily consisting of two and three-wheelers, are the driving forces behind the growth of EV market. We are currently witnessing a transformative era, driven by the Government policies that actively promote electrification. These include differentiated tax policies and localized incentives that are specifically designed to foster the growth of start-ups operating in the electric vehicle domain.

Furthermore, the Union Budget has placed considerable emphasis on supporting EV manufacturers. Two noteworthy initiatives, namely the Faster Adoption of Manufacturing of Electric Vehicles Scheme – II (FAME – II) and the Production Linked Incentive Scheme (PLI), have been introduced. The Government has allocated substantial budgetary outlays of Rs. 10,000 Crs and Rs. 25,938 Crs, respectively, to these two initiatives. Such robust financial support will undoubtedly act as a catalyst for the growth of the EV market.

Responding to the Government initiatives, the automobile manufacturers have also shown their support by committing to invest Rs. 74,850 Crs, surpassing the Government’s target estimate of Rs. 42,500 Crs over a five-year period starting from 2022-23.

As we move forward, we recognize the tremendous potential and opportunities that lie ahead in the EV sector. Your Company remains steadfast in its commitment to capitalize on these favorable conditions. We will utilize our expertise and resources to drive innovation, deliver cutting-edge solutions, and provide high-quality products to our valued customers.

### Growing Three-Wheelers EV Segment

Looking at the state-wise usage, electric three-wheelers have garnered significant popularity in key states such as Delhi, Bihar, West Bengal, Uttar Pradesh, and Odisha. Moreover, we anticipate a rapid growth in previously untapped markets, particularly in states like Chhattisgarh and Madhya Pradesh.

One of the remarkable advantages of electric three-wheelers is their ability to offer substantial cost savings compared to their gas-powered counterparts, which currently dominate the market. Electric three-wheelers offer lower operating costs by eliminating the need

for conventional fuel and reducing fuel expenses. As a result, customers can reduce their running costs by an impressive 70% to 80%. This cost efficiency serves as a compelling incentive for consumers to embrace electric mobility.

Looking ahead, we have reason to be optimistic. The electric three-wheeler segment is projected to witness an impressive CAGR of 66.20% between 2022-23 and 2026-27 in terms of the number of units sold per year. This strong growth trajectory underscores the growing demand and acceptance of electric three-wheelers among customers.

The electric three-wheeler market is currently dominated by low-speed vehicles. However, we are witnessing a gradual emergence of the high-speed segment, particularly in the goods delivery or cargo sector. While it is still in its nascent stage, the high-speed market shows great promise and is steadily gaining traction.

### Leveraging Growing Opportunities in EV Market

I am delighted to share an exciting development in our pursuit of capturing the growing opportunities in the EV market. In the year 2022, after months of dedicated design and development, your Company has successfully launched a range of products under the L5 category vehicle, with the brand name ‘SAMRAT’. These products have been meticulously crafted to meet the highest standards of Quality, Reliability, and Economy, while ensuring Timely Delivery and providing Exceptional Service.

Under the SAMRAT brand, we have developed a diverse range of variants to cater to different needs. In the passenger segment, we offer a unique variant that can accommodate ‘Driver+6’ passengers, in addition to the traditional

configuration of ‘Driver+3’ passengers. This innovative flexibility allows us to address the varying requirements of our valued customers, providing them with options that suit their specific transportation needs.

Furthermore, SAMRAT is available in both load carrier and delivery van variants, providing efficient and reliable solutions for commercial purposes. These variants have been specifically designed to meet the demands of businesses, ensuring seamless transportation of goods with utmost convenience.

One of the key highlights of the ‘SAMRAT’ range is its commitment to sustainability. These electric vehicles are driven by electric motors, resulting in zero pollution and minimal environmental impact. Additionally, ‘SAMRAT’ vehicles do not require any special permits to operate, making them an attractive and hassle-free choice for our customers.

### Conclusion

As we embark on our journey towards a sustainable future, I would like to express my deep appreciation for the invaluable contributions of our esteemed stakeholders. I extend my heartfelt gratitude to the Board, Shareholders, Customers, Investors, Suppliers, and all others who have placed their trust in us. Moving forward, I assure you that we will persistently pursue our growth trajectory, with a strong focus on investing in research and development, enhancing our capabilities and capacities. Our commitment lies in providing our customers with innovative solutions and delivering products of even higher quality. Together we stand to create value for the society at large and chart a course of promised future.

### Rajiv Kapoor

Chairman & Managing Director

# Leading with Strategic Vision



## SHRI RAJIV KAPOOR

*Founder, Promoter & Managing Director*

Shri. Kapoor incorporated Rasandik Engineering Industries India Limited in 1986. He is an Alumnus of IIT Delhi and a first-generation entrepreneur. Being the visionary that he is, Shri. 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, placed Rasandik among the top component suppliers in the automobile industry.



## SMT DEEPIKA KAPOOR

*Founder, Promoter & Director*

Smt. 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

*Non-Executive Independent Director*

Dr. Sethi is an Alumnus of IIT Kharagpur and holds a Ph. D from Delhi University. He possesses an impressive industrial experience of around 30 years in India and overseas. Dr. Sethi 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

*Non-Executive Independent Director*

Shri. Ramaprasad is a B.Sc. graduate and holds an LLB degree. He is an industrialist by profession, 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

*Non-Executive Independent Director*

Shri Halasyam is a management graduate. He has a rich experience of over 37 years in the industry, having worked with public sector companies at management levels since 1982. Shri. Halasyam was the Finance Director and a Member of the Executive Board of Maruti Udyog Limited for 10 years, beginning 1991. He is 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

Shri Abhay Kumar Khanna has a rich academic background and qualifications in public administration. He is also qualified in Masterclass programme for Independent Directors held by Institute of Director (IOD). He holds a distinguished service record of over 36 years with GOI, across diverse areas, such as Additional Member Budget-Ministry of Railways (MOR), besides Construction Organisation, Research Design and Standards Organisation (RDSO) and Economic Directorates (MOR). Shri Khanna is currently serving on the Board of 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 Fertiliser Corporation Limited (BVFCL).

# Corporate Information

## BOARD OF DIRECTORS

**Shri Rajiv Kapoor**

*Chairman & Managing Director*

**Smt 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

**Shri Gautam Bhattacharya**

## COMPANY SECRETARY

**Shri Pradeep Chandra Nayak**

## AUDITORS

**M/s. V. Sankar Aiyar Co.,**

*Chartered Accountants*

*Sarajini House, 6 Bhagwan Das Road, New Delhi – 110001*

## 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 ENGINEERING INDUSTRIES INDIA LIMITED**

(CIN: L74210HR1984PLC032293)

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

Web: [www.rasandik.com](http://www.rasandik.com) Email: [cs@rasandik.com](mailto:cs@rasandik.com)

Dear Member,

You are cordially invited to attend the 39th Annual General Meeting ("AGM") of the members of **Rasandik Engineering Industries India Limited** ("the Company") to be held on **Saturday, 29 July, 2023** at 11:00 a.m. IST through video conference and other audio-visual means ("VC").

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/-

Rajiv Kapoor

Chairman and Managing Director

Enclosures:

1. Notice of the 39th Annual General Meeting
2. Instructions for participation through VC
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 Private Limited: Tel. 022 - 4918 6175, 022-4918 6000 or email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)

## NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of **Rasandik Engineering Industries India Limited** will be held on **Saturday, 29 July, 2023** at 11.00 A.M. (IST) through video conference and other audio-visual means ("VC"), 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, 2023 and the Report of Board of Directors of the Company and Auditors thereon.

#### Item No. 2 – RE-APPOINTMENT OF MRS. DEEPIKA KAPOOR AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

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

Explanation: Mrs. 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 re-appointment.

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, Mrs. Deepika Kapoor (DIN: 00054799), who retires by rotation, be and is hereby reappointed as a director of the Company.

### SPECIAL BUSINESS:

#### Item No. 3 – MONETISATION BY SALE OF SURPLUS AND IDLE ASSETS OF THE COMPANY

To consider and if thought fit, to give assent/dissent to the following resolution proposed to be passed as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, consent be and is hereby accorded to monetize by sale of the surplus and idle assets of the Company including **Land and Building of Sohna Unit** of the Company situated at **Plot No. 13 and 14, Roj-Ka-Meo Industrial Area, District-Nuh, Haryana-122103** and **Land and Building of Surajpur Unit** of the Company situated at **Plot No. Plot No. A-1/2-4&5, A-1/2-13&14, Site-B, Surajpur Industrial Area, Gautam Budh Nagar, Uttar Pradesh - 201306** constitute 17.29% of the land holding leaving 123,235 sqm. of land for operation and future expansion, for such consideration and on such terms and conditions as the Board of Directors of the Company consider beneficial to the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalize the terms and conditions and take such steps as may be necessary for obtaining approvals, statutory or contractual or otherwise, if any, required in relation to the above and to settle all the matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds and things that may be necessary, proper and expedient or incidental for the purpose of giving effect to the above resolution."

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

Place: Sohna, Haryana  
Date : 30 May, 2023

**Pradeep Chandra Nayak**  
Company Secretary  
ACS: 15852

## NOTICE (Contd.)

### EXPLANATORY STATEMENT

**Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 of the accompanying Notice dated 30 May, 2023.**

#### ITEM 3: MONETISATION BY SALE OF SURPLUS AND IDLE ASSETS OF THE COMPANY

The Company is presently engaged in the business of manufacture of Sheet Metal Fabrication, Auto Components, Tools & Dies, TWBs and Electric Vehicles. The Board in its meeting held on 30 May, 2023 had carried out a comprehensive review of the Business and high cost of interest arising due to interest rate hikes effecting the Business. The Board has reviewed the impact of interest on current business and after evaluating the feasibility of various options, have recommended to monetize the surplus and idle assets of the Company and reduce the debt. The sale of these idle assets will not affect Business operations considering the nature of Business and existing plants have sufficient capacities to carry on operations and future expansions of the Company. The Company is now seeking approval of shareholders of the Company by special resolution to monetize by way of selling the surplus and idle assets of the Company including and not limited to sell and transfer of Land and Building of the Company situated at **Plot No. 13 and 14 Roj-Ka-Meo Industrial Area, Sohna, Haryana-122103 and at Plot No. A-1/2-4&5, A-1/2-13&14, Site-B, Surajpur Industrial Area, Gautam Budh Nagar, Uttar Pradesh-201306**. The Company will reduce its land holding by 17.29 % only, leaving 123,235 sqm. of land for operation and future expansion.

The focus of the Company is now to operate in three major units located in Surajpur, Sohna and Pune, which have sufficient Land and Building with focus on emerging business of Electric Vehicles manufacturing i.e., Three Wheeler (L-5) production capacity. This is the reason that has led the Company to take the decision to monetize by sale the surplus and idle assets and to use the proceeds to reduce the debts/pay back the entire debt of Punjab National Bank (PNB) on the Company and thereby make substantial reduction in interest cost to the Company making it profitable. By reducing interest cost, the Company will become more competitive and also focus of growth of Electric Vehicle division. The Board of Directors, after evaluating the feasibility of various options, have decided to recommend for your approval of sale of idle and surplus assets of the Company.

Section 180(1)(a) of the Companies Act, 2013 ('the Act') provides that the Board of Directors of a Company shall not except with the consent of the Members by way of a special resolution through Annual General Meeting to sell, lease, transfer, assign or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company.

The resolution in the accompanying notice is proposed to seek Members' approval through **Special Resolution**.

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the **Special Resolution** for your approval.

None of the Directors / Key Managerial Personnel/Managers of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding / directorship, if any.

#### IMPORTANT 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. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated 5 May, 2020 and 28 December 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30 September, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 39th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 39th AGM shall be the Registered Office of the Company.
3. In terms of the MCA Circulars, physical attendance of members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 39th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members may be appointed for the purpose

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- of voting through remote e-Voting through Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 39th AGM through VC/ OAVM facility and e-Voting during the 39th AGM and since the 39th AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
4. In line with the Ministry of Corporate Affairs (MCA) Circular, the Notice calling the AGM has been uploaded on the website of the Company at [www.rasandik.com](http://www.rasandik.com). The Notice of 39th AGM and Annual Report for the FY 2022-23 can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and 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>.
  5. Attendance of the members participating in the 39th AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  6. 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 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.
  7. 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](mailto:cs@rasandik.com) with a copy marked to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).
  8. **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 5 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 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 [sunil.misra@linkintime.co.in](mailto:sunil.misra@linkintime.co.in) / [cs@rasandik.com](mailto: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.	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.  The following additional details / documents need to be provided in case of updating bank account details: <ul style="list-style-type: none"> <li>• Name and branch of the bank account type</li> <li>• Bank account number allotted by their banks after implementation of core banking solutions</li> <li>• 9-digit MICR Code Number</li> <li>• 11-digit IFSC</li> </ul>
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.	

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9. The Register of directors and key managerial personnel and 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. 29 July, 2023. Members seeking to inspect such documents can send an email to [cs@rasandik.com](mailto:cs@rasandik.com).

10. Voting Rights: Members holding Equity Shares shall have one vote per share as shown against their holding.

11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") provided by the Link Intime India Private Limited ("Link Intime").

Members who have cast their votes by remote e-voting prior to the AGM may participate in the 39th 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.

12. Members holding share either in physical or dematerialized form, as on cut-off date, i.e. as on Saturday 22 July, 2023, may cast their votes electronically. The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Wednesday, 26 July, 2023, 9.00 A.M. IST	Friday, 28 July, 2023, 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 22 July, 2023. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

13. 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.

14. 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. **22 July, 2023**, may obtain the login ID and password by sending a request at [delhi@linkintime.com](mailto: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 June, 2023**, may follow steps mentioned in the Notice under "Instructions for e-votings".

15. In compliance with the Circulars, the Annual Report 2022-23, the Notice of the 39th 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).

16. 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](mailto:delhi@linkintime.com) to receive copies of the Annual Report 2022-23 in electronic mode.

17. The Members can join the 39th AGM in the VC mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the 39th 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.

18. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking

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appointment / reappointment at the AGM, forms part of this Notice.

19. 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).
20. 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.
21. 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](http://www.rasandik.com).
22. 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.

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### REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

As per the SEBI circular dated 9 December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL
  - 1.1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  - 1.2. If you are 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>
  - 1.3. 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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  - 2.1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
  - 2.2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
  - 2.3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
  - 2.4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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

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authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

### **Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

#### **A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in **NSDL form**, shall provide '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).

3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

### **Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. 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).
4. 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.

### **Guidelines for 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.

### **Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

### **Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33



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### Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

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

Shareholders 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".

### InstaVote Support Desk, Link Intime India Private Limited

### 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](mailto: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>

- 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.

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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.

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.

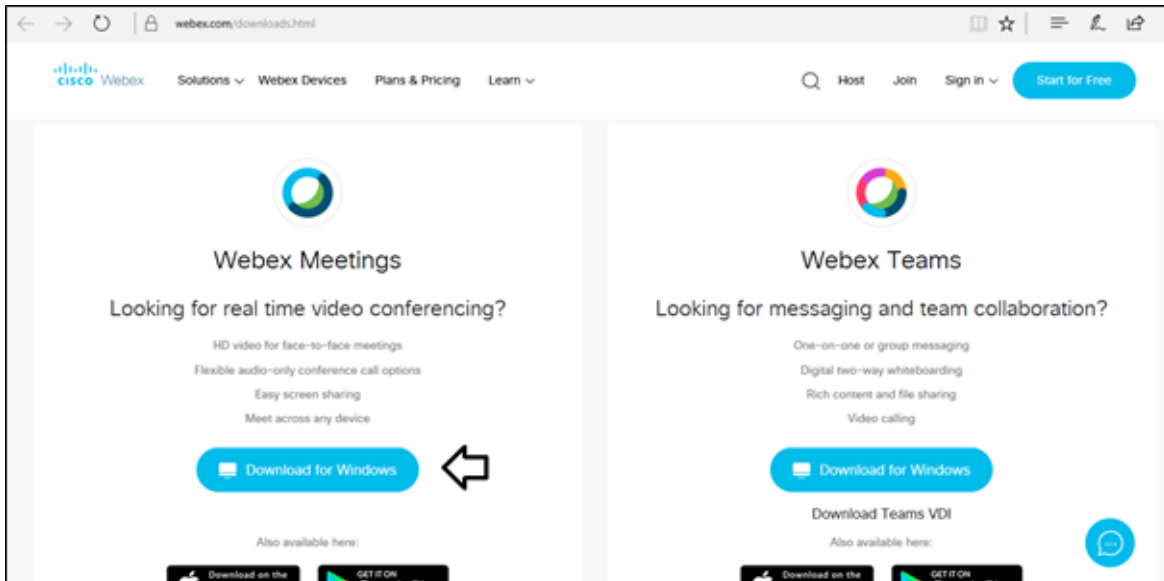
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022 49186175.

