



# Rane Engine Valve Ltd.

Registered Office:  
" Maithri "  
132, Cathedral Road,  
Chennai 600 086,  
India.  
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472  
Fax : 044 - 2811 2449  
URL : [www.ranegroup.com](http://www.ranegroup.com)

## //Online Submission//

REVL / SE/ 10 /2020-21

June 19, 2020

<b>BSE Limited</b> Listing Centre Scrip Code: <b>532988</b>	<b>National Stock Exchange of India Ltd.</b> NEAPS Symbol: <b>RANEENGINE</b>
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Dear Sir / Madam,

**Sub: Outcome of Board Meeting held on June 19, 2020 - under Regulation 30 of SEBI LODR**  
**Ref: Our letter no. REVL/ SE/ 02/ 2020-21 dated May 07, 2020**

This is to inform that the Board of Directors, inter alia, approved the audited financial results of the Company for the quarter and year ended March 31, 2020 as recommended by the audit committee at their respective meeting(s) held today (**June 19, 2020**).

The audited financial results of the Company for the quarter and year ended March 31, 2020 is enclosed along with the Independent Auditor's Report on results issued by M/s. Varma & Varma, Chartered Accountants, Statutory Auditors. Further, declaration in respect of unmodified opinion on the audited financial results for the year ended March 31, 2020 is enclosed (**Regulation 33**).

The financial results will be uploaded on the website of the company at [www.ranegroup.com](http://www.ranegroup.com) (**Regulation 46**).

The extract of the audited financial results will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**).

The meeting of the Board of Directors commenced at 11: 30 hrs and concluded at 12:30 hrs (IST).

We request you to take the above on record and note the compliance under above referred regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you.

Yours faithfully  
For **Rane Engine Valve Limited**

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**Secretary**

Encl: a/a

1. Audited financial results for the quarter&year ended March 31, 2020
2. Extract of the audited financial results for Newspaper publication
3. Independent Auditor's Report for the quarter & year ended March 31, 2020
4. Declaration under Reg 33(3)(d)of SEBI LODR
5. Earnings release for the year ended March 31, 2020

# Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Regd Office: "Maithri", 132 Cathedral Road, Chennai 600 086

visit us at: www.ranegroup.com



## Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020

Rs. in lakhs

Particulars	Quarter ended			Year ended	Year ended
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited
<b>1. Income from Operations</b>					
(a) Revenue from Operations	7,550.15	8,078.28	10,299.91	34,742.88	41,299.07
(b) Other Operating Income	185.13	120.76	303.72	756.41	962.96
(c) Other Income	(76.54)	91.84	41.52	315.13	223.55
<b>Total Revenue</b>	<b>7,658.74</b>	<b>8,290.88</b>	<b>10,645.15</b>	<b>35,814.42</b>	<b>42,485.58</b>
<b>2. Expenses</b>					
(a) Cost of materials consumed	2,911.12	3,266.54	4,491.87	13,792.52	18,444.95
(b) Purchase of stock-in-trade	127.60	77.68	259.69	541.44	1,084.77
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock -in -Trade	(2.97)	(237.52)	(631.55)	141.27	(2,009.13)
(d) Employee benefits expenses	2,289.78	2,504.94	2,665.40	10,363.44	11,153.06
(e) Finance Costs	237.08	261.79	269.10	1,051.65	987.80
(f) Depreciation and amortisation expense	686.04	681.18	767.83	2,809.31	3,053.15
(g) Other Expenses	1,961.33	2,494.96	3,057.48	9,644.23	11,819.81
<b>Total expenses</b>	<b>8,209.98</b>	<b>9,049.57</b>	<b>10,879.82</b>	<b>38,343.86</b>	<b>44,534.41</b>
<b>3. Profit / (Loss) before Exceptional items (1-2)</b>	<b>(551.24)</b>	<b>(758.69)</b>	<b>(234.67)</b>	<b>(2,529.44)</b>	<b>(2,048.83)</b>
4. Exceptional Items	-	-	-	-	-
<b>5. Profit / (Loss) before tax (3±4)</b>	<b>(551.24)</b>	<b>(758.69)</b>	<b>(234.67)</b>	<b>(2,529.44)</b>	<b>(2,048.83)</b>
<b>6. Tax expense</b>					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(212.03)	(257.17)	(67.70)	(895.35)	(691.38)
(c) Relating to Earlier Years	-	-	-	-	-
Total Tax Expenses	<b>(212.03)</b>	<b>(257.17)</b>	<b>(67.70)</b>	<b>(895.35)</b>	<b>(691.38)</b>
<b>7. Profit / (Loss) for the period (5-6)</b>	<b>(339.21)</b>	<b>(501.52)</b>	<b>(166.97)</b>	<b>(1,634.09)</b>	<b>(1,357.45)</b>
<b>8. Other Comprehensive Income (Net of Tax Expenses)</b>	<b>(18.03)</b>	<b>6.79</b>	<b>32.13</b>	<b>2.32</b>	<b>(10.47)</b>
<b>9. Total Comprehensive Income for the period (7+8) (Comprising profit / (loss) and other comprehensive income for the period)</b>	<b>(357.24)</b>	<b>(494.73)</b>	<b>(134.84)</b>	<b>(1,631.77)</b>	<b>(1,367.92)</b>
<b>10. Details of equity share capital</b>					
Paid-up equity share capital (Face Value of Rs.10/- per share)	671.90	671.90	671.90	671.90	671.90
Total equity share capital	671.90	671.90	671.90	671.90	671.90
<b>11. Other Equity excluding revaluation reserve</b>				10,427.11	12,057.18
<b>12. Earnings per share (of Rs.10/- each) (not annualised) ( in Rs.)</b>					
(a) Basic	(5.05)	(7.46)	(2.48)	(24.31)	(20.20)
(b) Diluted	(5.05)	(7.46)	(2.48)	(24.31)	(20.20)

