

Rasandik Engineering Industries India Limited



RASANDIK

Passion For Excellence

corpadm@rasandik.com

www.rasandik.com

CIN: L74210HR1984PLC032293

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REIL/SE/2024-25

November 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

Sub: Outcome of the Board Meeting held on November 14, 2024 and Submission of Un-Audited Financial Results for the Second Quarter and Six Months ended 30-09-2024

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations), we wish to inform you that the Board of Directors of the Company in its meeting held today, November 14, 2024, has, inter alia considered and approved the Statement showing Un-audited Financial Results of the Company for the second quarter and six months ended September 30, 2024. Copy of duly signed Un-audited Financial Results for the second quarter and six months ended September 30, 2024 along with Limited Review Report(s) thereon issued by Statutory Auditors under Regulation 33 of the Listing Regulations is enclosed herewith. .

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

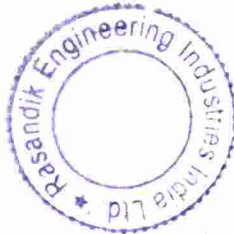
Thanking You,

Yours Faithfully,

For Rasandik Engineering Industries India Limited

Pradeep

Pradeep Chandra Nayak
Company Secretary





V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

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

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

W Limited Review Report on unaudited financial results of Rasandik Engineering Industries India Limited for the quarter and half year ended 30 September 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 and half year ended 30 September 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 September 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 reports dated 14 August 2024 and 14 November 2023 on the unaudited financial results of the Company for the quarter ended 30 June 2024 and for the quarter and half year ended 30 September 2023, respectively, 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. 555.22 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 November 2024

UDIN: 24514998BKCTLB4907

Karthik Srinivasan

Partner

Membership. No. 514998



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30th September, 2024



₹ in lakhs

S No	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME						
	Revenue from operations	1,630.46	1,786.28	2,189.43	3,416.74	4,940.70	8,625.29
	Other income (Refer Note No. 6)	0.42	653.13	906.44	653.55	1,143.21	2,933.21
	Total Income	1,630.88	2,439.41	3,095.87	4,070.29	6,083.91	11,558.50
2	EXPENSES						
	Cost of materials consumed	1,228.15	1,414.49	1,442.52	2,642.64	3,382.61	6,177.53
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	(24.75)	51.56	160.74	26.81	206.44	357.42
	Power & Fuel	94.92	93.70	103.57	188.62	217.00	387.82
	Packing & Forwarding Expenses	17.98	17.72	25.51	35.70	73.69	124.10
	Freight & Transportation Expenses	16.61	19.05	40.82	35.66	91.66	156.04
	Employee benefits expense	208.70	222.30	265.33	431.00	552.63	1,034.01
	Finance costs	88.82	95.18	262.84	184.00	569.89	943.86
	Depreciation and amortization expense	121.12	147.51	161.37	268.63	322.26	614.64
	Other Expenses	207.77	204.47	218.25	412.24	465.00	1,161.37
	Total Expenses	1,959.32	2,265.98	2,680.95	4,225.30	5,881.18	10,956.79
3	Profit / (Loss) before Exceptional items and tax (1-2)	(328.44)	173.43	414.92	(155.01)	202.73	601.71
4	Exceptional Items - Gain/(Loss)	-	-	-	-	(26.19)	62.92
5	Profit / (Loss) before tax (3-4)	(328.44)	173.43	414.92	(155.01)	176.54	664.63
6	Tax Expenses						
	Current Tax	-	-	-	-	-	-
	Deferred Tax	(46.48)	27.24	141.79	(19.24)	101.94	(48.24)
7	Net Profit / (Loss) for the period/year (5-6)	(281.96)	146.19	273.13	(135.77)	74.60	712.87
8	Other Comprehensive Income (net of tax)						
	(i) Items that will not be reclassified to Profit or Loss	-	-	-	-	-	11.23
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	(2.83)
9	Total Comprehensive Income for the period/year (net of tax) (OCI) (7-8)	(281.96)	146.19	273.13	(135.77)	74.60	721.27
10	Paid-up Equity Share Capital (Face Value ₹ 10/- each)	597.50	597.50	597.50	597.50	597.50	597.50
11	Other Equity						9,471.99
12	Basic and Diluted Earnings per Share for the period/year (₹)	(4.72)	2.45	4.57	(2.27)	1.25	11.93