### **Guidelines to attend the AGM proceedings of Link Intime India Private Limited: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

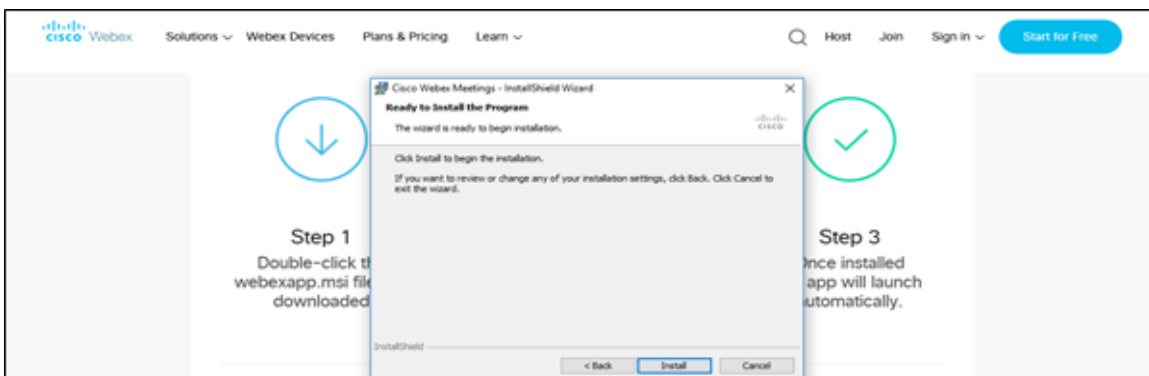
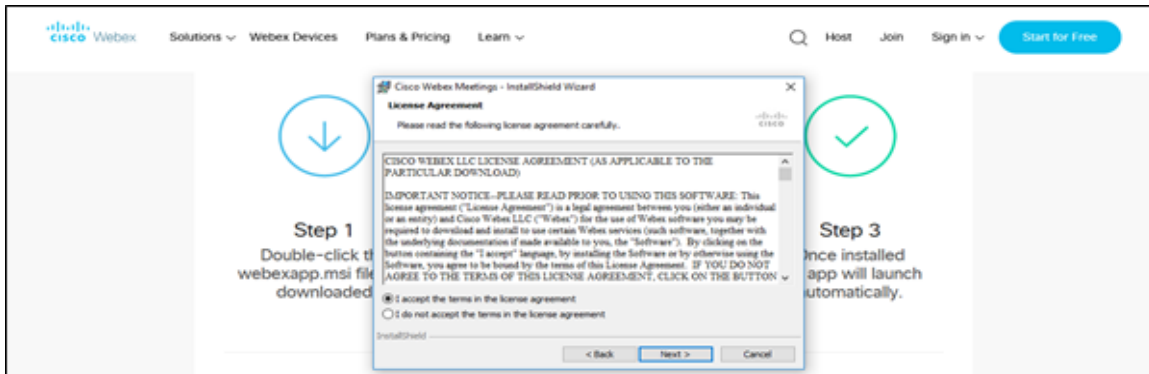
NOTICE (Contd.)

a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



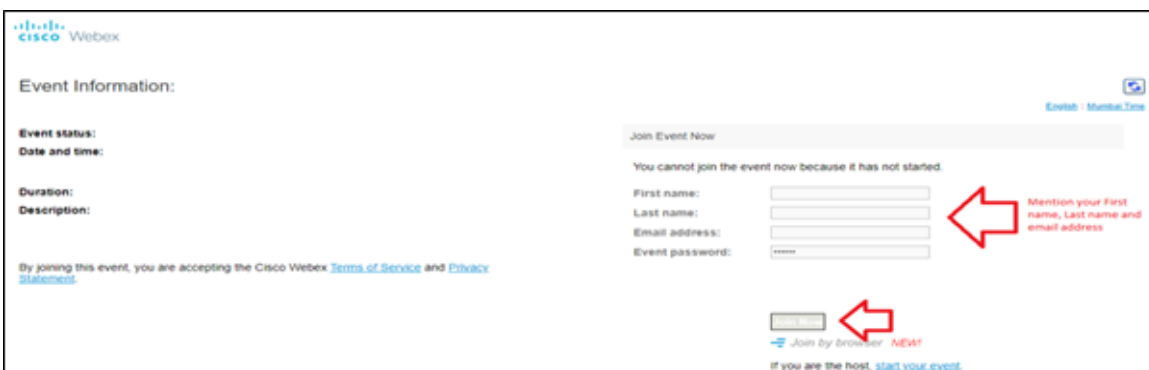
NOTICE (Contd.)

<b>Step 1</b>	<b>Enter your First Name, Last Name and Email ID and click on Join Now.</b>
<b>1 (A)</b>	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
<b>1 (B)</b>	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <a href="#">Run a temporary application</a> .  Click on <a href="#">Run a temporary application</a> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



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	: Mrs. Deepika Kapoor
DIN	: 00054799
Date of Birth/ Nationality	: 26 November, 1957 Indian
Age	: 65 Yrs
Educational Qualification	: Graduate
Expertise in specific functional area	: Founder Promoter & Director of the Company and She has considerable experience in Human Relations, Company Management and General Administration.
Area of Expertise	: Tool & Dies manufacturing, Sheet Metal Industry
Date of First Appointment on Board	: 10/01/1984
Interse relationship with other Director / manager and other KMP	: Mrs. Deepika Kapoor is related to Shri Rajiv Kapoor, Chairman and Managing Director of the Company
No of Shares Held in the Company	: 54,300 Shares
Board Position Held	: Director
Term and Condition of Appointment alongwith details of remuneration sought to be paid	: As per the resolution at item no. 2 of the Notice convening this meeting read with explanatory statement thereto.
Remuneration Last Drawn (if applicable)	: Refer to Report on Corporate Governance
No of Board Meetings attended during the year -2022-23	: 4 out of 4 meetings
Directorship held in other Companies	: None
Chairman / Member of the Committees of Board of Directors of Other Companies	: None
Chairman / Member of the Committees of Board of Directors of the Company	: Member in Corporate Social Responsibility Committee of Rasandik Engineering Industries India Limited

NOTICE (Contd.)

**ANNEXURE – 2**

**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 39th Annual Report of your Company together with the Audited Statement of Accounts of the Company for the financial year ended 31 March, 2023 and the Auditors Report thereon.

### FINANCIAL RESULTS:

The summarized working results for the year ended 31 March, 2023 as compared to earlier year are as under:

(Rs. in Million)

Particulars	2022-23	2021-22
Total Income	1563.96	2073.41
Profit Before Finance Cost, Depreciation and Taxation	130.49	159.8
Finance Cost	106.78	112.86
Depreciation	70.89	83.76
Profit Before Tax	(47.18)	(36.82)
<b>LESS:</b>		
Tax expense		
Current tax	-	-
Deferred tax	(14.21)	(9.74)
Profit/Loss After Tax (Loss)	(32.97)	(27.08)

### OPERATING RESULTS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the total income of the Company for the year ended 31 March, 2023 was Rs. 1563.96 Million as compared to Rs. 2073.41 Million in the previous year. The profit before depreciation, finance cost, taxation is Rs. 130.49 Million down from Rs. 159.80 Million in the previous year. The net loss after depreciation, finance cost and tax is Rs. 32.97 Million for the current financial year as compared to net loss of Rs. 27.08 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.

### FUTURE OUTLOOK

The Company has Electric Auto (Electric Vehicle) Manufacturing facilities at its Plant at Surajpur, Greater Noida, Uttar Pradesh. The said Manufacturing Unit of the Company supply the following Electric Vehicles (EV) domestically to cater to the Indian automotive market as well as explore the export market. The Company developed various models of E-Auto and are building brand "Samrat" to focus on growth as an OEM. Portfolio of Products of **E-AUTO VARIANTS** are as follows:

Sr. No.	E-AUTO VARIANTS	FEATURE OF E - AUTO
1	E - Auto Samrat D+6 Driver Plus 6 passenger seating capacity	Modern Features for Great Comfort not only make every ride stylish, but also add greater comfort than ever before for the driver and passenger.
2	E - Auto Samrat D+ 3 Driver Plus 3 passenger seating with luggage carrying capacity	
3	E - Auto Samrat Loader	Vehicles are plugging the intra-city transportation needs with last mile connectivity in goods transport.
4	E - Auto Samrat Mobile Shop	Carrier for-Milk, Water Bottle, Bread, Bakery, Poultry Products, Gas Cylinder; a Vegetable Van; an Ice-Cream Van; a Fast Food Van and much more.
5	E - Auto Samrat Hi-Deck	
6	E - Auto Samrat Garbage Manual	The garbage truck is specially designed to collect municipal waste and transport it to a waste treatment facility.
7	E - Auto Samrat Garbage Hydraulic	

The focus of the Company is at present on emerging business like Electric Vehicles manufacturing of Three Wheeler (L-5) and enhancing its production capacity and sales.

### Share Capital

The paid up Equity Share Capital as on 31 March, 2023 was Rs. 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,

## DIRECTORS' REPORT (Contd.)

2015 with the Stock Exchanges together with the Auditors' Certificate (**Annexure I**) regarding the compliance of conditions of corporate governance, is presented in a separate section forming part of the Annual Report. (**Annexure B**)

### 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, Mrs. Deepika Kapoor, Director of the Company, will retire by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for reappointment.

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

Formalization programme for independent directors was completed by the Company during the year 2022-23.

There is no change in the Key Managerial Personnel of the Company during the year under review. At present, (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

The Company did not appoint any Key Managerial Personnel 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 four 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	Dr. Shyam Sunder Sethi	Non-Executive - Independent Director	Chairman
2	Shri A. R. Halasyam	Non-Executive - Independent Director	Member
3	Shri Abhay Kumar Khanna*	Non-Executive - Independent Director	Member
4	Shri Rajiv Kapoor	Executive - Chairman cum Managing Director	Member

\* Appointed as member of Audit committee w.e.f. 12 November, 2022.

\*\* Shri Mysore Siddappa Ramaprasad, was member of Audit Committee till the meeting dtd 12 November, 2023

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.



## DIRECTORS' REPORT (Contd.)

- c) 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.
- 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 are 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/report.html](http://www.rasandik.com/report.html)

### 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 **(Annexure IV)**. The Nomination and Remuneration Policy is available at Company website i.e. [www.rasandik.com/report.html](http://www.rasandik.com/report.html).

### 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 38th Annual General Meeting (AGM).

### AUDITORS' REPORT

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.

The Auditors' in their Report to the members, have given qualified opinion and the response of your Directors with respect to it are as follows:-

Auditors' Report:

The Auditors have drawn attention to note no. 5, 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 the Balance Sheet Date. Accordingly, we are unable to comment upon the value of adjustments required to the carrying value of the inventories and consequential impact on the accompanying Statement.

Response to the note no 5:

The Company has issue related to interest costs on borrowings resulting in Company becoming uncompetitive and has thus decided to have limited focus on automotive

## DIRECTORS' REPORT (Contd.)

component business. The management is also initiating Marketing, Development and Manufacturing of Electric 3 Wheeler (L-5) category and build its own Brand. Since the attention of the management has been focusing on improving automotive components/Electric Vehicle operations, it has not been possible to make critical evaluation of items of inventory lying unconsumed (either due to ageing or utility) to suit the nature of production. In these circumstances there is a likely fall in the NRV of individual items requiring provision for impairment (which is unascertained). The Company expects that a critical evaluation can be carried out during the current financial year

### 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 2022-23, 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 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.

### ANNUAL RETURN:

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of Companies (Management and Administration) Rules, 2014 then Annual Return is available on company's website at [www.rasandik.com/report.html](http://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 2022-23 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](http://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/report.html](http://www.rasandik.com/report.html).

### 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

## DIRECTORS' REPORT (Contd.)

its circular dated 5 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/report.html](http://www.rasandik.com/report.html).

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 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 SUBSIDIAIRES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary, joint venture or associate of the Company during the Financial Year 2022-23.

### 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 POTECTION 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, 2023.

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

During the financial year ended 31 March, 2023, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company 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 expresses 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 Limited, Tata Motors Limited, 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**

Place: New Delhi  
Date: 30 May, 2023

**Rajiv Kapoor**  
Chairman and Managing Director

## 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 2022-23

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 2022-23

- (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 2022-23

Total foreign exchange earned and used (actual)	(Rs.)
Foreign exchange used	563,269
Foreign exchange earned	82,120,786

# ANNEXURE – I

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the members of Rasandik Engineering Industries India Limited

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, 2023 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D 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

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

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.

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.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

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, 2023. 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.

### Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: New Delhi  
Dated: 30 May 2023

For **V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI Firm Regn. No. 109208W  
**Karthik Srinivasan**  
Partner (M.No. 514998)  
UDIN: 23514998BGXEPO3203

## 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 2021-22 (in Lacs Rs.)	Median Annual Remuneration of Employees for the Financial Year 2022-23 (in Lacs Rs.)	Ratio of remuneration of each director of the median remuneration of the employees for Financial year
1	Shri Rajiv Kapoor	0	45.00	13
2	Mrs. Deepika Kapoor	0	0	0

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

S. No.	Name of Director(s) Chief Financial Officer, Company Secretary	Annual Remuneration during financial year 2021-22 (in Lacs Rs.)	Annual Remuneration during financial year 2022-23 (in Lacs Rs.)	Percentage increase in remuneration since last financial year
1	Sh. Rajiv Kapoor, Chairman cum Managing Director	0	45.00	0
2	Mrs. Deepika Kapoor, Whole-time Director	0	0	0
3	Shri Gautam Bhattacharya, CFO	43.20	39.79	0
4	Shri Pradeep Chandra Nayak, Company Secretary	7.20	8.40	0

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

Median Annual Remuneration (In Rs.) of employees for the 2021-22	Median Annual Remuneration (In Rs.) of employees for the 2022-23	Percentage increase in Median Annual remuneration (In Rs.) of Employees
296,556	347,148	14.50

- (iv) Number of permanent employees on the rolls of the Company – 97
- (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-

(a)	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:	<b>None</b>
(b)	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:	<b>None</b>
(c)	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.	<b>None</b>

## 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.

1. 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>)

2. The Composition of the CSR Committee.

As on 31 March, 2023, 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	Dr. Shyam Sunder Sethi	Independent Director	Member
3	Mrs. Deepika Kapoor	Director	Member

3. Average net profit of the Company for last three financial years is Nil.

Year	Net Profit/(Loss)
2019-20	(33,195,969)
2020-21	(57,727,557)
2021-22	(27,079,357)
Total	(118,002,883)
Average Net Profit (Loss)	(39,334,294)
2% of Average Net Profit	0

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): The Company has incurred loss during FY 2021-22 so no amount is prescribed for CSR Expenditure.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: **Nil**

(b) 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:

#### 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.

S No	Name	Category	Position
1	Dr. Shyam Sunder Sethi	Non Executive -Independent Director	Chairman
2	Shri Mysore Siddappa Ramaprasad	Non Executive -Independent Director	Member
3	Shri A. R. Halasyam	Non Executive -Independent Director	Member

The Chairman of the Committee is an Independent Director.

## ANNEXURE – V

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 AS ON 31 MARCH, 2023

(Rs. in Lacs)

	Name of the Body Corporate	Loans given	Investments	Guarantees given	Aggregate as on 31 March, 2023
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 the contracts/ arrangements/ transactions	Salient terms of the 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 advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso 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 the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board/ Audit Committee	Amount paid as advances, if any	Same value during the year (₹ In Crs)
----- Nil -----								

## ANNEXURE - C

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

[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, 2023** 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, 2022 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 and Sweat Equity) Regulations, 2021; **(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) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
- g) 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;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016; **(Not applicable to the Company during the Audit Period)** and
- i) 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:

## ANNEXURE - C (Contd.)

- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- The Factories Act, 1948
- 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.