# Rane Engine Valve Limited

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visit us at <https://www.ranegroup.com>

**Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020**

Rs. in lakhs



**Notes:**

**1. Balance Sheet**

Particulars	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	10,796.45	12,498.98
(b) Right-of-use assets	50.28	-
(c) Capital Work-In-Progress	149.91	623.08
(d) Investment property	31.33	31.33
(e) Intangible Assets	14.35	12.50
(f) Financial Assets	-	
(i) Investments	94.38	94.37
(ii) Other Financial Assets	494.78	470.89
(g) Deferred tax assets (net)	2,550.52	1,656.32
(h) Tax Assets	752.31	749.21
(i) Other non-current assets	18.55	52.33
<b>Total Non-Current Assets</b>	<b>14,952.86</b>	<b>16,189.01</b>
<b>Current Assets</b>		
(a) Inventories	7,617.36	8,014.96
(b) Financial Assets	-	
(i) Trade Receivables	6,260.14	8,355.99
(ii) Cash and cash equivalents	98.13	218.15
(iii) Bank balances other than (ii) above	8.90	13.65
(iv) Other Financial Assets	291.60	262.42
(c) Other Current Assets	1,016.56	1,251.43
<b>Total Current Assets</b>	<b>15,292.69</b>	<b>18,116.60</b>
Non-Current Assets classified as held for sale	7.12	
<b>TOTAL ASSETS</b>	<b>30,252.67</b>	<b>34,305.61</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	671.90	671.90
(b) Other Equity	10,427.11	12,057.18
<b>Total Equity</b>	<b>11,099.01</b>	<b>12,729.08</b>
<b>Liabilities</b>		
(1) Non-Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,373.41	3,638.47
(ii) Other Financial Liabilities	35.08	-
(b) Provisions	1,384.90	1,295.94
(2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	7,748.79	8,151.60
(ii) Trade Payables		
- Micro & Small Enterprises	13.80	73.12
- Others	4,749.99	5,743.90
(iii) Other Financial Liabilities	1,581.39	2,466.51
(b) Other Current Liabilities	179.87	120.61
(c) Provisions	86.43	86.38
<b>Total Liabilities</b>	<b>19,153.66</b>	<b>21,576.53</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,252.67</b>	<b>34,305.61</b>

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Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020