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30th September, 2024



Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at	As at
	30.09.2024	31.03.2024
	Unaudited	Audited
ASSETS		
Non Current Assets		
Property, plant and equipment	12,772.62	13,102.27
Capital work-in-progress	13.81	7.72
Financial assets		
Loans	0.60	0.90
Others	67.49	70.06
Non current tax assets (Net)	79.11	69.40
Other non-current assets	95.12	90.51
Subtotal (A)	13,028.75	13,340.86
Current Assets		
Inventories	2,611.23	2,891.59
Financial assets		
Trade receivables	496.86	623.39
Cash and cash equivalents	3.66	5.28
Bank balance other than above	26.24	25.54
Loans	0.60	0.60
Others	268.59	268.59
Other current assets	108.65	150.09
Subtotal (B)	3,515.83	3,965.08
Non Current Assets held for sale (C)	430.59	1,180.78
Total Assets (A+B+C)	16,975.17	18,486.72
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	597.50	597.50
Other equity	9,354.08	9,471.99
Total equity (D)	9,951.58	10,069.49
LIABILITIES		
Non Current Liabilities		
Financial Liabilities		
Borrowings	944.77	1,051.14
Provisions	40.38	42.52
Deferred tax liabilities (net)	1,967.39	1,986.63
Other non current liabilities	-	-
Total Non Current Liabilities (E)	2,952.54	3,080.29
Current Liabilities		
Financial Liabilities		
Borrowings	1,752.61	2,993.21
Trade payables		
Micro Enterprises and Small Enterprises	-	-
Other than Micro Enterprises and Small Enterprises	1,217.61	1,200.56
Other financial Liabilities	279.96	214.08
Provisions	312.68	312.68
Other current liabilities	426.15	534.37
Current tax liabilities (Net)	82.04	82.04
Total Current Liabilities (F)	4,071.05	5,336.94
Total Equity and Liabilities (D+E+F)	16,975.17	18,486.72



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30th September, 2024



Statement of Cash Flow

(₹ in lakhs)

Particulars	Half year ended	
	30.09.2024	30.09.2023
	Unaudited	Unaudited
A Cash Flow from Operating Activities:		
Profit / (Loss) after exceptional Items & before Tax	(155.01)	176.54
Adjustments for :		
Depreciation	268.63	322.26
Interest income on bank deposit	(3.63)	(1.20)
Provision for diminution in Stocks (net)	30.00	70.00
Profit on sale of property, plant and equipments	(609.91)	(1,139.53)
Balance written back of trade payable / advances/provisions	(37.17)	(0.99)
Provision for doubtful assets (net)	20.00	-
Bad debts written off	-	14.39
Finance costs	184.00	569.89
Operating profit before working capital changes	(303.09)	11.36
Adjustments for :		
Trade receivables	126.53	418.29
Inventories	250.36	498.30
Other financial asset	2.87	(60.59)
Other current/non current asset	21.44	(107.30)
Trade payables	54.22	(537.76)
Other financial liabilities	63.44	(9.31)
Other current/non current liabilities and Provisions	(81.84)	(30.71)
Cash generated from operations	133.93	182.28
Direct taxes paid	(9.71)	(19.42)
Net Cash from Operating Activities	124.22	162.86
B Cash Flow from Investing Activities:		
Purchase of property, plant and equipment including capital work in progress	(11.59)	(62.05)
Capital advances	-	-
Advance against sale of property, plant and equipment	(28.52)	521.30
Sale of property, plant and equipment	1,426.60	1,549.68
Investment in fixed deposits (Net)	(0.70)	(1.03)
Interest received	3.63	1.20
Net Cash used in Investing Activities	1,389.42	2,009.10
C Cash Flow from Financing Activities:		
Repayments of long term borrowings	(250.73)	(398.41)
Proceeds from long term borrowings	100.10	20.00
(Repayments) / proceeds from short term borrowings (Net)	(1,195.41)	(1,218.93)
Interest paid	(169.22)	(574.38)
Net Cash used in Financing Activities	(1,515.26)	(2,171.72)
Net Increase in Cash and Cash Equivalents	(1.62)	0.24
Cash and Cash Equivalents (Opening Balance)	5.28	3.25
Cash and Cash Equivalents (Closing Balance)	3.66	3.49
Break up of closing cash & cash equivalent		
Current Accounts	0.31	2.93
Multi currency	3.16	-
Cash in Hand	0.19	0.56
	3.66	3.49



RASANDIK ENGINEERING INDUSTRIES INDIA LIMITED

CIN : L74210HR1984PLC032293

Statement of Unaudited Financial Results for the Quarter and Half year ended 30th September, 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 November, 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 September 2024 was ₹ 555.22 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 previous 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 September, 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'le 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 September 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.
- 6 Other income for the previous quarter 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 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: 14-11-2024

For Rasandik Engineering Industries India Limited



Rajiv Kapoor

Chairman & Managing Director

DIN: 00054659