### 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.

We further report that during the audit period the Company has obtained the consent of the members on the following resolution by way of passing of Special Resolution in the AGM held on 30 July, 2022:-

- (i) Approval of payment of remuneration to SH. Rajiv Kapoor (DIN: 00054659) as Chairman cum Managing Director with effect from 1 July, 2022 to 30 June, 2025.

**For Arun Kumar Gupta & Associates**  
Company Secretaries

**Arun Kumar Gupta**  
Proprietor

FCS No. 5551, CP No. 5086  
Peer Review Cer. No. 1658 /2022  
UDIN: F005551E000425102

Place: Delhi  
Date: 30 May, 2023

## ANNEXURE 'A' ANNEXURE TO THE SECRETARIAL AUDIT REPORT

### ANNEXURE 'A'

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 July, 2022 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, 2022 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, 2022;
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 - B 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 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, 2023, the total strength of the Board was six. As the Company has an Executive Chairman Shri 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%

As on 31 March, 2023, 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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, 2023 are given below.

Name of the Director / DIN	Category	Attendance Particulars			Number of other directorships and committee memberships / chairmanships		
		No. of Board meetings held (Four)	No. of meetings attended	Attendance at the last AGM held on 30 July, 2022	Directorships in listed entities*	Committee memberships	Committee chairmanships
Shri Rajiv Kapoor** DIN-00054659	Promoter/ Chairman & Managing Director Executive	4	4	Yes	1	1	-
Mrs. Deepika Kapoor** DIN-00054799	Promoter/ Director	4	4	No	1	1	-
Dr. Shyam S. Sethi DIN-01394311	Independent Director Non Executive	4	4	Yes	1	4	3
Shri Mysore Siddappa Ramaprasad DIN-00842539	Independent Director Non Executive	4	3	Yes	1	3	1
Shri Agharam Ramakrishnan Halasyam DIN: 00775926	Independent Director Non Executive	4	4	Yes	1	3	-
Shri Abhay Kumar Khanna DIN: 06919161	Independent Director Non Executive	4	4	Yes	1	1	-

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

\*\* Shri 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.

### 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.

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)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 2022-23 the Board of Directors met four times i.e., on 30 May, 2022, 13 August, 2022, 12 November, 2022 and 13 February, 2023. 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.

Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters

### 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 Rs. 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>)

### SKILL/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

Sl. No.	Name of Directors	Expertise/Skill
1	Shri Rajiv Kapoor	<ul style="list-style-type: none"> <li>• Founder Promoter and Managing Director of the Company and an IIT Delhi Graduate, a technocrat turned first generation industrialist</li> <li>• 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</li> <li>• He possesses great project management skills coupled with deep understanding of the auto component manufacturing system</li> <li>• 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</li> <li>• He manages business operations largely concentrating on the product developments, new business opportunities, technology up-gradation, product quality and growth strategies</li> </ul> <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>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

Sl. No.	Name of Directors	Expertise/Skill
2	Mrs. Deepika Kapoor	<ul style="list-style-type: none"> <li>An educationist having a considerable experience in Human Relations and Company Management</li> <li>She serves as a Woman Director on the Board</li> </ul>
3	Dr. Shyam S. Sethi	<ul style="list-style-type: none"> <li>He is a B. Tech (Hons) graduate with M. Tech degree from IIT, Kharagpur. He has Ph. D. degree from Delhi University.</li> <li>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</li> <li>Currently he is an Honorary Faculty member at IIT Delhi and is involved in Project Guidance, Faculty Selection and mentoring Ph. D. Scholars.</li> </ul>
4	Shri Mysore Siddappa Ramaprasad	<ul style="list-style-type: none"> <li>He is a B. Sc., LLB and an Industrialist by profession</li> <li>He has an experience of over 35 years</li> <li>He is the proprietor of Saraswathi Rice &amp; Oil Mills, Nanjangud, Karnataka</li> <li>He is founder member of the Nanjangud Industries Association and president for 4 years</li> <li>Posses rich experience in Industrial Management and thorough knowledge of Factory Act, Labour Laws and Industry related safety regulations</li> </ul>
5	Shri A. R. Halasyam	<ul style="list-style-type: none"> <li>He is a Management Graduate with an experience of over thirty-five years in industry with twenty years of experience at senior management level</li> <li>He has worked with public sector Companies at management levels since 1982</li> <li>He was Finance Director and Member of the Executive Board of Maruti Udyog Limited for ten years beginning from 1991</li> <li>He has an expertise in treasury management, project management, project financing and business development</li> <li>His highly effective management skills has resulted in creating beneficial and productive employee/management relationship</li> <li>His project management skills, contract negotiation skills and his presence at the Board is of great value to the Company</li> </ul>
6	Shri Abhay Kumar Khanna	<ul style="list-style-type: none"> <li>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.</li> <li>Shri 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</li> <li>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.</li> <li>He has qualified Masterclass program for independent Directors held by IOD.</li> </ul>

### CODE OF CONDUCT

The Code of Conduct is available on the website of the Company [www.rasandik.com](http://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>)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 13 February, 2023 without the presence of Non-Independent Directors and the members of management. The meeting was conducted informally to enable the Independent Directors to discuss 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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 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 2022-23. The maximum gap between two meeting was not more than 120 days. The Committee met on 30 May, 2022, 13 August, 2022, 12 November, 2022 and 13 February, 2023. 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 July, 2023.

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	3 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

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

### Key Terms of Reference of the Committee are:

- 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.)

- |   |  |
|---|--|
| <p>vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;</p> <p>viii. Approval or any subsequent modification of transactions of the Company with related parties;</p> <p>ix. Scrutiny of inter-corporate loans and investments;</p> <p>x. Valuation of undertakings or assets of the listed entity, wherever it is necessary; xi. Evaluation of internal financial controls and risk management systems;</p> <p>xii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;</p> <p>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;</p> <p>xiv. Discussion with the Internal Auditors of any significant findings and follow up there on;</p> <p>xv. Reviewing the findings of any internal investigations by the Internal Auditors into matters</p> | <p>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;</p> <p>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;</p> <p>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;</p> <p>xviii. To review the functioning of the whistle blower mechanism;</p> <p>xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;</p> <p>xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.</p> <p>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.</p> |
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### (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, 2023, the NRC consists of the following directors as its members with majority of non-executive independent directors:

S No	Name	Category	Position	No. of Meetings Attended
1	Dr. Shyam Sunder Sethi	Non Executive -Independent Director	Chairman	2 of 2
2	Shri Mysore Siddappa Ramaprasad	Non Executive -Independent Director	Member	1 of 2
3	Shri A. R. Halasyam	Non Executive -Independent Director	Member	2 of 2

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

During the year, the Nomination and Remuneration Committee met on 30 May, 2022 and 13 February, 2023.

#### Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee

- 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;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 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 2022-23:

S No	Name	Designation	Remuneration
1	Shri Rajiv Kapoor	Executive-Chairman & Managing Director	45.00

#### 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.**

Details of shareholdings of non-executive directors in the Company as on 31 March, 2023 and particulars of sitting fees paid to the non-executive and independent directors during the financial year 2022-23 are as follows:

S No	Name of Director	Category	Sitting Fee (In Rs.)	Commission	Equity Shares held (In Nos)
1	Dr. Shyam Sunder Sethi	Independent Director	200,000	NIL	10,242
2	Shri Mysore Siddappa Ramaprasad	Independent Director	150,000	NIL	0
3	Shri Agharam Ramakrishnan Halasyam	Independent Director	200,000	NIL	23,000
4	Shri Abhay Kumar Khanna	Independent Director	200,000	NIL	0
5	Smt. Deepika Kapoor	Director	200,000	NIL	54,300

\* Sitting fee of Rs. 50,000 per board meeting is paid during the FY 2022-23

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 2022-23, the Company did not advance any loan to any of its Directors

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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 2022-23, one SRC meeting was held on 13 February, 2023.

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

Shri 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.

### Key Terms of Reference of the Committee are:

- 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.
- 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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 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, Shri 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 2022-23, the Status of the Complaint received/solved as follows:

Complaints pending as on 1 April, 2022	Complaints received during the year	Complaints disposed off during the year	Complaints pending as on 31 March, 2023
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, one CSR Committee meeting was held on 13 February, 2023.

#### Composition and Category

S No	Name	Category	Designation	No. of Meetings Attended
1	Shri Mysore Siddappa Ramaprasad	Independent Director	Chairman	0 of 1
2	Shri Shyam Sunder Sethi	Independent Director	Member	1 of 1
3	Mrs. Deepika Kapoor	Director	Member	1 of 1

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

#### Role & Responsibilities

The role of the CSR Committee includes the following:

- i. 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.
- ii. Recommend the amount of expenditure to be incurred on the activities under Corporate Social Responsibility and
- iii. 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
2020-21	36th AGM	30 September, 2020 at 11 AM	AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	
2021-22	37th AGM	30 September, 2021 at 11 AM	AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Year	Type	Date of Meeting	Venue of Meeting	Special Resolution passed
2021-22	Postal Ballot	25 March, 2022 at 6 PM	General meeting Held through Postal Ballot -Special Resolution through Postal Ballot Voting (Including Electronic Voting).	Re-appointment of Shri Agharam Ramakrishnan Halasyam (DIN 00775926) as a Non-Executive Independent Director of the Company with effect from 6 March , 2022 for a term of five consecutive years.
2022-23	38th AGM	30 July, 2022 at 11 AM	AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	Approval of payment of remuneration to Shri Rajiv Kapoor (DIN: 00054659) as Chairman cum Managing Director with effect from 1 July, 2022 to 30 June, 2025.

### Postal Ballot

No Special Resolution was passed by the Company last year through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Integrated Annual Report.

### MEANS OF COMMUNICATION TO SHAREHOLDERS:

#### Communication to Shareholders

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management, shareholder relations. The Company regularly interacts with Shareholders through multiple channels of communication such as:

#### Results Announcements

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Financial Express and Veer Arjun.

#### Integrated Annual Report and AGM

Integrated Annual Report containing audited standalone and consolidated financial statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report and other important information are circulated to the Members. In the AGM, the Shareholders also interact with the Board and the Management

#### Company's Website

The Company's website contains a dedicated section for Investors where Annual Reports, quarterly and annual results, stock exchange filings, press releases, quarterly reports, all statutory policies, information relating to investor service requests, unclaimed unpaid dividend are available, apart from the details about the Company, Board of Directors and Management. The website also displays vital information relating to the Company and its performance and presentation.

### Stock Exchanges

All price sensitive information and matters that are material to Shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communications to the Stock Exchanges are filed through BSE Listing Centre, for dissemination on their respective websites.

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.

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.

#### Secretarial Audit Report

The Company has undertaken Secretarial Audit for the Financial Year 2022-23 which, inter-alia, includes audit of compliance with the Act, and the Rules made thereunder, Listing Regulations, applicable Regulations prescribed by the SEBI, Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Integrated Annual Report.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year 2022-23 for all the applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report for financial year 2022-23 shall be submitted to the Stock Exchanges as per the timelines prescribed under Listing Regulations.

### 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 2023-24

Date and Time	29 July, 2023
Venue	Video Conference
Financial Year	1 April, 2022 to 31 March, 2023
Book closure dates	24 July, 2023 to 29 July, 2023
Last date for receipt of proxy form	Not Applicable

#### Tentative Calendar for financial year ending 31 March, 2024

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, 2023	On or before 14 August, 2023
2	Quarter & Half year ending 30 September, 2023	On or before 14 November, 2023
3	Quarter & nine months ending 31 December, 2023	On or before 14 February, 2024
4	Quarter & Year ending 31 March, 2024	On or before 30 May, 2024

#### Book Closure

The dates of Book Closure are from 24 July, 2023 to 29 July, 2023 (Both days are inclusive).

**Dividend:** No Dividend declared for the financial year 2022-23.

### Dividend Payment History

The Table below highlights the history of Dividend declared by the Company in the last 11 financial years:

S No	Financial year	Date of Declaration of Dividend	Amount declared per share
1	2012-13	No Dividend Declared	NIL
2	2013-14	No Dividend Declared	NIL
3	2014-15	No Dividend Declared	NIL
4	2015-16	No Dividend Declared	NIL
5	2016-17	No Dividend Declared	NIL
6	2017-18	No Dividend Declared	NIL
7	2018-19	No Dividend Declared	NIL
8	2019-20	No Dividend Declared	NIL
9	2020-21	No Dividend Declared	NIL
10	2021-22	No Dividend Declared	NIL
11	2022-23	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](http://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 59.02% and CDSL 38.11%) as on 31 March, 2023. 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:

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars	Number of Shares as on 31 March, 2023	% of Total Issued Capital
Held in Dematerialized form in CDSL	2,277,115	38.11
Held in Dematerialized form in NSDL	3,529,462	59.07
Physical	168,423	2.82
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:

- Demat account should be opened with a Depository Participant (DP).
- Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Link Intime India Private Limited.
- RTA will process the DRF and confirm or reject the request to DP/ depositories.
- 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 11 49411000

Website: www.linkintime.co.in

### Price of Shares and Market Capitalization:

The closing price of the Company's share as on 31 March, 2023 on the Stock Exchanges are given below:

S No	Name of the stock exchanges	Share price (Rs.)	Market Capitalization
1	BSE Limited ("BSE")	Rs. 56.00	Rs. 33.46 Crs

### Listing on Stock Exchanges:

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

S 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.)

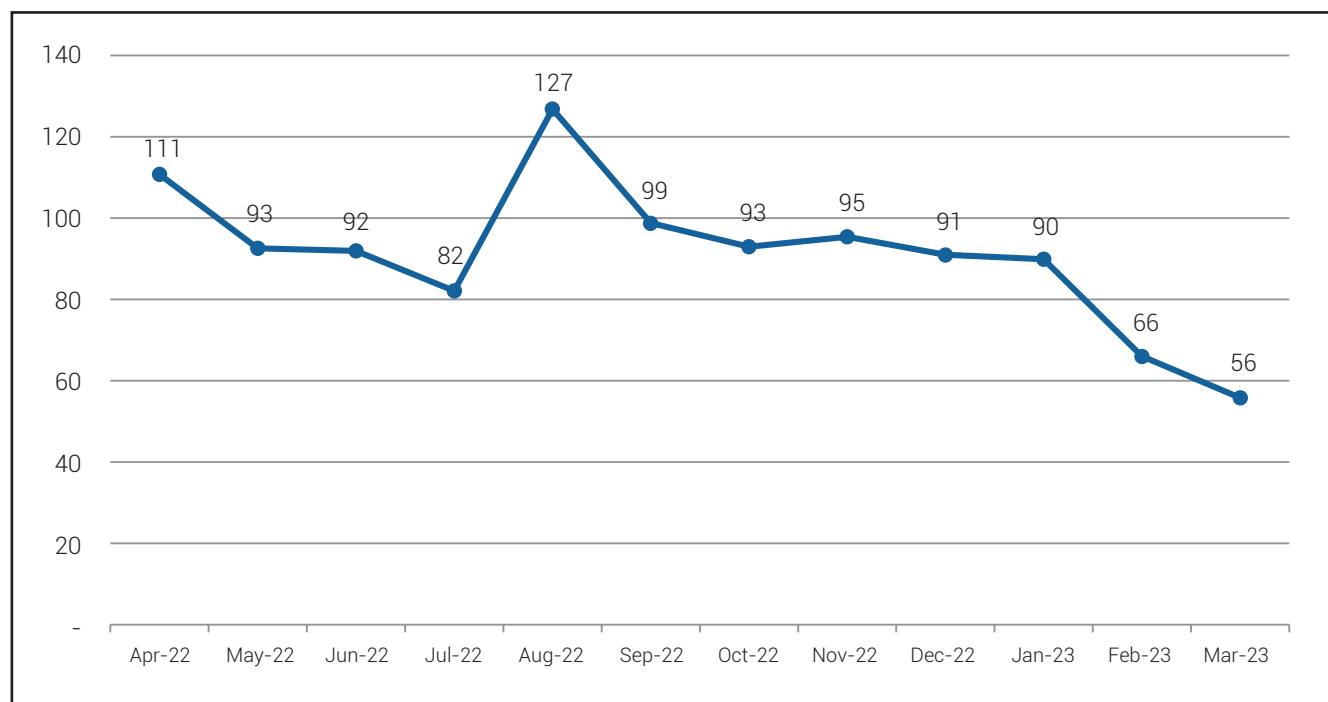
### Share Price Data:

The monthly High/Low Prices and Volume during the financial year 2022-23: All Prices in Rs.