### 2. Cash Flow Statement

Rs. in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax	(2,529.44)	(2,048.83)
Adjustments for:		
Depreciation & Amortisation Expense	2,809.31	3,053.15
Unrealised Foreign exchange loss / (gain) - net	(38.69)	42.45
Finance Costs	1,051.65	987.80
Interest Income	(24.69)	(69.04)
(Gain) / Loss on disposal of Property, Plant & Equipment - Net	2.69	-
Assets Written off / Loss on Retirement of Assets	0.09	11.89
Provision for bad debts and bad debts written off / (written back)	(161.94)	368.39
Provision no longer required and balances written back	(65.66)	(114.74)
Advances Written Off / Provision for Doubtful Advances	-	21.50
<b>Operating profit before working capital changes</b>	<b>1,043.32</b>	<b>2,252.57</b>
Adjustments for (Increase) / Decrease in :		
Trade receivables	2,331.14	(802.15)
Non-Current and Current financial assets	(63.02)	(15.84)
Inventories	397.59	(2,178.76)
Other Non-current and Current assets	228.75	(426.72)
Trade payables	(1,021.85)	894.84
Non-Current and Current financial liabilities	(245.25)	192.70
Other Non-Current and Current liabilities	59.26	(19.96)
Non-Current and Current provisions	111.86	170.22
<b>Cash generated from operating activities</b>	<b>2,841.80</b>	<b>66.90</b>
Income taxes paid - net of refund	(3.10)	167.22
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>2,838.70</b>	<b>234.12</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Property, Plant and Equipment	(696.16)	(2,524.27)
Proceeds from sale of Property, Plant and Equipment	1.27	0.23
Purchase of Non-Current investments - Others	(0.01)	(90.05)
Interest received	12.23	65.81
<b>Net cash (used in)/generated by investing activities (B)</b>	<b>(682.67)</b>	<b>(2,548.28)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from Non-Current borrowings	700.00	1,800.00
Repayment of Non-Current borrowings	(1,467.15)	(1,326.02)
Proceeds from / (Repayment) of Current borrowings	(423.50)	2,026.91
Repayment of Interest Free Sales Tax Loan	(16.84)	(34.90)
Principal portion of Lease payments	(16.25)	-
Interest portion of Lease payments	(9.38)	-
Finance Costs paid	(1,038.18)	(981.73)
Dividend and Dividend tax paid	(4.75)	(7.40)
<b>Net cash (used in)/generated by financing activities (C)</b>	<b>(2,276.05)</b>	<b>1,476.86</b>
<b>Net Increase/(Decrease) in cash equivalents (A)+(B)+(C)</b>	<b>(120.02)</b>	<b>(837.30)</b>
Cash and cash equivalents at the beginning of the year	218.15	1,055.45
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.00)	(0.00)
<b>Cash and cash equivalents at the end of the year</b>	<b>98.13</b>	<b>218.15</b>

**Note:**

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Cash flow Statement.

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## Statement of Audited Financial Results for the Quarter and Year ended March 31, 2020



- 3 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 19, 2020.
- 4 The Company operates only in one segment, namely, manufacture and marketing of components for transportation industry.
- 5 The figures for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and published unaudited year to date figures upto the third quarter of the respective financial year.
- 6 The Company has adopted Ind AS 116 Leases with a modified retrospective approach effective April 01, 2019. The adoption of this standard resulted in recognition of right-of-use assets and lease liabilities of Rs. 70.55 Lakhs as on the transition date. The effect of the same on the financial results for the quarter and year ended March 31, 2020 is not material.
- 7 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") issued on September 20, 2019, corporate assesseees have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. Based on an evaluation of the comparative tax costs considering the future performance forecasts, the management is of the opinion that it would not be beneficial for the company to avail the option under the Ordinance as above till the year in which the company's unused tax losses and MAT Credit entitlements are fully utilised. Accordingly, there is no impact at present in the measurement of tax expense for the year ended March 31, 2020 and the Deferred Tax Asset (net) as on that date.
- 8 The company has assessed the impact of COVID-19 on its financial statement based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amounts of property, plant and equipment, deferred tax assets, inventories, trade receivables, and other financial assets. While the COVID-19 situation may adversely impact the business in the short term, the management does not anticipate any material medium to long term risks to its business prospects. The company will continue to monitor future economic conditions and update its assessment given the uncertainties associated with the nature and duration of the pandemic.
- 9 The previous period figures have been re-grouped wherever necessary to conform to current period's presentation.
- 10 The financial results for the quarter and year ended March 31, 2020 are being published in the newspaper as per the format prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results are also available on the Stock Exchange websites: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the company's website- [www.ranegroup.com](http://www.ranegroup.com).

