

Rasandik Engineering Industries India Limited

E-Filing/Online Filing
August 14, 2024

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

Stock Code: 522207

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 14-08-2024 and Submission of Un-Audited Financial Results for the Quarter ended 30-06-2024

The Board of Directors (The Board) in their meeting held on **14-08-2024** have approved the Un-Audited Financial Results of the Company for the Quarter ended 30-06-2024 in terms of Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to Regulation 33 of the Listing Regulations, Statement showing Un-Audited Financial Results for the Quarter ended 30-06-2024 along with Limited Review thereon is also enclosed herewith for your information and records.

In accordance with Regulation 47(1)(b) of the Listing Regulations, the Company would publishing Extract of Un-Audited Financial Results for the Quarter ended 30-06-2024.


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

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

Kindly take this information on your record.

Thanking you,

Yours faithfully,
For Rasandik Engineering Industries India Limited


Pradeep Chandra Nayak
Company Secretary
Encl: As above



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED
CIN : L74210HR1984PLC032293
Statement of Unaudited Financial Results for the Quarter ended 30th June 2024



S No	Particulars	Quarter ended			₹ in lakhs
		30.06.2024	31.03.2024	30.06.2023	31.03.2024
		Unaudited	Audited	Unaudited	Audited
1	INCOME				
	Revenue from operations	1,786.28	1,896.32	2,751.27	8,625.29
	Other income (Refer Note No. 6)	653.13	1,789.73	236.77	2,933.21
	Total Income	2,439.41	3,686.05	2,988.04	11,558.50
2	EXPENSES				
	Cost of materials consumed	1,414.49	1,532.05	1,940.09	6,177.53
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	51.56	90.76	45.70	357.42
	Power & Fuel	93.70	82.24	113.43	387.82
	Packing & Forwarding Expenses	17.72	28.49	48.18	124.10
	Freight & Transportation Expenses	19.05	29.97	50.84	156.04
	Employee benefits expense	222.30	241.48	287.30	1,034.01
	Finance costs	95.18	150.57	307.05	943.86
	Depreciation and amortization expense	147.51	118.46	160.89	614.64
	Other Expenses	204.47	185.12	246.75	1,161.37
	Total Expenses	2,265.98	2,459.14	3,200.23	10,956.79
3	Profit / (Loss) before Exceptional items and tax (1-2)	173.43	1,226.91	(212.19)	601.71
4	Exceptional Items - Gain/(Loss)	-	89.11	(26.19)	62.92
5	Profit / (Loss) before tax (3-4)	173.43	1,316.02	(238.38)	664.63
6	Tax Expenses				
	Current Tax	-	-	-	-
	Deferred Tax	27.24	42.58	(39.85)	(48.24)
7	Net Profit /(Loss) for the period/year (5-6)	146.19	1,273.44	(198.53)	712.87
8	Other Comprehensive Income(net of tax)				
	(i) Items that will not be reclassified to Profit or Loss	-	11.23	-	11.23
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	(2.83)	-	(2.83)
9	Total Comprehensive Income for the period/year (net of tax) (OCI) (7-8)	146.19	1,281.84	(198.53)	721.27
10	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	597.50	597.50	597.50	597.50
11	Other Equity				9,471.99
12	Basic and Diluted Earnings per Share for the period/year (₹)	2.45	21.31	(3.32)	11.93

FOR RASANDIK ENGINEERING INDUSTRIES INDIA LTD.


MANAGING DIRECTOR



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter ended 30th June 2024



Notes:

- 1 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 14 August 2024.
- 2 The Company is in the business of manufacturing automotive components, which is a single business segment in accordance with Ind AS - 108 'Operating Segments' notified pursuant to Companies (Indian Accounting Standards) Rules, 2015.
- 3 The Company has issues related to interest costs on borrowings and has thus decided diversify and focus on other areas of automotive business. The management is initiating Marketing, Development and Manufacturing of electric 3 wheeler (L-5) category and build its own Brand. Since the attention of the management is focused on improving automotive/electric vehicle operations, it has not been possible to complete the critical evaluation of all 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.
- 4 The Company's net current liabilities as at 30 June 2024 was ₹ 270.01 lakhs (₹ 1,371.86 lakhs as at 31 March 2024). 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 near future. Towards this objective, the management is constantly engaged in various initiatives like rationalizing costs, negotiating extended credit terms with suppliers, monetising of certain assets (refer note no. 5 & 6) and taking appropriate initiatives to improve revenues and reduction in net current liabilities position. Further, during the quarter, certain land and building included in "non-current asset held for sale" as at 31 March 2024 has been sold for an amount of ₹ 1,400.00 lakhs. The proceeds from sale of said immovable property was utilised for payment of finance cost and repayment of loans obtained from Banks. This has resulted in improvement of net current liabilities position of the Company. In addition, the Company has received a letter of financial support from a substantial shareholder (Managing Director) / promoter to provide continuing financial support to the Company as and when required to meet the Company's working capital needs.
- 5 (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 had identified and decided to sell certain property, plant and equipments in the near future. Accordingly, it was considered appropriate to classify the carrying value of ₹ 1,180.78 lakhs as at 31 March 2024 of such identified property, plant and equipments as "non-current assets held for sale".
Out of the above, "non-current assets held for sale" the Company has sold assets having carrying value of ₹ 750.19 lakhs till 30th June, 2024. Out of the remaining amount of ₹ 430.59 lakhs (PY ₹ 430.59 lakhs) carried under "non-current assets held for sale as on 30 June, 2024, against certain plant and equipment having carrying value of ₹ 110.59 lakhs (PY ₹ 110.59 lakhs), an amount of ₹ 181.20 lakhs (PY ₹ 181.20 lakhs) has been received as advance, which is included under "other current liabilities" and for plant and equipment having carrying value of ₹ 320.00 lakhs (PY ₹ 320.00 lakhs) refer note 5(b).