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
Mar 22	124.95	161.50	121.35	129.30	1,68,758	1,823	2,34,46,269	1,65,776	98.23	40.15	4.35
Apr 22	129.30	153.70	110.70	110.75	1,13,064	1,633	1,49,91,522	91,615	81.03	43.00	-18.55
May 22	107.05	113.90	85.65	92.55	59,323	941	56,46,387	47,207	79.58	28.25	-14.50
Jun 22	97.15	98.65	69.15	91.95	43,031	578	35,90,163	34,469	80.10	29.50	(5.20)
Jul 22	96.40	96.80	81.10	82.10	34,387	555	30,46,838	28,516	82.93	15.70	-14.30
Aug 22	82.10	126.80	79.30	126.80	87,502	943	87,86,592	75,575	86.37	47.50	44.70
Sep 22	133.10	133.10	92.00	98.75	1,48,374	1,581	1,72,41,709	1,29,674	87.40	41.10	-34.35
Oct 22	100.85	101.00	89.30	92.95	20,539	468	19,29,646	20,539	100.00	11.70	(7.90)
Nov 22	93.50	102.00	90.05	95.40	48,683	642	46,41,790	48,683	100.00	11.95	1.90
Dec 22	95.30	98.00	85.60	90.95	36,362	448	33,73,809	31,606	86.92	12.40	(4.35)
Jan 23	93.90	97.90	86.65	89.90	35,989	443	32,77,588	28,505	79.20	11.25	(4.00)
Feb 23	93.65	93.75	65.00	66.00	59,873	656	44,48,035	51,035	85.24	28.75	-27.65
Mar 23	68.90	71.00	53.00	55.82	89,937	697	54,97,235	75,197	83.61	18.00	-13.08

\*Data downloaded from [www.bseindia.com](http://www.bseindia.com)

### Share Price Movement in 2022-23 at BSE:



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Distribution of Shareholding as on 31 March, 2023

Sr. No.	Shares Range	Number of Shareholders	Percentage of Total	Total Shares for the Range	Percentage of Total.
1	1 to 500	4945	91.727	528683	8.8483
2	501 to 1000	174	3.2276	141806	2.3733
3	1001 to 2000	111	2.059	167362	2.8010
4	2001 to 3000	54	1.0017	138241	2.3137
5	3001 to 4000	24	0.4452	83205	1.3926
6	4001 to 5000	10	0.1855	46593	0.7798
7	5001 to 10000	36	0.6678	265209	4.4386
8	10001 to *****	37	0.6863	4603901	77.0527
<b>Total</b>		<b>5391</b>	<b>100</b>	<b>5975000</b>	<b>100</b>

### Shareholding pattern of the Company as on 31 March, 2023

Category code	Category of Shareholder	Total number of shares	(%)	Total number of shares	(%)
		<b>Shareholding Details as on 31 March, 2023</b>		<b>Shareholding Details as on 31 March, 2022</b>	
(A)	Shareholding of Promoter and Promoter Group	3,172,840	53.10	3,172,840	53.10
(B)	Public Shareholding	2,802,160	46.90	2,802,160	46.90
<b>Grand Total</b>		<b>5,975,000</b>	<b>100.00</b>	<b>5,975,000</b>	<b>100.00</b>

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, 2023.

### Process for requests related to physical shares

The Board has delegated the authority for approving transfer, transmission, dematerialization of shares etc. to the Share Transfer/ Transmission Committee. A summary of transactions so approved by the Committee is placed at the Board Meeting held quarterly. The Company obtains an Annual Certificate from a Practising Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations. The same is filed with the Stock Exchanges.

With effect from 24 January, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issuance of duplicate share certificates, exchange/subdivision/ split/consolidation of securities, transmission/ transposition of securities and claim from Suspense Escrow Demat Account. Vide its Circular dated 25 January, 2022, SEBI has clarified that listed entities/ RTAs shall issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests.

### Simplified Norms for processing Investor Service Requests

SEBI, vide its Circular dated 3 November, 2021, as amended from time to time, had made it mandatory for holders of physical securities to furnish PAN, KYC and Nomination/Opt-out of Nomination details to avail any investor service. The timeline provided by SEBI to furnish / update the above details was 31 March, 2023, which has now been extended till 30 September, 2023. Folios wherein any one of the above mentioned details are not registered by 1 October, 2023 shall be frozen. Members who are yet to update their KYC details are therefore urged to furnish PAN, KYC and Nomination/Opt-out of Nomination by submitting the prescribed forms duly filled, by email from their registered email id to delhi@linkintime.co.in or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to M/s. Link Intime India Private Limited at Link Intime India Private Limited, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058. In accordance with the SEBI circular dated 16 March, 2023, the Company has sent out intimations to those Members, holding shares in physical form, whose folios are incomplete with PAN, KYC and/ or Nomination details, requesting them to update the details so as to avoid freezing of the folios.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### PLANT LOCATIONS:

Plant I	Plant II	Plant III	Plant IV	Plant V
13,14 Roz-Ka-Meo Industrial Area, Sohna, District- Gurugram, Haryana - 122103	1, Roz-Ka-Meo Industrial Area, Sohna, District- Gurugram 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 District- Mewat, Haryana-122103

### ADDRESSES FOR COMMUNICATION:

Company at its Registered office	Share Transfer Agent
Rasandik Engineering Industries India Limited Plot No. 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 11 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 2022-23 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

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

### vi) Total Fee Paid to the Statutory Auditor

An amount of Rs. 22.40 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, 2023.

### 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, 2023.

### 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Overview and Profile of Automotive Industry

The Indian Automotive industry has made great strides over the past two decades, sufficient to be noticed and counted as a major global auto manufacturing hub. In terms of global rankings in manufacturing output, it is presently second largest in two wheelers, eighth largest in commercial vehicles, sixth largest in passenger cars and the largest in tractors. Over the past ten years, India has emerged as one of the most preferred locations in the world for manufacturing high quality automotive components and vehicles of all kinds, narrowing its gap over several established locations in the process.

Over the next decade, the automotive industry at a global level is likely to see significant transformation. Principal ones that are expected to witness such transformations include the shift of growth in demand for automobiles from developed nations making them a "computer on wheels"; a relentless pursuit of economies of scale and scope in design and engineering of automobiles and components, while also pursuing low cost manufacturing destinations.

#### Plans / Programmes Initiated by the Government

The National Institution for Transforming India or NITI Aayog, has launched a report on 'India Leaps Ahead: Transformational Mobility Solutions for All' on 12 May, 2017 has set a target for a complete transformation of mobility to 100% electric vehicles in public and 40% in private sector by 2030. The report of the NITI Aayog envisioned a paradigm shift in mobility by adopting new and sustainable model for clean, cost-effective, efficient that is not only safe but job oriented, least energy intensive (translated into reduced oil import bill) but also have minimum adverse impact on environment and human health. The report envisages three phased roadmaps for Electric Mobility up to 2032. The 1st phase (2017-19) will focus on institutional capacity building and aggregating Interoperable Transport Data (ITD) with enabling mobility solutions. The 2nd phase (2020-23) focuses on the development of markets, infrastructure and production capabilities in tandem with innovative business models. In the last phase (2024-32), it is expected that the costs of EVs would come down significantly and achieve economies of scale.

All electric vehicles by 2030/32 will transform the way people will travel in future. The model shift benefits inter alia include drastic cut by 64% in energy demand and 37% in Carbon emission by 2030/32. Further, this shift can help India to save nearly Rs. 3.85 lakh Crs by 2032 in diesel and petrol cost and save one giga ton of carbon emissions between 2017 and 2032.

#### Transformational Regulatory Policies Initiated by the Government

The landscape of regulatory policies in automotive sector in India is highly dynamic and rapidly evolving. Like Information Technology and Telecommunication sectors, the future of automobile industry is at cusp of a complete transformation. So far, the policies and regulations under the automobile sector have been incremental and gradual, however, the recent decisions like leapfrogging to BS-VI emission norms, 100% electric vehicles by 2030 in public sector, methanol economy, fuel efficiency norms etc. are metamorphic with highly compressed transitional phases as compared to the transition time given to industry in other countries, and will have profound impact on entire automotive ecosystem. Some of the transformational regulatory policies that may have radical impact on the automotive sector.

The technological advancement in automotive space in India is evolving fast due to development of innovative and converging technological solutions. The ITS-enabled vehicles provide useful information like congestion, fuel consumption, emissions, accident prone areas, traffic flow etc. Further, application of the smart-phones is enlarging the horizon of applications of ITS. The recent advances in convergence of technologies (telematics) like telecommunication, vehicle technologies and ITS are further revolutionizing the performance of vehicles in terms of safety, driving, communication, storage of information for records and analysis of information for rectification and amendments. Currently, the shared, connected and autonomous vehicles are integral part of our priorities for developing affordable EVs. The Google self-driving car has completely changed the thought process of governments, auto-manufacturers and the public alike.

#### Impact Analyses

The Indian automobile industry is setting out on a journey with hopes for a sustained growth momentum in 2023 and further embracing clean technology amid the lurking speed breakers of rising interest rates and cost increases due to new emission and safety norms, having witnessed a strong comeback from the COVID-led downturn. Besides, rising interest rates and not so bright global economic situation and its impact on India in the days to come are some of the factors which are keeping the industry in a cautious mode.

Automotive dealer's body Federation of Automobile Dealers Associations (FADA) noted that the PV segment still continues to hold a strong order book for several models which is expected to continue for a few months. The capex outlay for OEMs is estimated to remain heightened with the OEMs also budgeting for a substantial outlay

## REPORT ON CORPORATE GOVERNANCE (Contd.)

towards new product development, including development of capabilities/platforms for electric vehicles. As for the two-wheeler segment, an increase in interest rate can impact the demand trends for all vehicle segments, the government has also hiked the long-term insurance premium, which specifically impacts the two-wheeler segment.

### Challenges and Opportunities

While the automotive industry as a whole has continued to struggle, the consumer Electric Vehicle (EV) market (including Plug-in Hybrid Electric Vehicles (PHEVs)) has delivered a stellar performance. Consistent growth in excess of the total automotive market has driven electric powertrains to account for an anticipated 17.6% of total consumer vehicle sales in 2023—up from 15.7% in 2022. Technological evolution and supply chain advantages are the main reasons why EV sales have prevailed, despite the larger automotive industry struggling recently. More specifically, the following trends have helped create a shield around EV automakers:

- Improvements in EV battery density
- Longer driving ranges for electric vehicles
- Growing availability of EV models in higher-volume vehicle segments
- EVs usually don't need larger process node/legacy technologies that can delay manufacturing completion and shipment
- Being high-margin models, EVs typically receive priority access to components that are in short supply

For EV adoption to take off even further, the automotive industry must continue investing in public charging infrastructure and forward-looking technology like Vehicle-to-Grid (V2G) solutions. Rising middle-class income and a huge youth population will result in strong demand. Focus is shifting to electric vehicles to reduce emissions. According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 Lacs Crs (USD 50 Billion) by 2030. The electric vehicles industry is likely to create five Crs jobs by 2030

### Way Forward

India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles. The Government of India encourages foreign investment in the automobile sector and has allowed 100% FDI under the automatic route. Some of the recent initiatives taken by the Government of India are:

- In July 2022, Gujarat government announced a semiconductor policy, where it will set up Dholera

Semicon City and offered incentives for investment in this sector.

- In July 2022, the Government amended the National Policy on Biofuels – 2018. The target of 20% blending of ethanol in petrol and 5% blending of biodiesel in a diesel by 2030 was brought forward to 2025-26.
- As of 15 July, 2022, under the FAME India Scheme I & II, a total of 532 EV charging stations have been installed by oil companies under the Ministry of Petroleum and Natural Gas (MoPNG).
- In February 2022, Shri Nitin Gadkari, Minister of Road Transport and Highways, revealed plans to roll out Bharat NCAP, India's own vehicle safety assessment program.
- In the Union Budget 2022-23, the government laid out the following initiatives:
  - The government introduced a battery-swapping policy, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EVs more viable for potential customers.
  - India's National Highways would be expanded by 25,000 km in 2022-23 under the Prime Minister's Gati Shakti Plan.
- In August 2021, Prime Minister Shri Narendra Modi launched the Vehicle Scrappage Policy, which aims to phase out old polluting vehicles in an environmentally safe manner.
- The Indian government has planned USD 3.5 Billion in incentives over five years until 2026 under a revamped scheme to encourage the production and export of clean technology vehicles.

### Growing Three-Wheelers EV Segment

One of the remarkable advantages of electric three-wheelers is their ability to offer substantial cost savings compared to their gas-powered counterparts, which currently dominate the market. Electric three-wheelers offer lower operating costs by eliminating the need for conventional fuel and reducing fuel expenses. As a result, customers can reduce their running costs by an impressive 70% to 80%. This cost efficiency serves as a compelling incentive for consumers to embrace electric mobility.

Looking ahead, we have reason to be optimistic. The electric three-wheeler segment is projected to witness an impressive CAGR of 66.20% between 2022-23 and 2026-27 in terms of the number of units sold per year. This strong growth



## REPORT ON CORPORATE GOVERNANCE (Contd.)

trajectory underscores the growing demand and acceptance of electric three-wheelers among customers.

The electric three-wheeler market is currently dominated by low-speed vehicles. However, we are witnessing a gradual emergence of the high-speed segment, particularly in the goods delivery or cargo sector. While it is still in its nascent stage, the high-speed market shows great promise and is steadily gaining traction.

### PIONEERING FUTURE-FOCUSED MOBILITY SOLUTIONS

Rasandik, with a strong commitment to promoting electric mobility, has bolstered its futuristic product portfolio to meet the evolving demands of the industry. In response to the increasing market for electric vehicles in the L5 category, Rasandik proudly presents SAMRAT Electric Three-Wheeler vehicles. Designed to cater to a wide range of needs, the SAMRAT portfolio encompasses various variants, tailored for passenger transportation, load carrying, and garbage collection services. Through this diverse and innovative product range, the Company showcases its dedication to excellence and continuous advancements in the field of electric mobility.

With zero pollution emissions and no permit requirements, SAMRAT portfolio offers a reliable and environmentally friendly mobility solution. The Company prioritizes customer satisfaction through its dedication to delivering products of the highest Quality, Reliability, and Economy. It understands the significance of meeting customer expectations and strives to exceed them by ensuring Timely Delivery and providing Exceptional Service. As Rasandik takes this exciting stride into the EV market, its aim is to provide an outstanding experience and contribute to a sustainable future with the following products:

#### Leveraging Growing Opportunities in EV Market

The Company delighted to share an exciting development in our pursuit of capturing the growing opportunities in the EV market. In the year 2022, after months of dedicated design and development, your Company has successfully launched a range of products under the L5 category vehicle, with the brand name 'SAMRAT'. These products have been meticulously crafted to meet the highest standards of Quality, Reliability, and Economy, while ensuring Timely Delivery and providing Exceptional Service.

Under the SAMRAT brand, we have developed a diverse range of variants to cater to different needs. In the Passenger segment, we offer a unique variant that can accommodate 'Driver+6' passengers, in addition to the traditional configuration of 'Driver+3' passengers. This innovative flexibility allows us to address the varying requirements of

our valued customers, providing them with options that suit their specific transportation needs.

Furthermore, SAMRAT is available in both Load Carrier and Delivery Van variants, providing efficient and reliable solutions for commercial purposes. These variants have been specifically designed to meet the demands of businesses, ensuring seamless transportation of goods with utmost convenience.

One of the key highlights of the 'SAMRAT' range is its commitment to sustainability. These electric vehicles are driven by electric motors, resulting in zero pollution and minimal environmental impact. Additionally, 'SAMRAT' vehicles do not require any special permits to operate, making them an attractive and hassle-free choice for our customers.

### PRODUCT ANALYSIS & REVIEW

Your Company caters to the following Product Sectors:

- Electric Vehicles
- Sheet Metal Components
- 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 standardizing 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 Rs. 106.79 Million in the year 2022-23 as against Rs. 112.86 Million in the year 2021-22.