**For Rane Engine Valve Limited**

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Chennai  
Dated : June 19, 2020

**L Ganesh**  
Chairman

## Rane Engine Valve Limited

Regd. Office : " MAITHRI ", 132, Cathedral Road, Chennai - 600 086

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Rs.in lakhs except per share data

### Extract of Standalone Audited Financial Results for the Quarter and Year ended March 31, 2020

S.No	Particulars	Quarter ended 31.03.2020	Quarter ended 31.12.2019	Quarter ended 31.03.2019	Full year ended 31.03.2020	Full year ended 31.03.2019
		Audited	Unaudited	Audited	Audited	Audited
1	Total income from operations	7,658.74	8,290.88	10,645.15	35,814.42	42,485.58
2	Net Profit / (Loss) for the period (before tax and Exceptional Items)	(551.24)	(758.69)	(234.67)	(2,529.44)	(2,048.83)
3	Net Profit / (Loss) for the period before tax (after Exceptional Items)	(551.24)	(758.69)	(234.67)	(2,529.44)	(2,048.83)
4	Net Profit / (Loss) for the period after tax (after Exceptional Items)	(339.21)	(501.52)	(166.97)	(1,634.09)	(1,357.45)
5	Total Comprehensive Income for the period (comprising profit/loss) for the period (after tax) and other Comprehensive Income(after tax))	(357.24)	(494.73)	(134.84)	(1,631.77)	(1,367.92)
6	Equity Share Capital	671.90	671.90	671.90	671.90	671.90
7	<b>Earnings Per Share (of Rs 10/- each)</b> <b>(for continuing and discontinued operations)-</b>					
	(a) <b>Basic :</b>	(5.05)	(7.46)	(2.48)	(24.31)	(20.20)
	(b) <b>Diluted:</b>	(5.05)	(7.46)	(2.48)	(24.31)	(20.20)

The above is an extract of the detailed format of results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015. The full format of the audited financial results are available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website-www.ranegroup.com

**Note:**

- 1 The audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 19, 2020.
- 2 The Company has adopted Ind AS 116 Leases with a modified retrospective approach effective April 01, 2019. The adoption of this standard resulted in recognition of right-of-use assets and lease liabilities of Rs. 70.55 Lakhs as on the transition date. The effect of the same on the financial results for the quarter and year ended March 31, 2020 is not material.
- 3 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") issued on September 20, 2019, corporate assesseees have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. Based on an evaluation of the comparative tax costs considering the future performance forecasts, the management is of the opinion that it would not be beneficial for the company to avail the option under the Ordinance as above till the year in which the company's unused tax losses and MAT Credit entitlements are fully utilised. Accordingly, there is no impact at present in the measurement of tax expense for the year ended March 31, 2020 and the Deferred Tax Asset (net) as on that date.
- 4 The company has assessed the impact of COVID-19 on its financial statement based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amounts of property, plant and equipment, deferred tax assets, inventories, trade receivables, and other financial assets. While the COVID-19 situation may adversely impact the business in the short term, the management does not anticipate any material medium to long term risks to its business prospects. The company will continue to monitor future economic conditions and update its assessment given the uncertainties associated with the nature and duration of the pandemic.

**For Rane Engine Valve Limited**

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**L Ganesh**  
**Chairman**

Chennai

Dated : June 19, 2020

**Independent Auditor's Report on the Quarterly and Year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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**To**  
**The Board of Directors of**  
**Rane Engine Valve Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying Statement of Standalone Financial results of Rane Engine Valve Limited ("the Company") for the quarter and year ended 31st March 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the Statement;

1. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
2. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the net loss, other comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2020.

**Basis for Opinion:**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the Statement 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 audit opinion.



### **Emphasis of Matter**

We draw attention to Note 8 to the Statement, which explains the uncertainties and the impact due to the COVID-19 pandemic situation on the Company's financial results as assessed by the management.

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

### **Management's Responsibility for the Standalone Financial Results**

The Statement has been prepared on the basis of the annual audited financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down under applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 the Statement.

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 Statement , 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's 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 ability of the Company 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 results 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 Statement, including the disclosures, and whether the Statement 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.