(b) Till 30 June 2022, capital work in progress included certain plant & equipment (purchased mainly for Singur Project, West Bengal) carried at a valuation of ₹ 320.00 lakhs (PY ₹ 320.00 lakhs) net of impairment. The land acquisition by Govt. of West Bengal was declared null and void by Hon'ble Supreme Court of India, due to this, the installation and commissioning of the said plant & equipment at Singur project could not be proceeded with. Further, the management was considering various options to utilise such machinery. The Board of Director's in their meeting held on 13 August 2022 decided to sell the said equipment on "as is where is" basis. Considering the Company's intention to sell the equipment in the near future, it is considered appropriate to classify the said plant and equipment as "non-current asset held for sale" at lower of cost or fair value less costs to sell. The Company continues to actively negotiate with prospective buyers at a price which is market driven based on prevailing market conditions. Therefore, it is considered appropriate to continue with the classification of the said asset as "non-current asset held for sale" as at 30 June 2024.

(c) The Company had imported certain plant & equipment including the machinery referred in note no. 5(b) above under EPCG license scheme. The Company was not able to meet the export obligations during the stipulated period. The Custom Duty of ₹ 337.46 lakhs was payable under this EPCG license. The total custom duty of ₹ 337.46 lakhs has been provided in earlier years. Further, the Company has considered appropriate to file an appeal before Hon'ble Customs, Excise and Service Tax Appellate Tribunal (CESTAT) in respect of certain plant & machinery referred to in note no. 5(b) imported under EPCG license scheme, for making payment of Custom Duty of ₹ 304.98 lakhs (net of pre-deposit of ₹ 32.48 lakhs) without any interest based on legal advice and other favourable judgement in a similar case. The potential interest liability, redemption fine and penalty, if the CESTAT decision is adverse to the Company, is estimated at ₹ 698.05 lakhs (PY ₹ 685.39 lakhs). The same has not been provided for in the books and continues to be disclosed as a contingent liability.

FOR RASANDIK ENGINEERING INDUSTRIES INDIA LTD.


MANAGING DIRECTOR



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter ended 30th June 2024



- 6 Other income for the quarter ended 30 June 2024 includes profit on sale of property, plant and equipments of ₹ 609.90 lakhs. The entire proceeds were utilised for payment of finance cost, repayment of loans obtained from Banks and other working capital requirements.
- 7 The figures for the quarter ended 31 March, 2024 and 31 March, 2023 are the balancing figures between the audited figures in respect of the full financial year and published year to date unaudited figures upto the third quarter of the respective financial year.
- 8 Figures of the previous period/year are re-grouped, wherever necessary, to correspond to the current period/year figures.

Annexure to our report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No.109208W

Karthik Srinivasan

Karthik Srinivasan

Partner

Membership No. 514998

Place : New Delhi

Date: 14 August 2024

For Rasandik Engineering Industries India Limited

FOR RASANDIK ENGINEERING INDUSTRIES INDIA LTD.

Rajy Kapoor

Chairman & Managing Director

DIN: 00054659





V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

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

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

Limited Review Report on unaudited financial results of Rasandik Engineering Industries India Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Rasandik Engineering Industries India Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Rasandik Engineering Industries India Limited ("the Company") for the quarter ended 30 June 2024 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of interim Financial information Performed by the independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to note no. 3 of the accompanying Statement, regarding assessment of net realizable value of certain items of inventory lying unconsumed (either due to ageing or utility). In the absence of such an assessment, Net Realizable Value of certain items of inventories are not determinable as at 30 June 2024. 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.

Our audit report dated 29 May 2024 on the audited financial results of the Company for the year ended 31 March 2024 and our review report dated 14 August 2023 on the unaudited financial results of the Company for the quarter ended 30 June 2023, were also qualified in respect of the above matter.

5. Based on our review conducted as above, except for the possible effects of outcome of the evaluation referred in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to note no. 4 of the accompanying Statement regarding preparation of the financial results on going concern basis for the reasons stated therein. The accompanying results indicate that the Company's total current liabilities exceeds total current assets by Rs. 270.01 lakhs. However, based upon the measures as set forth in the note no. 4 of the accompanying Statement, including necessary financial support from promoter shareholders, the management and the Board of Directors of the Company have a reasonable expectation that the Company will continue to operate as a going concern. Accordingly, management has prepared the financial results on a going concern basis.

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

7. We draw attention to note no. 5(b) of the accompanying Statement regarding certain fixed assets classified as "non-current assets held for sale" as explained therein and non-provision of possible interest liability for the reasons stated in note no. 5(c) on non-fulfilment of export obligations.

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

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

Karthik Srinivasan

Place: New Delhi
Date: 14 August 2024
UDIN: 24514998BKCTFD5488

Karthik Srinivasan
Partner
Membership. No. 514998