#### Depreciation

Current Year Depreciation was at Rs. 70.89 Million in comparison to Rs. 83.76 Million in previous year.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Tax

Deferred Tax amounting to (-Rs.14.21) Million as compared to (-Rs.9.74) Million in the previous year.

### Net Profit /(Loss)

Net Profit/(Loss) after tax for the year 2022-23 is (-Rs.317.71) Million as compared to Net Profit/(Loss) after tax for the year 2021-22 is (-Rs. 25.56) 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.

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:**

To,  
The Board of Directors  
Rasandik Engineering Industries India Ltd.

**Sub: Annual Certificate of Compliance for the /Year ended March 31, 2023 (FY 2022-2023)**

Sir

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 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, May 30, 2023**

**(Gautam Bhattacharya)  
Chief Financial Officer**

**(Rajiv Kapoor)  
Chairman & Managing Director**

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**COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS**

To  
The shareholders of  
Rasandik Engineering Industries India Ltd., Sohna, Haryana-122103

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 March 31, 2023.

**For Rasandik Engineering Industries India Ltd.**

**New Delhi, May 30, 2023**

**(Rajiv Kapoor)  
Chairman & Managing Director**

# INDEPENDENT AUDITORS' REPORT

**To the Members of Rasandik Engineering Industries India Limited**

**Report on the Audit of the Financial Statements**

## QUALIFIED 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 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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, except for the possible effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## BASIS FOR QUALIFIED OPINION

We draw attention to note no. 5, 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 the Balance Sheet Date. Accordingly, we are unable to comment upon the value of adjustments required to the carrying value of the inventories and consequential impact on the accompanying financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ("ICAI") 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 qualified audit opinion on the financial statements.

## GOING CONCERN ASSESSMENT

We draw attention to note no. 1.4(d) of the accompanying financial statements regarding preparation of the financial statements on going concern basis for the reasons stated therein. The accompanying financial statements indicate that the Company has incurred a loss after tax of Rs. 329.74 lakhs for the year ended 31 March 2023. As at 31 March 2023, the Company's total current liabilities exceeds total current assets by Rs. 3,688 lakhs. These conditions, along with other matters set forth in note no. 1.4(d), 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 no. 1.4(d), 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 accompanying financial statements on a going concern basis.

## OUR OPINION IS NOT MODIFIED IN RESPECT OF THE ABOVE MATTER.

### Emphasis of Matter

- a) We draw attention to note no. 11(a) of the accompanying financial statements which mentions that the Company has classified certain fixed assets as "non-current assets held for sale" aggregating to Rs. 1,330.78 lakhs which is subject to the approval of the Shareholders in the forthcoming Annual General Meeting and other approvals as may be necessary.
- b) We draw attention to note no. 11(b) of the accompanying financial statements regarding certain fixed assets classified as "non-current assets held for sale" as explained therein.

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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

S. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Revenue recognition:</b></p> <p>For the year ended 31 March, 2023 the Company has recognized revenue from contracts with customers amounting to Rs. 15,001.86 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"> <li>Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers.</li> <li>Performed sample tests of individual sale transactions and traced to sales invoices, sales orders and other related documents.</li> <li>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.</li> <li>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.</li> </ul>

### OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Annual Report, but does not include the financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

### MANAGEMENTS AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income (loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to 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 and Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE 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 skepticism 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 auditors' 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 MATTER

We draw attention to note no 36 read with note no. 34(c) of the financial statements regarding provision of interest of Rs. 191.09 lakhs being considered as an exceptional expense in the statement of profit and loss for the year ended 31st March, 2023 on non-fulfilment of export obligation as per the provisions of amnesty scheme as explained therein.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government

## INDEPENDENT AUDITOR'S REPORT (Contd.)

in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2 (A) As required by Section 143(3) of the Act, we report that:
- (a) We have sought and and except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, 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 Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
  - (f) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (i) 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.
- (B) With respect to the other matters to be included in the Auditors' 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 which would impact its financial position – Refer Note No. 34 of 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 to the Investor Education and Protection Fund by the Company;
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note No. 49(a) to the financial statement, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any

## INDEPENDENT AUDITOR'S REPORT (Contd.)

manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note No. 49(b) to the financial statement, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate

in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) The Company has neither declared nor paid any dividend during the year.
- (vi) Since the proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 in respect of use of accounting software for maintaining books of accounts which has a feature of recording audit trail (edit log) facility is applicable to the company w.e.f. April 1, 2023, reporting under rule 11(g) is not applicable for the financial year ending 31st March 2023.

For **V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI FRN: 109208W

**Karthik Srinivasan**  
Partner (M. No. 514998)  
UDIN: 23514998BGXEPN5655

Place: New Delhi  
Date: 30 May 2023



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### To the members of Rasandik Engineering Industries India Limited on the financial statements for the year ended 31 March 2023

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment.
- (B) Since the Company has no Intangible Assets. Thus, paragraph 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) As explained to us, the Property, Plant and Equipment 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) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3(i)(e) of the Order is not applicable.
- (ii) (a) As informed to us, inventories have been physically verified during the year by the management except goods-in-transit and stocks lying with third parties for which confirmation are not available. In our opinion, the frequency of verification is reasonable. No discrepancies were noticed on verification between the physical stocks and book records that were more than 10% in aggregate of each class of inventory.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are not in agreement with the books of account of the Company for the reasons stated in note no. 18 of the financial statements.
- (iii) The Company has not made any investment in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships. The Company has granted loans to its employees during the year.
- (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other entity during the year. Accordingly, reporting under clause 3(iii) (a) of the Order is not applicable to the Company.
- (b) The terms and conditions of the grant of all loans are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of loans given by the Company to its employees, the schedule of repayment of principal has been stipulated and the repayments of principal have generally been regular as per stipulation.
- (d) There is no overdue amount in respect of loans granted to such employees.
- (e) No loans or advances in the nature of loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

- (v) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Company's activities. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state

insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have not generally been regularly deposited by the company with the appropriate authorities though the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues referred to in sub-clause (a) were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, statutory dues relating to Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute are as follows:-

Nature of dues	Financial Year	Amount (in Lakhs)	Forum where pending
Central Sales Tax	2014-15	39.70	Excise and Taxation officer, Mewat
Central Sales Tax	2015-16	69.21	Excise and Taxation officer, Mewat
Central Sales Tax	2016-17	30.26	Excise and Taxation officer, Mewat
Maharashtra Goods and Services Tax	2017-18	20.53	Joint Commissioner of State Tax

- (viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.
- (ix) (a) Based on the examination of records and information and explanation given to us, the Company has defaulted in repayment of its loans or payment of interest to any lenders as follows:

(Rs. in Lakhs)

Nature of borrowing including debt securities	Name of lender	Amount of monthly installments, not paid on due date	Whether principal or interest	No. of days delay – varying between	Remarks, if any
Term Loans	Punjab National Bank	26.11	Principal	6 Days to 11 Days	
Funded Interest Term Loan	Punjab National Bank	8.30	Principal	6 Days to 7 Days	
GECL Term Loans	Punjab National Bank	30.73	Principal	5 Days to 21 Days	
Term Loan	Punjab National Bank	68.75	Principal	5 Days to 29 Days	
Term Loan	Indian Bank/ Punjab National Bank	1.97 to 6.75	Interest	3 Days to 29 Days	

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- (c) In our opinion and according to information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) The Company has no subsidiaries, associates or joint venture. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) The Company has no subsidiaries, associates or joint venture. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanation given to us, no fraud by the Company or on the Company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, no complaints are raised from whistle-blower during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statement as required by the applicable accounting standard.
- (xiv) (a) Based on the information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, and accordingly, paragraph 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable to the Company.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) 3(xvi)(d) and of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) We draw attention to note no. 1.4(d) to the financial statements, which indicates that the Company has incurred a net loss of Rs. 329.74 lakhs during the year ended 31 March 2023 and as on that date, the Company's current liabilities exceed its current assets by Rs. 3,688 lakhs. According to the information and explanations given to us, on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

of the evidence supporting the assumptions, indicate that material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to spend any amount on corporate social responsibility under section 135 of the Companies Act. Hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For **V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI FRN: 109208W

Place: New Delhi  
Date: 30 May 2023

**Karthik Srinivasan**  
Partner (M. No. 514998)  
UDIN: 23514998BGXEPN5655

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

### **ON THE FINANCIAL STATEMENTS OF RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

#### **REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to financial statements of Rasandik Engineering Industries India Limited ("the Company") as of 31 March 2023 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013 (hereinafter referred to as "the Act").

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with

reference to financial statements included obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

### QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, and as described in note no. 5, 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 the Balance Sheet Date. Accordingly, we are unable to comment upon the value of adjustments required to the carrying value of the inventories and consequential impact on the accompanying financial statements.

In our opinion, except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as of 31 March 2023, 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 issued by the Institute of Chartered Accountants of India.

### EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Ind AS financial statements of the Company, which comprise the Balance Sheet as at 31 March 2023, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 31 March 2023 Ind AS financial statements of the Company and this report affect our report dated 30 May 2023, which expressed an qualified opinion on those financial statements.

For **V. Sankar Aiyar & Co.**  
Chartered Accountants  
ICAI FRN: 109208W

Place: New Delhi  
Date: 30 May 2023

**Karthik Srinivasan**  
Partner (M. No. 514998)  
UDIN: 23514998BGXEPN5655

# BALANCE SHEET

AS AT 31 MARCH, 2023

(All figures in Rs. Lacs, unless otherwise stated)

CIN No : L74210HR1984PLC032293

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	2	14,587.81	16,730.09
Capital work-in-progress		9.74	333.61
Financial assets			
Others financial assets	3	92.77	173.02
Non current tax assets (Net)		72.78	93.89
Other non-current assets	4	74.77	72.49
<b>Total Non Current Assets (A)</b>		<b>14,837.87</b>	<b>17,403.10</b>
<b>Current Assets</b>			
Inventories	5	4,191.89	4,934.67
Financial assets			
Trade receivables	6	1,165.70	1,657.86
Cash and cash equivalents	7	3.25	3.70
Bank balances other than cash and cash equivalents	8	38.85	20.09
Others current financial assets	9	344.42	215.83
Other current assets	10	147.82	459.98
<b>Total Current Assets (B)</b>		<b>5,891.93</b>	<b>7,292.13</b>
<b>Non Current Assets held for sale (C)</b>	<b>11</b>	<b>1,777.15</b>	<b>-</b>
<b>Total Assets (A+B+C)</b>		<b>22,506.95</b>	<b>24,695.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	597.50	597.50
Other equity	13	8,713.55	8,980.22
<b>Total equity (D)</b>		<b>9,311.05</b>	<b>9,577.72</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	1,449.96	2,022.85
Provisions	15	51.23	55.37
Deferred tax liabilities (Net)	16	2,019.53	2,140.38
Other non current liabilities	17	95.25	654.47
<b>Total Non Current Liabilities (E)</b>		<b>3,615.97</b>	<b>4,873.07</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	18	6,185.00	6,733.71
Trade payables - Total outstanding dues of Micro enterprises and small enterprises	19	-	-
Creditors other than micro enterprises and small enterprises		1,641.90	2,396.56
Other financial liabilities	20	300.06	362.72
Provisions	21	740.72	28.64
Other current liabilities	22	630.21	640.77
Current tax liabilities (Net)		82.04	82.04
<b>Total Current Liabilities (F)</b>		<b>9,579.93</b>	<b>10,244.44</b>
<b>Total Equity and Liabilities (D+E+F)</b>		<b>22,506.95</b>	<b>24,695.23</b>

Corporate information and summary of significant accounting policies 1

The accompanying notes to 1 to 52 form an integral part of the Financial Statements.

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

**Gautam Bhattacharya**

Chief Financial Officer

**Dr. Shyam S. Sethi**

Director

DIN : 01394311

**Abhay Kumar Khanna**

Director

DIN : 06919161

**Pradeep Chandra Nayak**

Company Secretary

ACS 15852

Place : New Delhi

Dated : 30 May, 2023

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

(All figures in Rs. Lacs, unless otherwise stated)

CIN No : L74210HR1984PLC032293

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>INCOME</b>			
Revenue from operations	23	15,001.86	20,659.76
Other income	24	637.71	74.36
<b>Total Income</b>		<b>15,639.57</b>	<b>20,734.12</b>
<b>EXPENSES</b>			
Cost of materials consumed	25	10,351.23	15,227.35
Changes in inventories of finished goods, stock in trade and work in progress	26	358.67	(27.24)
Manufacturing and operating expenses	27	1,311.67	1,707.79
Employee benefits expense	28	1,337.89	1,427.83
Finance costs	29	1,067.85	1,128.61
Depreciation and amortization expense	30	708.88	837.59
Other expenses	31	784.09	800.42
<b>Total Expenses</b>		<b>15,920.28</b>	<b>21,102.35</b>
<b>Profit/ (loss) before Exceptional items and tax</b>		<b>(280.71)</b>	<b>(368.23)</b>
Exceptional Items (Refer Note No. 36)		(191.09)	-
Profit/ (loss) before tax		<b>(471.80)</b>	<b>(368.23)</b>
<b>Tax expense :</b>			
Deferred tax		(142.06)	(97.44)
Total tax expenses		(142.06)	(97.44)
<b>Profit / (loss) for the year</b>		<b>(329.74)</b>	<b>(270.79)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		16.08	20.35
Income Tax relating to items that will not be reclassified to Profit or Loss		(4.05)	(5.12)
<b>Other comprehensive income for the year</b>		<b>12.03</b>	<b>15.23</b>
<b>Total comprehensive income for the year</b>		<b>(317.71)</b>	<b>(255.56)</b>
<b>Earning per Equity Share of Rs 10 each</b>			
Basic (Rs)	33	(5.52)	(4.53)
Diluted (Rs)		(5.52)	(4.53)

Corporate information and summary of significant accounting policies 1

The accompanying notes to 1 to 52 form an integral part of the Financial Statements.

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

**Gautam Bhattacharya**

Chief Financial Officer

**Dr. Shyam S. Sethi**

Director

DIN : 01394311

**Abhay Kumar Khanna**

Director

DIN : 06919161

**Pradeep Chandra Nayak**

Company Secretary

ACS 15852

Place : New Delhi

Dated : 30 May, 2023



## STATEMENT OF CHANGES IN EQUITY

(All figures in Rs. Lacs, unless otherwise stated)  
CIN No : L74210HR1984PLC032293

### (a) Equity Share Capital

Particulars	Amount
<b>Balance as at 1st April, 2021</b>	<b>597.50</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2022</b>	<b>597.50</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2023</b>	<b>597.50</b>

### (b) Other Equity

Particulars	Reserves and Surplus					Total Other Equity
	Retained Earning	General Reserve	Securities Premium Account	Capital Reserve	Deemed Equity	
<b>As at 1st April, 2021</b>	<b>5,986.76</b>	<b>724.74</b>	<b>2,481.74</b>	<b>42.54</b>		<b>9,235.78</b>
Adjustments:						
Profit/ (loss) for the year	(270.79)	-		-	-	(270.79)
Other Comprehensive Income	-	-		-	-	-
Re-measurement gains (losses) on defined benefit plans	15.23	-		-	-	15.23
<b>As at 31 March, 2022</b>	<b>5,731.20</b>	<b>724.74</b>	<b>2,481.74</b>	<b>42.54</b>	-	<b>8,980.22</b>
Adjustments:						
Profit/ (loss) for the year	(329.74)	-		-	-	(329.74)
Addition during the year (refer note no. 12)					68.20	68.20
Tax impact on above					(17.16)	(17.16)
Other Comprehensive Income	-	-		-	-	-
Re-measurement gains (losses) on defined benefit plans	12.03	-		-	-	12.03
<b>As at 31 March, 2023</b>	<b>5,413.49</b>	<b>724.74</b>	<b>2,481.74</b>	<b>42.54</b>	<b>51.04</b>	<b>8,713.55</b>

Corporate information and summary of significant accounting policies **1**  
The accompanying notes to 1 to 52 form an integral part of the Financial Statements.