**Other Matter**

Attention is invited to Note No. 5 to the Statement. As stated therein, the Statement includes the results for the Quarter ended 31st March 2020 and corresponding figures for the quarter ended 31st March, 2019, being the balancing figures between audited figures in respect of the full financial year ended on those dates and the published unaudited year to date figures upto the third quarter of the relevant financial year, which were subject to limited review by us, as required under the Listing Regulations.

**For Varma & Varma**  
**Chartered Accountants**  
**FRN. 004532S**

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Place: Chennai  
Date: 19<sup>th</sup> June, 2020

**P. R. Prasanna Varma**  
**Partner**  
**M.No. 025854**  
**UDIN: 20025854AAAABF9041**

# Rane Engine Valve Ltd.



Head Office:  
P.B. No. 3149, R.R. Tower V - Level IV,  
Plot No: 33-A (South Phase),  
Developed Plot at Thiru. Vi. Ka. Indl. Estate,  
Ekkaduthangai, Chennai - 600 032, India.  
Tel: +91-44-42971800 Fax: 91-44-42971818  
CIN: L74999TN1972PLC006127  
www.ranegroup.com

June 19, 2020

<b>BSE Limited</b> Listing Centre Scrip Code : <b>532988</b>	<b>National Stock Exchange of India Limited</b> <b>NEAPS</b> Scrip Code : <b>RANEENGINE</b>
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Dear Sir / Madam,

## Sub: Declaration under Regulation 33 SEBI LODR

We hereby declare and confirm that, in terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, the Statutory Auditors of the company, M/s. Varma & Varma, Chartered Accountants, have issued an unmodified audit report on Financial Results of the company for the financial year ended March 31, 2020.

Kindly take this declaration on record.

Thanking you.

Yours faithfully,

For Rane Engine Valve Limited

V K Vijayaraghavan  
Vice President Finance & CFO





Expanding Horizons

# RANE ENGINE VALVE LIMITED

## FY20 Earnings Release



**Chennai, India, June 19, 2020** – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the financial year (FY20) ended March 31, 2020.

### FY20 Performance

- Total Net Revenue was ₹358.1 Crore for FY20 as compared to ₹424.9 Crore in FY19, a decrease of 15.7%
- EBITDA stood at ₹13.3 Crore as compared to ₹19.9 Crore during FY19, a decrease of 33.2%
- EBITDA Margin at 3.7% for FY20 as against 4.7% in FY19, a decrease of 97 basis point (bps)
- Net Loss of ₹16.3 Crore for FY20 as compared to a loss of ₹13.6 Crore in FY19

### Operating Highlights

- Sales to Indian OE customers declined 16%. Volume drop across major segments.
- Sales to International customers declined 13%.
- EBITDA margin declined by 97 bps
  - Steep drop in volume resulted in drop in EBITDA which was partially mitigated by favourable raw material price and operational performance improvement.

### MANAGEMENT COMMENT

*“FY20 was a challenging year for REVL given the volume drop across market segments. The operational improvements helped to partially mitigate the impact of lower volumes. The Covid-19 pandemic has significantly affected the business and disrupted the turnaround efforts. The company is working on various cost savings initiatives including a management salary reduction of 10% to 35% from junior to senior level employees respectively to reduce the impact. These efforts and healthy order book position of the company will help the turnaround plan once the market recovers”*

**L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

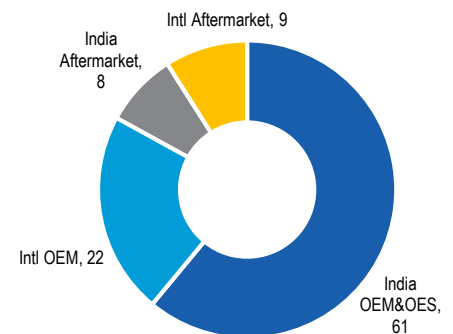
#### Financial Performance

Particulars	FY 20	FY 19	YOY%
Total Net Revenue	358.1	424.9	-15.7%
EBITDA	13.3	19.9	-33.2%
Margin (%)	3.7%	4.7%	-97 bps
PAT	-16.3	-13.6	-19.9%

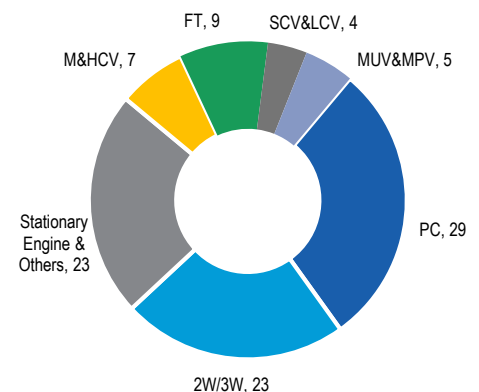
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (FY20)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

Particulars	FY20	FY19	YoY%
Income from Operations	347.4	413.0	-16%
Other Operating Income	7.6	9.6	-21%
Other Income	3.2	2.2	41%
<b>Total Revenue</b>	<b>358.1</b>	<b>424.9</b>	<b>-16%</b>
<b>Expenses</b>			
-Cost of Material Consumed	137.9	184.4	-25%
-Purchase of stock-in-trade	5.4	10.8	-50%
-Changes in inventories	1.4	-20.1	
-Employee Benefit Expense	103.6	111.5	-7%
-Finance Cost	10.5	9.9	6%
-Depreciation & Amortization	28.1	30.5	-8%
-Other Expenditure	96.4	118.2	-18%
<b>Total Expenses</b>	<b>383.4</b>	<b>445.3</b>	<b>-14%</b>
<b>PBT before Exceptional Items</b>	<b>-25.3</b>	<b>-20.5</b>	<b>-23%</b>
Exceptional Item	-	-	
<b>PBT</b>	<b>-25.3</b>	<b>-20.5</b>	<b>-23%</b>
Tax Expense	-9.0	-6.9	-30%
<b>PAT</b>	<b>-16.3</b>	<b>-13.6</b>	<b>-20%</b>

## KEY BALANCE SHEET ITEMS

Particulars	As at 31.03.2020	As at 31.03.2019	Change
<b>Non-current assets</b>	<b>149.5</b>	<b>161.9</b>	<b>-12.4</b>
-Property, Plant and Equipment	108.0	125.0	-17.0
-Financial Assets	5.9	5.7	0.2
<b>Current assets</b>	<b>152.9</b>	<b>181.2</b>	<b>-28.2</b>
- Inventories	76.2	80.1	-4.0
-Trade receivables	62.6	83.6	-21.0
-Cash and cash equivalents	1.0	2.2	-1.2
<b>Total Assets</b>	<b>302.5</b>	<b>343.1</b>	<b>-40.6</b>
<b>Shareholders Fund</b>	<b>111.0</b>	<b>127.3</b>	<b>-16.3</b>
<b>Non-current liabilities</b>	<b>47.9</b>	<b>49.3</b>	<b>-1.4</b>
-Long-term borrowings	33.7	36.4	-2.7
<b>Current liabilities</b>	<b>143.6</b>	<b>166.4</b>	<b>-22.8</b>
-Short-term borrowings	77.5	81.5	-4.0
-Trade payables	47.6	58.2	-10.5
<b>Total Liabilities</b>	<b>191.5</b>	<b>215.8</b>	<b>-24.2</b>
<b>Total Equity and Liabilities</b>	<b>302.5</b>	<b>343.1</b>	<b>-40.5</b>

(In ₹ Crore, unless otherwise mentioned. The sum of sub-segment amounts may not equal the total amounts due to rounding off)

## ABOUT RANE ENGINE VALVE LIMITED

Established in 1959, Rane Engine Valve Limited (REVL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. REVL manufactures engine valves, valve guides and tappets for various IC engine applications. REVL is market leader in Indian OEM and replacement markets. REVL caters to all segments of automobile industries such as PV, CV, Tractors, 2W, 3W, stationary engines, railways and marine engines.

## ABOUT RANE GROUP

Headquartered in Chennai, India, Rane Group is engaged primarily in manufacturing auto components for well over five decades. Rane Group is a preferred supplier to major OEMs in India and abroad. Through its group companies, it provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility solutions. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and stationery Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,  
PLEASE FEEL FREE TO CONTACT: [INVESTORSERVICES@RANEGROUP.COM](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DPINGLE@CHRISTENSENIR.COM](mailto:DPINGLE@CHRISTENSENIR.COM)

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.