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

**Gautam Bhattacharya**  
Chief Financial Officer

**Dr. Shyam S. Sethi**  
Director  
DIN : 01394311

**Abhay Kumar Khanna**  
Director  
DIN : 06919161

Place : New Delhi  
Dated : 30 May, 2023

**Pradeep Chandra Nayak**  
Company Secretary  
ACS 15852

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

(All figures in Rs. Lacs, unless otherwise stated)

CIN No : L74210HR1984PLC032293

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit / (Loss) after exceptional Items & before Tax	(471.80)	(368.23)
Adjustments for :		
Depreciation and amortization expense	708.88	837.59
Interest income	(4.84)	(1.92)
EPCG grant income	-	(28.04)
Profit on sale of property, plant and equipments	(585.13)	(0.97)
Balance written back of trade payable / advances/provisions	(23.80)	(31.24)
Bad debts/recoverables written off	15.02	-
Finance costs	1,067.85	1,128.61
Operating profit before working capital changes	706.18	1,535.80
Adjustments for :		
(Increase)/Decrease in Trade receivables	477.78	238.04
(Increase)/Decrease in Inventories	742.78	(561.28)
(Increase)/Decrease in Other financial asset	79.61	(109.66)
(Increase)/Decrease in Other current/non current asset	181.29	116.71
Increase/(Decrease) in Trade payables	(730.85)	(11.44)
Increase/(Decrease) in Other financial liabilities	(42.59)	(1.54)
Increase/(Decrease) in Other current/non current liabilities and Provisions	(104.66)	16.59
Cash generated from operations	1,309.54	1,223.22
Direct taxes paid	21.11	(18.72)
<b>Net Cash from Operating Activities</b>	<b>1,330.65</b>	<b>1,204.50</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of property, plant and equipments including capital work in progress	(343.43)	(89.12)
Capital advances	-	130.00
Advance against sale of property, plant and equipments	258.90	-
Sale of property, plant and equipment	908.67	1.15
Investment in fixed deposits (Net)	(18.76)	15.34
Interest received	4.84	1.92
<b>Net Cash used in Investing Activities</b>	<b>810.22</b>	<b>59.29</b>
<b>Cash Flow from Financing Activities</b>		
Repayments of long term borrowings	(1,468.90)	(1,781.58)
Proceeds from long term borrowings	170.00	1,902.03
(Repayments) / proceeds from short term borrowings (net)	245.50	(314.89)
Interest paid	(1,087.92)	(1,098.99)
<b>Net Cash used in Financing Activities</b>	<b>(2,141.32)</b>	<b>(1,293.43)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(0.45)</b>	<b>(29.64)</b>

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**  
 (All figures in Rs. Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Cash and Cash Equivalents (Opening Balance)	3.70	33.34
Effect of exchange differences on translation of foreign currency cash & cash equivalents		
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>3.25</b>	<b>3.70</b>
<b>Break up of closing cash &amp; cash equivalent</b>		
Current Accounts	3.04	3.06
Cash in Hand	0.21	0.64
	<b>3.25</b>	<b>3.70</b>
<b>Reconciliation of liabilities from financing activities</b>	<b>Non Current Borrowings#</b>	<b>Non Current Borrowings#</b>
As at 31.03.2022	3,535.15	3,414.70
Add: Proceeds	170.00	1,902.03
Less: Repayments	(1,468.90)	(1,781.58)
Less: Considered as deemed equity (refer note no. 13)	(68.20)	
<b>As at 31.03.2023</b>	<b>2,168.05</b>	<b>3,535.15</b>

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

# including current maturity of long-term borrowings.

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

Corporate information and summary of significant accounting policies

**1**

The accompanying notes to 1 to 52 form an integral part of the Financial Statements.

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

**Gautam Bhattacharya**

Chief Financial Officer

**Dr. Shyam S. Sethi**

Director

DIN : 01394311

**Abhay Kumar Khanna**

Director

DIN : 06919161

**Pradeep Chandra Nayak**

Company Secretary

ACS 15852

Place : New Delhi

Dated : 30 May, 2023

# NOTES TO FINANCIAL STATEMENTS

AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023

## 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 & dies 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 and all values are rounded to the nearest Lacs, except when otherwise indicated.

### 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 accounting judgments, estimates and assumptions

#### 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. 37

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.

#### d. Going concern assumptions

For the financial year ended 31 March, 2023, the Company has recorded a net loss after tax of ₹ 329.74 Lacs (Previous year ₹ 270.79 Lacs). The Company's net current liabilities as at 31 March, 2023 is ₹ 3,688.00 Lacs as compared to

**NOTES TO FINANCIAL STATEMENTS  
AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

₹ 2,952.31 Lacs as at 31 March, 2022. 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, evaluating monetising of certain assets (refer note no. 11) 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 year, the Company has received interest free unsecured long-term loan of ₹ 170 Lacs from its Promoter Managing Director.

**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:

<b>Property, plant and equipment</b>	<b>Useful life</b>
Leasehold land	: Over the period of lease
Buildings	: 30 - 60 years
Plant and machinery and electrical installations	: 10 - 25 years
Dies, 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

## NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

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 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 01 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 recognized initially at fair value (purchase value plus transaction costs that are attributable to the acquisition of the financial asset), amortized cost or at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**NOTES TO FINANCIAL STATEMENTS  
AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**  
(All figures in ₹ Lacs, unless otherwise stated)

**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.
- 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 and other welfare and terminal benefits.

## NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

### **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.

### **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 (RS.), 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 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.



## NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

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 based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any

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 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

## NOTES TO FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

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 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. An impairment loss is recognized for any initial or subsequent write down of the asset to fair value less cost to sell. A gain is recognized for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of sale of the non-current asset is recognized at the date of de-recognition. Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

### 1.21 Recent accounting pronouncement

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards

or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and there is no impact on its financial statements

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 01 April, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES TO FINANCIAL STATEMENTS  
 AS ON AND FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)  
 (All figures in ₹ Lacs, unless otherwise stated)

**2. PROPERTY PLANT AND EQUIPMENT**

Particulars	Leasehold Land (Right to use)	Freehold Land (Refer Note No.1)	Building	Plant & Equipment	Dies, Jigs & Fixture	Furniture & Fixtures	Vehicles	Computer	Office Equipment	Utilities	Total
<b>Gross Block</b>											
<b>Balance as at 31 March, 2021</b>	<b>5,588.70</b>	<b>4,094.87</b>	<b>3,092.52</b>	<b>9,343.25</b>	<b>1,515.08</b>	<b>101.37</b>	<b>259.15</b>	<b>72.88</b>	<b>16.39</b>	<b>162.14</b>	<b>24,246.35</b>
Additions	-	-	-	100.11	-	-	21.77	0.24	0.10	8.59	130.81
Disposals	-	-	-	-	-	-	6.59	-	-	-	6.59
<b>Balance as at 31 March, 2022</b>	<b>5,588.70</b>	<b>4,094.87</b>	<b>3,092.52</b>	<b>9,443.36</b>	<b>1,515.08</b>	<b>101.37</b>	<b>274.33</b>	<b>73.12</b>	<b>16.49</b>	<b>170.73</b>	<b>24,370.57</b>
Additions	-	55.14	39.75	154.98	70.53	0.34	2.25	16.89	-	7.41	347.29
Disposals/adjustment (refer note no. 11)	262.20	923.21	538.25	2,888.96	-	-	6.16	-	-	-	4,618.78
<b>Balance as at 31 March, 2023</b>	<b>5,326.50</b>	<b>3,226.80</b>	<b>2,594.02</b>	<b>6,709.38</b>	<b>1,585.61</b>	<b>101.71</b>	<b>270.42</b>	<b>90.01</b>	<b>16.49</b>	<b>178.14</b>	<b>20,099.08</b>
<b>Accumulated Depreciation</b>											
<b>Balance as at 31 March, 2021</b>	<b>355.25</b>	-	<b>536.90</b>	<b>5,114.19</b>	<b>469.97</b>	<b>69.06</b>	<b>160.39</b>	<b>47.09</b>	<b>10.93</b>	<b>45.51</b>	<b>6,809.29</b>
Charge for the year	70.57	-	107.10	473.91	129.23	4.71	32.32	7.24	1.04	11.47	837.59
Disposal during the year	-	-	-	-	-	-	6.40	-	-	-	6.40
<b>Balance as at 31 March, 2022</b>	<b>425.82</b>	-	<b>644.00</b>	<b>5,588.10</b>	<b>599.20</b>	<b>73.77</b>	<b>186.31</b>	<b>54.33</b>	<b>11.97</b>	<b>56.98</b>	<b>7,640.48</b>
Charge for the year	70.57	-	119.39	367.66	102.65	4.64	24.48	6.79	0.89	11.82	708.89
Disposal/adjustment (refer note no. 11)	32.91	-	359.97	2,439.74	-	-	5.48	-	-	-	2,838.10
<b>Balance as at 31 March, 2023</b>	<b>463.48</b>	-	<b>403.42</b>	<b>3,516.02</b>	<b>701.85</b>	<b>78.41</b>	<b>205.31</b>	<b>61.12</b>	<b>12.86</b>	<b>68.80</b>	<b>5,511.27</b>
<b>Net Block</b>											
<b>Balance as at 31 March, 2022</b>	<b>5,162.88</b>	<b>4,094.87</b>	<b>2,448.52</b>	<b>3,855.26</b>	<b>915.88</b>	<b>27.60</b>	<b>88.02</b>	<b>18.79</b>	<b>4.52</b>	<b>113.75</b>	<b>16,730.09</b>
<b>Balance as at 31 March, 2023</b>	<b>4,863.02</b>	<b>3,226.80</b>	<b>2,190.60</b>	<b>3,193.36</b>	<b>883.76</b>	<b>23.30</b>	<b>65.11</b>	<b>28.89</b>	<b>3.63</b>	<b>109.34</b>	<b>14,587.81</b>

- During the year, Company has paid Rs. 55.14 Lacs as of land use charges (CLU).
- Refer note no. 14 and 18 for details of mortgage / hypothecation of Property, plant and equipment towards security.
- Title deeds of all the immovable properties are held in the name of the Company.
- No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988.
- During the year, the Company has sold certain plant & machinery for consideration of ₹ 908.67 Lacs. The gain being difference between sale proceeds and carrying cost arising from sale of said assets was ₹ 585.13 Lacs is recognized as other income. (refer note no. 24)

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**2. CAPITAL WORK-IN-PROGRESS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital work-in-progress	9.74	333.61
	<b>9.74</b>	<b>333.61</b>

Capital work-in-progress ageing schedule for the year ended 31 March, 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9.74	-	-	-	9.74
Projects suspended *	-	-	-	-	-

Capital work-in-progress ageing schedule for the year ended 31 March, 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	13.61	-	-	-	13.61
Projects suspended *	-	-	-	320.00	320.00

During the year, 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 Lacs (PY ₹ 320.00 Lacs) net of impairment. Due to business reasons, the installation and commissioning of the said plant & equipment could not be proceeded with. Further, the management was considering various options to utilise such machinery. The Board of Director's in their meeting held on 13 August, 2022 has decided to sell the said equipment on "as is where is" basis. Considering the Company's intention to sell the equipment in the near future, it is considered appropriate to classify the said plant and equipment as "non current asset held for sale" at lower of cost or fair value less costs to sell. The Company is in the process of obtaining necessary approvals as may be required.

**3. FINANCIAL ASSETS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Retention Monies	-	69.86
Margin Money Deposits with Banks with more than 12 months maturity *	-	17.16
Security Deposits, unsecured, considered good		
Others	83.50	86.00
Advance to employees	9.27	-
<b>Total</b>	<b>92.77</b>	<b>173.02</b>
* Bank deposits represents deposits marked lien in favour of Bank(s)	-	17.16

**4. OTHER NON-CURRENT ASSETS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Amount paid under protest	74.77	72.49
<b>Total</b>	<b>74.77</b>	<b>72.49</b>

**5. INVENTORIES**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Raw materials	3,063.16	3,450.61
Raw materials in transit	9.13	0.25
Work-in-progress	753.65	995.98
Finished goods	224.67	341.01
Stores and spares	514.40	514.56
Packing material	17.26	22.64
	4,582.27	5,325.05
Diminution In Stocks	(390.38)	(390.38)
<b>Total</b>	<b>4,191.89</b>	<b>4,934.67</b>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

**footnote:-**

The Company has issue related to interest costs on borrowings resulting in Company becoming uncompetitive and has thus decided to have limited focus on automotive component business. The management is also initiating Marketing, Development and Manufacturing of Electric 3 Wheeler (L-5) category and build its own Brand. Since the attention of the management has been focussing on improving automotive components/Electric Vehicle operations, it has not been possible to make critical evaluation of items of inventory lying unconsumed (either due to ageing or utility) to suit the nature of production. In these circumstances there is a likely fall in the NRV of individual items requiring provision for impairment (which is unascertained). The Company expects that a critical evaluation can be carried out during the current financial year 2023-24. In the opinion of the management, provision for diminution in value of stock of ₹ 390.38 Lacs (PY. ₹ 390.38 Lacs) is considered adequate.

**6. TRADE RECEIVABLES**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trace Receivable considered good - Unsecured	1,165.70	1,657.86
Trace Receivable - credit impaired - Unsecured	161.52	180.98
	1,327.22	1,838.84
Less: Allowance for credit impairment	(161.52)	(180.98)
<b>Total</b>	<b>1,165.70</b>	<b>1,657.86</b>

**Note:** No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables ageing schedule for the year ended as on 31 March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	More than 6 months to 12 months	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	1,131.22	17.89	3.51	20.34	-	1,172.96
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	154.26	154.26
<b>Total</b>	<b>1,131.22</b>	<b>17.89</b>	<b>3.51</b>	<b>20.34</b>	<b>154.26</b>	<b>1,327.22</b>
Less: Impairment allowance for trade receivables- Credit Impaired						(161.52)
<b>Total trade receivable</b>						<b>1,165.70</b>

Trade receivables ageing schedule for the year ended as on 31 March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	More than 6 months to 12 months	1-2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	1,625.13	27.06	13.06	-	-	1,665.25
(ii) Undisputed Trade Receivables credit impaired	-	-	-	-	173.59	173.59
<b>Total</b>	<b>1,625.13</b>	<b>27.06</b>	<b>13.06</b>	<b>-</b>	<b>173.59</b>	<b>1,838.84</b>
Less: Impairment allowance for trade receivables- Credit Impaired						(180.98)
<b>Total trade receivable</b>						<b>1,657.86</b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**7. CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bank balance in current accounts		
In Cash Credit Accounts	3.04	3.06
Cash on hand	0.21	0.64
<b>Total</b>	<b>3.25</b>	<b>3.70</b>

**8. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Bank deposit with original maturity more than 3 months less than 12 months*	38.85	20.09
<b>Total</b>	<b>38.85</b>	<b>20.09</b>
* Bank deposits represents deposits marked lien in favour of Bank(s)	<b>24.23</b>	<b>6.13</b>

**9. OTHER CURRENT FINANCIAL ASSETS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Interest receivable</b>		
Related Party (Refer Note No. 38)	68.59	68.59
Others	-	1.48
Retention Monies	69.86	55.20
<b>Security Deposits, unsecured, considered good</b>		
Related Party (Refer Note No. 38)	200.00	70.00
Advance to employees	5.97	20.56
<b>Total</b>	<b>344.42</b>	<b>215.83</b>

**10. OTHER CURRENT ASSETS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Advance recoverable in cash or in kind (unsecured) Considered good</b>		
Others	8.71	17.99
Prepaid expense	40.69	29.31
Unbilled Revenue - Contract Assets	9.16	156.67
<b>Advance to suppliers (unsecured) considered good</b>		
Related Party (Refer Note No. 38)	-	10.40
Others	81.64	226.12
Considered doubtful	131.63	148.81
Balance recoverable from Government Authorities	7.62	19.49
	279.45	608.79
Less : Impairment allowance for doubtful advance	(131.63)	(148.81)
<b>Total</b>	<b>147.82</b>	<b>459.98</b>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

**11. NON CURRENT ASSETS HELD FOR SALE**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Freehold land	923.21	-
Leasehold land	229.29	-
Factory and office buildings	178.28	-
Plant & machinery	446.37	-
	<b>1,777.15</b>	<b>-</b>

a) Towards the objective to generate cash flow, improve leverage ratios by reducing working capital facilities of the Company and to improve the financial performance of the Company, the Board of Directors in their meeting 30 May 2023 has identified and decided to sell certain Fixed Assets in the near future. Accordingly, it is considered appropriate to classify the carrying value of Fixed Asset ₹ 1,330.78 lakhs as at 31 March 2023 of such identified fixed asset respectively as "non-current assets held for sale".

This proposed sale of certain Fixed Asset in the near future will not affect the continuity of business/operations of the Company and would rather improve the financial performance in the near term.

Further, the Company will obtain necessary approvals from its shareholders at the forth coming annual general meeting and other approvals as may be required to execute the said transaction.

b) Plant & machinery held for sale includes ₹ 320 lakhs reclassified from Capital work in progress (refer note no. 2 read with note no. 34(c)).

**12. EQUITY SHARE CAPITAL**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Authorised</b>		
100,00,000 (31 March, 2022 100,00,000) Equity Shares of ₹ 10/- each	1,000.00	1,000.00
<b>Issued, subscribed and fully paid</b>		
59,75,000 (31 March, 2022 - 59,75,000) Equity Shares of ₹10/- each	597.50	597.50
<b>Total</b>	<b>597.50</b>	<b>597.50</b>

**(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**

Particulars	As at 31 March, 2023	As at 31 March, 2022
At the beginning of the year	59,75,000.00	59,75,000
Issued during the year	-	-
<b>Total</b>	<b>59,75,000.00</b>	<b>59,75,000</b>

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

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

Name of the shareholder	As at 31 March, 2023		As at 31 March, 2022	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Rajiv Kapoor	13,99,441	23.42%	13,99,441	23.42%
Radhika Securities Private Limited	6,51,383	10.90%	6,51,383	10.90%
Ganesh Securities Private Limited	6,16,732	10.32%	6,16,732	10.32%

(d) Shareholding of promoter

Promoter Name	As at 31 March, 2023		As at 31 March, 2022		% of Change
	Number of Shares	% of Holding	Number of Shares	% of Holding	
Rajiv Kapoor	13,99,441	23.42%	13,99,441	23.42%	0%
Deepika Kapoor	54,300	0.91%	54,300	0.91%	0%
<b>Promoter Group</b>					
Krishna Kumari Kapoor	2,48,000	4.15%	2,48,000	4.15%	0%
Man Mohan	5,784	0.10%	5,784	0.10%	0%
Radhika Securities Private Limited	6,51,383	10.90%	6,51,383	10.90%	0%
Ganesh Securities Private Limited	6,16,732	10.32%	6,16,732	10.32%	0%
Kapoor & Budhwar Associates Private Limited	1,97,200	3.30%	1,97,200	3.30%	0%

13. OTHER EQUITY

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Retained earnings</b>		
Opening Balance	5,731.20	5,986.76
Add: Additions during the year	(329.74)	(270.79)
Add: Other Comprehensive Income	12.03	15.23
<b>Closing balance</b>	<b>5,413.49</b>	<b>5,731.20</b>

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company.

Capital Reserves	As at 31 March, 2023	As at 31 March, 2022
Opening Balance	42.54	42.54
<b>Closing balance</b>	<b>42.54</b>	<b>42.54</b>

Capital Reserve - During the 2004-05, the Company has reissued 11400 forfeited equity shares of ₹ 10/- each at ₹ 46.60, the then prevailing market price. Amount ₹ 4.74 Lacs received in excess of the face value has been taken to capital reserve and during the 2007-08, the Company had received 10% of the amount due on warrant i.e. ₹ 37.80 Lacs along with the application for the warrants as on the date of allotment i.e. 26.11.2005. However the balance 90% amount of the exercise amount was not received within the said 18 months i.e. by 25.05.2007 and hence the warrants have since been cancelled and the 10% amount i.e. ₹ 37.80 Lacs received at the time of application has been forfeited and credited to Capital Reserve.

General Reserve	As at 31 March, 2023	As at 31 March, 2022
Opening Balance	724.74	724.74
<b>Closing balance</b>	<b>724.74</b>	<b>724.74</b>

The Company had transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

Deemed Equity	As at 31 March, 2023	As at 31 March, 2022



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Opening Balance	-	-
Add: Additions during the year	68.20	-
Tax impact on above	(17.16)	-
<b>Closing balance</b>	<b>51.04</b>	<b>-</b>

During the year, the Company has received interest free unsecured long-term loan of ₹ 170 Lacs 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 ₹ 51.04 Lacs (net of deferred tax) has been recognized during the year as deemed equity under the head "Other equity".

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Securities Premium Reserve</b>		
Opening Balance	2,481.74	2,481.74
<b>Closing balance</b>	<b>2,481.74</b>	<b>2,481.74</b>

Amount received in excess of face value of the equity shares is recognized in Securities Premium. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium. It will be used as per the provision of Companies Act, 2013.

#### 14. NON CURRENT BORROWINGS

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Secured</b>		
Rupee Term loans from Banks	Interest Rate	
Punjab National Bank (PNB)	8.30% to 13.40%	1,788.16
Indian Bank	8.10% to 8.30%	278.09
<b>Unsecured</b>		
From related parties	101.80	-
	2,168.05	3,535.15
Less : Current maturities of long term borrowings at the year end (refer note no 18)	(718.09)	(1,512.30)
<b>Total</b>	<b>1,449.96</b>	<b>2,022.85</b>

Punjab National Bank - (One time restructured under COVID 19) - Outstanding as at 31.03.2023 of ₹ 497.79 Lacs. Repayment schedule is as per table below and carries interest rate of MCLR plus 6% i.e. 13.40% p.a at present.

	Term Loan
Overdue amount as on 31.03.2023 (paid on 11.04.2023)	43.79
Due on 30.06.2023	68.75
Due on 30.09.2023	68.75
Due on 31.12.2023	68.75
Due on 31.03.2024	68.75
Due on 30.06.2024	68.75
Due on 30.09.2024	110.25

Punjab National Bank - GECL - Repayable in 48 equal monthly instalment after 12 months moratorium ended on August, 2022 and carries interest rate of MCLR plus 1% i.e. 8.30% p.a. on reporting date subject to maximum of 9.25% p.a.. Monthly EMI of ₹ 30.73 Lacs and outstanding as on 31 March, 2023 ₹ 1290.37 Lacs.

All above loans are secured by first exclusive charge on entire fixed assets of the Company, except the property mortgaged with Indian Bank and personal guarantee of Shri. Rajiv Kapoor and Shris. Deepika Kapoor. Additionally pledge of 8095 shares of the Company by Shri. Rajiv Kapoor.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

Indian Bank - GECL - 278.09 Lacs loan is repayable in 48 equal monthly instalment after 24 months moratorium ending on April, 2024 and carries interest rate of MCLR plus 1% i.e. 8.10% p.a. on the reporting date. Secured by hypothecation of stock and book debt and second charge on industrial land standing in the name of Company at Kanwarsika, Teh. Nuh, Dist. Mewat, Haryana.

Unsecured, interest free loan of 170 lakhs taken during the year from a promoter Director is due for repayment after 5 years.

All charges are registered with Registrar of Companies (ROC) within statutory period by the Company.

Term Loan were applied for the purpose for which the loans were obtained.

### 15. NON CURRENT PROVISIONS

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for employee benefits		
Gratuity	51.23	55.37
<b>Total</b>	<b>51.23</b>	<b>55.37</b>

### 16. DEFERRED TAX LIABILITIES (NET)

Particulars	As on 31 March, 2022	Income statement	OCI	SOCIE	As on 31 March, 2023
<b>Deferred Tax Liability :</b>					
Deemed Equity	-	-	-	17.16	17.16
Property Plant & Equipment	3,074.46	70.88	-	-	3,145.34
	<b>3,074.46</b>	<b>70.88</b>	-	<b>17.16</b>	<b>3,162.50</b>
<b>Deferred Tax Assets</b>					
Trade Receivable, advances & inventories	143.80	(4.90)	-	-	138.90
Carry forward losses	609.55	87.76	-	-	697.31
Provision for Employee Benefit	21.14	(4.50)	(4.05)	-	12.59
Provision for contingencies and claims	-	134.58	-	-	134.58
Deferred Grant income	135.62	-	-	-	135.62
Deferred Rent	23.97	-	-	-	23.97
	934.08	212.94	(4.05)	-	1,142.97
<b>Net Deferred Tax Liability</b>	<b>2,140.38</b>	<b>(142.06)</b>	<b>4.05</b>	<b>17.16</b>	<b>2,019.53</b>

### 17. OTHER NON CURRENT LIABILITIES

Particulars	As at 31 March, 2023	As at 31 March, 2022
Deferred rent	95.25	95.25
EPCG deferred grant	-	559.22
<b>Total</b>	<b>95.25</b>	<b>654.47</b>

### 18. BORROWINGS (Repayable on demand)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Secured		
From Banks - Working capital loans	5,466.91	5,221.41
Current maturities of long term borrowings (Refer Note.13)	718.09	1,512.30
<b>Total</b>	<b>6,185.00</b>	<b>6,733.71</b>

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. 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.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

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.

Against the working capital limits by the Banks, quarterly returns / stock statements filed by the Company are not in agreement with books of accounts. There are certain differences between quarterly unaudited/audited results and figures submitted to the bank. The difference is mainly due to amount provided for in the books of account for diminution in value of inventories not considered and correct ascertainment of trade payables. In respect of certain trade receivables, the corresponding advance received have not been considered.

**19. TRADE PAYABLES**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,641.90	2,396.56
<b>Total</b>	<b>1,641.90</b>	<b>2,396.56</b>

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.

Trade Payables aging schedule as at 31 March, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,405.52	131.01	25.75	40.66	1,602.93
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	38.97	38.97
<b>Total</b>	<b>1,405.52</b>	<b>131.01</b>	<b>25.75</b>	<b>79.62</b>	<b>1,641.90</b>

Trade Payables aging schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,190.40	89.96	31.99	34.39	2,346.74
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	49.82	49.82
<b>Total</b>	<b>2,190.40</b>	<b>89.96</b>	<b>31.99</b>	<b>84.21</b>	<b>2,396.56</b>

**20. OTHERS - FINANCIAL LIABILITIES**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Interest accrued and due on borrowings	10.37	30.44
Interest on Goods and Services Tax	81.72	112.87
Retention monies	23.52	23.52
Security Deposits	-	30.00
Creditors for Capital Goods	2.70	3.87
Employee benefits payable	94.67	105.04
Expenses payable	87.08	56.98
<b>Total</b>	<b>300.06</b>	<b>362.72</b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**21. CURRENT PROVISIONS**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Provision for employee benefits</b>		
Gratuity	14.91	28.64
Provision for Custom Duty (including interest) #	725.81	-
<b>Total</b>	<b>740.72</b>	<b>28.64</b>

# Provision for Custom duty includes Rs. 559.22 lakhs reclassified from EPCG deferred grant, interest payable as per the Amnesty scheme of 191.08 lakhs and net of amount paid under protest ₹ 24.49 lakhs (refer note no. 34(c) and 36)

**22. OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Statutory dues payable	139.74	259.25
Advance from customers	231.57	381.52
Advance from Others		
- Against sale of property, plant and equipment (refer note no. 11)	258.90	-
<b>Total</b>	<b>630.21</b>	<b>640.77</b>

**23. REVENUE FROM OPERATIONS**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Sale of products #</b>		
Domestic Sales - Sheet Metal	13,438.72	18,816.84
Domestic Sales - Tools & Dies	360.12	587.88
Domestic Sales - Auto	203.17	41.03
Export Sales - Sheet Metal	-	348.29
	<b>14,002.01</b>	<b>19,794.04</b>
<b>Sale of services:</b>		
Job Work - Tools & Dies	112.76	31.49
	<b>112.76</b>	<b>31.49</b>
Other operating revenues:		
Scrap Sales	887.09	834.23
	<b>887.09</b>	<b>834.23</b>
<b>Grand Total</b>	<b>15,001.86</b>	<b>20,659.76</b>
<b>Revenue based on Business Segment</b>		
Sheet Metal	13,438.72	19,165.13
Tools and Dies	360.12	587.88
Auto	203.17	41.03
Job Work	112.76	31.49
Others	887.09	834.23
<b>Total</b>	<b>15,001.86</b>	<b>20,659.76</b>
<b>Reconciliation of Revenue from operations with contract price:</b>		
Contract Price	15,166.32	19,192.87
Add:-		
Supplementary Invoice due to escalation	202.57	1,457.70
Unbilled Revenue	5.98	156.67
Less:-		
Sales Returns	88.16	84.42
Late Delivery Charges	0.32	16.70
Supplementary Invoice due to De-escalation	284.53	46.36
<b>Total Revenue from Operation</b>	<b>15,001.86</b>	<b>20,659.76</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

### (a) Performance obligations

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that has an original expected duration of one year or more or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the Company's performance completed to date.

### (b) Transaction Price

The Company satisfies its performance obligations pertaining to the sale of auto components at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-90 days. There are no other significant obligations attached in the contract with customer.

### (c) Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

### (d) Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue.

### (e) Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

## 24. OTHER INCOME

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest on bank deposits	0.75	1.92
Interest from others	4.09	6.17
Profit on sale of property, plant & equipment (refer note no. 2)	585.13	0.97
Duty Drawback / Export Incentive	0.21	5.77
Foreign Exchange Fluctuation	13.58	-
EPCG Grant Income	-	<b>28.04</b>
Balances written back	23.80	31.24
Miscellaneous income	10.15	0.25
<b>Total</b>	<b>637.71</b>	<b>74.36</b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**25. COST OF MATERIAL CONSUMED**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Raw Material Consumed</b>		
Sheet Metals		
Opening stock	3,435.04	2,901.28
Add: Purchases	9,922.86	15,698.00
Less: Closing stock	(3,040.59)	(3,435.04)
<b>Sub Total</b>	<b>10,317.31</b>	<b>15,164.24</b>
<b>Others</b>		
Opening stock	14.83	19.00
Add: Purchases	40.87	58.94
Less: Closing stock	(21.78)	(14.83)
<b>Sub Total</b>	<b>33.92</b>	<b>63.11</b>
<b>Total</b>	<b>10,351.23</b>	<b>15,227.35</b>

**26. CHANGE IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK IN TRADE:**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening stock of Working Progress	995.98	1,057.68
Opening stock of Finished Goods	341.01	252.07
Less :		
Closing stock of Working Progress	(753.65)	(995.98)
Closing stock of Finished Goods	(224.67)	(341.01)
<b>Total</b>	<b>358.67</b>	<b>(27.24)</b>

**27. MANUFACTURING AND OPERATING EXPENSES**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Power & fuel	681.64	847.98
Stores & spares consumed	185.00	325.28
Packing & forwarding expenses	175.74	217.95
Job Work Charges	31.52	100.73
Repairs to :		
Plant & machinery	80.32	76.66
Building	117.80	95.05
Others	39.29	43.62
Warranty claims, line rejections etc.	0.36	0.52
<b>Total</b>	<b>1,311.67</b>	<b>1,707.79</b>

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**28. EMPLOYEE BENEFITS EXPENSE**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Salaries and wages, bonus, gratuity and allowances	686.52	708.14
Payment to contractors - wages	558.40	666.32
Contribution to provident and other funds	32.32	37.58
Director's remuneration	45.00	-
Staff welfare expenses	15.65	15.79
<b>Total</b>	<b>1,337.89</b>	<b>1,427.83</b>

**29. FINANCE COSTS**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Interest - Term Loans	299.48	381.79
Interest - Working Capital	706.04	708.78
Interest - Others	34.68	12.32
Other borrowing costs	27.65	25.72
<b>Total</b>	<b>1,067.85</b>	<b>1,128.61</b>

**30. DEPRECIATION AND AMORTIZATION EXPENSE**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Depreciation of property, plant & equipment	708.88	837.59
<b>Total</b>	<b>708.88</b>	<b>837.59</b>

**31. OTHER EXPENSES**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Rent	62.55	101.66
Rates and taxes	12.15	16.59
Insurance	27.78	25.09
Transportation and forwarding charges	181.71	230.12
Traveling & conveyance	78.31	70.22
Legal, professional and consultancy charges	117.01	87.10
Communication	10.04	7.84
Bad debts/recoverables written off	15.02	-
Payment to auditors:		
Statutory audit fees	13.00	13.00
Tax audit fees	3.00	3.00
Certification Fees	2.00	2.00
Other services	4.40	4.40
Bank charges	8.62	17.15
Cash discount	47.37	59.67
Net gain/(loss) on foreign currency transactions and translation	-	2.93
Watch & Ward	136.05	83.30
Printing & Stationery	7.24	10.85
Testing Charges	3.82	2.95
Miscellaneous expenses	54.02	62.55
<b>Total</b>	<b>784.09</b>	<b>800.42</b>

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**32. TAX EXPENSE**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Deferred Tax	(142.06)	(97.44)
<b>Total Income tax expense</b>	<b>(142.06)</b>	<b>(97.44)</b>
Reconciliation of effective tax rate on profit before Income tax		
Enacted Income tax rate	25.17%	25.17%
Profit before tax	(471.80)	(368.23)
<b>Current tax as per enacted tax rate</b>	<b>(118.75)</b>	<b>(92.68)</b>
Other adjustment as per applicable tax provisions	(23.31)	(4.76)

**33. EARNING PER SHARE**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Computation of basic / diluted earning/ ( loss) per share is as set out below:		
Net Profit / (Loss) after current and deferred tax	(329.74)	(270.79)
No of Shares outstanding at the beginning of the year	59,75,000	59,75,000
No of Shares outstanding at the end of the period	59,75,000	59,75,000
Weighted average number of equity shares of ₹ 10/- each	59,75,000	59,75,000
EPS (₹) - Basic and Diluted	(5.52)	(4.53)

**34. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Claims against the Company, not acknowledged as debts (refer note (a) below)	NIL	NIL
Disputed demand against central sales tax for 2014-15 to 2016-17 against C Form	139.17	139.17
Goods and services tax for the 2017-18 (refer note (b) below)	22.81	-
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 (c) below)	-	609.66

- (a) 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.
- (b) Department of Goods and Services Tax, Govt. of Maharashtra has raised demand of ₹ 22.81 Lacs against excess ITC claimed in GSTR 3B and interest/penalty thereon. The Company has filed appeal against the impugned order to appellate authority and made pre-deposit of ₹ 2.28 Lacs for filing appeal.
- (c) The Company had imported certain plant & equipment including the machinery referred in note no. 11 under EPCG license scheme. The Company has not been able to meet the export obligations during the stipulated period. Further, during the year, the Company has filed an appeal before Commissioner of Customs (Appeal) to set aside the impugned Order passed by Assessing Authority. The Company has made a pre-deposit of ₹ 24.36 Lacs being 7.50% of total demand of duty of ₹ 324.76 Lacs. The duty liability on account of pending export obligation aggregates to ₹ 559.22 Lacs as on 31st March, 2023, which has been re-classified during the quarter under the head Provisions (Current).

Ministry of Commerce & Industry, Govt. of India vide public notice 2/2023 dated 01/04/2023 has come out with Amnesty scheme for one time settlement of default in export obligation by Advance and EPCG authorization 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. This obligation is to be carried out on or before 30/09/2023

The management is in the process of filing an application under the Amnesty Scheme as mentioned above. The Company has calculated the interest liability as per the provisions of the said scheme. The total amount of ₹ 191.08 Lacs payable as interest under the scheme has been debited to statement for profit and loss for the quarter and year ended 31st March, 2023 as an exceptional item.



NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)  
 (All figures in ₹ Lacs, unless otherwise stated)

**35. CAPITAL COMMITMENTS**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

**36. EXCEPTIONAL ITEM**

As disclosed in note no. 33(c) above, the management is in the process of filing an application under the Amnesty Scheme as mentioned above. The Company has calculated the interest liability as per the provisions of the said scheme. The total amount of ₹ 191.08 Lacs payable as interest under the scheme has been debited to statement for profit and loss for the quarter and year ended 31st March, 2023 as an exceptional item.

**37. EMPLOYEE BENEFIT EXPENSE (IND AS 19)**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Defined Contribution Plan:</b>		
<b>The Company has recognized the following amount in the statement of profit and loss for the year</b>		
Provident fund	29.25	33.47
ESIC	2.76	3.65
Employee welfare fund	0.25	0.46
<b>Gratuity (Unfunded)</b>		
<b>Change in present value of Defined Benefit obligations</b>		
- Present value of obligations at the beginning of the year	84.01	106.94
- Interest cost	5.98	7.18
- Current service cost	6.19	7.20
Actual Plan Participant contribution		
- Benefits paid	(13.96)	(16.96)
- Past Service Cost	-	-
- losses/(Gains) on curtailment / settlement	-	-
- Actuarial (gain) / loss on obligations	(16.08)	(20.35)
<b>- Present value of obligations at the end of the year</b>	<b>66.14</b>	<b>84.01</b>
<b>Net Defined Benefit cost/(Income) recognized in Statement of Profit and Loss</b>		
Current service cost	6.19	7.20
Interest cost	5.98	7.18
<b>Total Defined benefit cost/(Income) included in profit /loss</b>	<b>12.17</b>	<b>14.38</b>
<b>Analysis of amount recognized in other comprehensive income / loss at year end</b>		
Amount recognized in OCI, (gain)/loss beginning of Period	(164.10)	(143.75)
Remeasurement Due to :	-	-
Effect of change in financial assumption	(0.74)	(1.96)
Effect of Experience Adjustment	(15.33)	(18.39)
Total Remeasurement recognized in OCI(Gain) / Loss	(16.08)	(20.35)
Amount Recognized in other comprehensive income/loss at year end	(180.17)	(164.10)

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Total Defined benefit cost/(Income) included in profit /loss and Other Comprehensive Income</b>		
Amount Recognized in profit /loss ,End	12.17	14.38
Amount Recognized in OCI, End	(16.08)	(20.35)
<b>Total Net defined benefit cost/(Income) included in profit /loss</b>	<b>(3.91)</b>	<b>(5.97)</b>
<b>Reconciliation of Balance Sheet Amount</b>		
Balance sheet (Asset) / Liability , beginning of period	84.01	106.94
Total Charge / ( Credit ) recognized in profit / loss	12.17	14.38
Total Reimbursement recognized in OC (Income) / loss	(16.08)	(20.35)
Benefit Paid	(13.96)	(16.96)
<b>Balance sheet (Asset) / Liability , End of period</b>	<b>66.15</b>	<b>84.01</b>
<b>Current / Non Current Bifurcation</b>		
Current liability	14.91	28.64
Non current liability	51.23	55.37
<b>Net Liability</b>	<b>66.15</b>	<b>84.01</b>
<b>Defined benefit obligation by participant status</b>		
Active	66.15	84.01
<b>Total Defined Benefit Obligation</b>	<b>66.15</b>	<b>84.01</b>
<b>Sensitivity Analyzis</b>		
Defined Benefit Obligation - Discount Rate + 100 basis points	(3.85)	(5.61)
Defined Benefit Obligation - Discount Rate - 100 basis points	4.34	6.37
Defined Benefit Obligation - Salary Escalation rate + 100 basis points	4.38	6.38
Defined Benefit Obligation - Salary Escalation rate -100 basis points	(3.95)	(5.72)
<b>Expected cashflows for next ten years</b>		
Year-2024	15.46	
Year-2025	6.33	
Year-2026	10.79	
Year-2027	10.28	
Year-2028	6.91	
Year-2029 to 2033	65.29	

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)  
 (All figures in ₹ Lacs, unless otherwise stated)

**38. RELATED PARTY DISCLOSURES AS PER IND AS 24**

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>Key Managerial Persons (KMP)</b>		
Shri. Rajiv Kapoor (Chairman and Managing Director)		
Remuneration paid	45.00	-
Meeting fee paid	0.56	2.22
Loan taken during the year	170.00	-
Amount payable at the year end	170.45	0.76
Smt. Deepika Kapoor (Whole-time Director)		
Meeting fee paid	2.22	2.22
Shri. Gautam Bhattacharya (Chief Financial Officer)		
Remuneration paid	37.88	43.29
Amount payable at the year end	9.01	1.85
<b>Non Executive Directors</b>		
Meeting fee paid		
Dr. Shyam S. Sethi	2.22	2.22
Shri. Mysore Siddappa Ramaprasad	1.67	2.22
Shri. Agharam Ramakrishnan Halasyam	2.22	2.22
Shri. Abhay Kumar Khanna	2.22	2.22
<b>Relative of KMP</b>		
Smt. Radhicka Kapoor		
Remuneration paid	30.00	30.00
Amount payable at the year end	3.80	1.90
<b>(Enterprise over which KMP has significant influence)</b>		
Ganeshia Securities Private Limited		
Amount receivable at the year end	31.18	31.18
Radhika Securities Private Limited		
Amount receivable at the year end	37.41	37.41
Ganeshia Agri Farms Private Limited		
Rent paid	44.00	60.00
Security Deposit Given	130.00	-
Amount receivable at the year end	200.00	80.40

Disclosure as required under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in respect of transactions with entities viz. Ganeshia 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 above.

**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.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

**40. FAIR VALUE MEASUREMENTS**

**(i) Financial Instruments by category**

Particulars	31 March, 2023		31 March, 2022	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial Assets</b>				
Trade Receivables		1,165.70		1,657.86
Cash and Cash Equivalents		3.25		3.70
Bank balances other than above		38.85		20.09
Other Financial Assets		437.19		388.85
<b>Total Financial Assets</b>	-	<b>1,644.99</b>	-	<b>2,070.50</b>
<b>Financial Liabilities</b>				
Long term Borrowings		2,168.05		3,535.15
Short term Borrowings		5,466.91		5,221.41
Trade Payables		1,641.90		2,396.56
Other Financial Liabilities		300.06		362.72
<b>Total Financial Liabilities</b>	-	<b>9,576.92</b>	-	<b>11,515.84</b>

**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:
  - a) 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.
  - b) 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.
  - c) During the year ended 31 March, 2023 and 31 March, 2022 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 categorised 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:

Level 1

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, tax

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Management</b>	<b>Management Measurement</b>
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 (₹)	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:

<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Debt	7,634.96	8,756.56
Less: Cash and bank balances	3.25	3.70
Net Debt	7,631.71	8,752.86
Total Equity	9,311.05	9,577.72
Net debt to equity ratio	0.82	0.91

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

(All figures in ₹ Lacs, unless otherwise stated)

### 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:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Balance at the beginning of the year	180.98	180.98
Movement in expected credit loss allowance on trade receivables	(19.46)	-
Balance at the end of the year	161.52	180.98

### 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, 2023

Particulars	On Demand	Less than 1 year	1 year to 3 year	More than 3 years	Total
Trade payables	-	1,641.90	-	-	1,641.90
Long Term borrowings	-	718.09	1,380.37	69.59	2,168.05
Short Term borrowings payable on demands	5,466.91	-	-	-	5,466.91
Other financial liabilities	-	300.06	-	-	300.06
<b>Total</b>	<b>5,466.91</b>	<b>2,660.05</b>	<b>1,380.37</b>	<b>69.59</b>	<b>9,576.92</b>

The following are the remaining contractual maturities of financial liabilities as at 31 March, 2022

Particulars	On Demand	Less than 1 year	1 year to 3 year	More than 3 years	Total
Trade payables	-	2,396.56	-	-	2,396.56
Long Term borrowings	-	1,512.30	1,883.67	139.18	3,535.15
Short Term borrowings payable on demands	5,221.41	-	-	-	5,221.41
Other financial liabilities	-	362.72	-	-	362.72
<b>Total</b>	<b>5,221.41</b>	<b>4,271.58</b>	<b>1,883.67</b>	<b>139.18</b>	<b>11,515.84</b>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

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.

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		31 March, 2023		31 March, 2022		
		Amount in Foreign currency	₹	Amount in Foreign currency		₹
Financial Assets - Unhedged	EURO	-	-	61,854.26	92,613.94	52.09
Net Exposure to foreign currency risk (Assets)	EURO	-	-	61,854.26	92,613.94	52.09

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the ₹ against USD as at 31 March, 2023 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, 2023			31 March, 2022		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
EURO Sensitivity (Increase)	5%	-	-	0.05	2.60	1.95
EURO Sensitivity (Decrease)	5%	-	-	0.05	(2.60)	(1.95)

**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.

Exposure to interest rate risk

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Variable Rate borrowings</b>		
Long term borrowings from bank and other party	2,168.05	3,535.15
Working capital loan payable on demand	5,466.91	5,221.41
	<b>7,634.96</b>	<b>8,756.56</b>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

**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, 2023			31 March, 2022		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate Sensitivity (Increase)	1%	(76.35)	(57.13)	0.01	(87.57)	(65.53)
Interest Rate Sensitivity (Decrease)	1%	76.35	57.13	0.01	87.57	65.53

**iii) Other Price Risk**

There is no other price risk on financial instrument outstanding as on 31 March, 2022 and hence sensitivity analysis with respect to movement in other price risk has not been given.

**42. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE:**

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Companies [Corporate Social Responsibility (CSR)] Rules, 2014. Therefore it is not required to incur any expenditure on account of CSR activities during the year.

**43. LEASES (IND AS 116)**

**As Lessee**

The Company has taken certain offices and residential premises/facilities under operating lease/sub-lease agreements for short period. The aggregate lease rental of ₹ 55.02 Lacs (previous year ₹ 70.17 Lacs) has been charged to the Statement of Profit and Loss.

**44. ADDITIONAL DISCLOSURES/ REGULATORY INFORMATION AS REQUIRED BY NOTIFICATION NO. GSR 207(E) DATED 24.03.2021 (TO THE EXTENT APPLICABLE):**

Compliance with number of layers of companies:

No layers of companies has been established beyond the limits prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**45. RELATIONSHIP WITH STRUCK OFF COMPANIES:**

No transaction has been made with the Company striking off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956. During the year ended 31.03.2023 and year ended 31.03.2022.

**46. UNDISCLOSED INCOME:**

Details of transactions not recorded in the books of account that has been surrendered/ disclosed as income during the year in the tax assessments ₹ Nil (Previous year ₹ Nil)

**47.** No scheme of arrangements have been approved by the Competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

**48.** The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March, 2023 and 31 March, 2022.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)**

(All figures in ₹ Lacs, unless otherwise stated)

- 49.** The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**50. FINANCIAL RATIOS**

<b>Performance Ratios</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>	<b>Variance</b>	<b>Reasons for variance</b>
Current Ratio = Current Assets / Current Liabilities	0.80	0.71	(12.46)%	
Debt Equity Ratio = Total Borrowings / Equity	0.82	0.91	10.31%	
Debt Service Coverage ratio = Profit before interest, tax and, Depreciation and amortization / Interest Expense + Principal Repayments made during the year for long term loans	0.51	0.55	8.00%	
Return on Equity Ratio = Profit after tax / Closing shareholder's equity	(0.04)	(0.03)	(25.00)%	Due to decrease in sale during the year
Inventory turnover ratio = Cost of goods sold / Closing inventory	2.64	3.17	17.00%	
Trade Receivables turnover ratio = Revenue from operations / Closing current trade receivables	12.87	12.46	(3.00)%	
Trade Payables turnover ratio = Cost of goods sold / Closing trade payable	6.52	6.34	(3.00)%	
Net Capital turnover ratio = Revenue from operations / Closing working capital	(4.07)	(7.00)	42.00%	Due to decrease in sale during the year
Net Profit ratio = Profit after Tax / Revenue from operations	(0.02)	(0.01)	(68.00)%	Due to decrease in sale during the year
Return on Capital employed = Profit before interest and tax / Closing capital employed	(0.04)	(0.03)	(43.00)%	Due to decrease in sale during the year

- 51.** Some balances of trade receivables and recoverable shown under assets and trade and other payables shown under liabilities include balance subject to confirmation / reconciliation and subsequent adjustments if any. However reconciliations are carried out on ongoing basis. The management does not expect any material adjustment in the books of accounts as a result of reconciliation.

- 52.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

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

**Gautam Bhattacharya**

Chief Financial Officer

**Dr. Shyam S. Sethi**

Director

DIN : 01394311

**Abhay Kumar Khanna**

Director

DIN : 06919161

**Pradeep Chandra Nayak**

Company Secretary

ACS 15852

Place : New Delhi

Dated : 30 May, 2023





**RASANDIK**

**Passion For Excellence**

**Registered office**

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Sohna, Haryana 122103