

Registered Office      Tel: 91 44 2811 2472  
"Maithri"              Fax: 91 44 2811 2449  
132, Cathedral Road,      URL: www.ranegroup.com  
Chennai 600 086,      India.  
CIN: L65993TN2004PLC052856

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## Rane (Madras) Limited

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**//Online Submission//**

RML / SE/11/2020-21

June 18, 2020

<b>BSE Limited</b> Listing Centre Scrip Code: <b>532661</b>	<b>National Stock Exchange of India Ltd.</b> NEAPS Symbol: <b>RML</b>
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Dear Sir / Madam,

**Sub: Outcome of Board Meeting held on June 18, 2020 - under Regulation 30 of SEBI LODR**

**Ref: Our letter no. RML/SE/04/2020-21 dated May 07, 2020**

This is to inform that the Board of Directors have, inter alia, approved the audited financial results of the Company (standalone & consolidated for the year ended March 31, 2020) as recommended by the audit committee at their respective meeting(s) held today (**June 18, 2020**).

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

The extract of the audited financial results (standalone & consolidated) will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**). The standalone and consolidated financial results shall be available on the website of the company at [www.ranegroup.com](http://www.ranegroup.com) and stock exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) (**Regulation 46 & 47**). An 'earnings release' for the above results and a communication to shareholders of the Company are also enclosed (**Regulation 30**).

The meeting of the Board of Directors commenced at 13:00 hrs and concluded at 14:40 hrs(IST).

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## Rane (Madras) Limited

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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 (Madras) Limited**

S SUBHA      Digitally signed  
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Subha Shree S  
**Secretary**

Encl: a/a

1. *Audited financial results (standalone & consolidated) for the quarter & year ended March 31, 2020.*
2. *Extract of the audited financial results(standalone & consolidated) for Newspaper publication.*
3. *Independent Auditor's Report on the audited financial results (standalone & consolidated) 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.*
6. *Communication to Shareholders FY20*

**RANE (MADRAS) LIMITED**

CIN L65993TN2004PLC052856

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

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**Statement of Audited Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2020**

(Rs. Lakhs)

Particulars	Standalone					Consolidated				
	Quarter ended		Year ended			Quarter ended		Year ended		
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
<b>1. Income</b>										
(a) Revenue from operations	24,629.04	26,381.78	32,387.35	1,05,559.32	1,32,732.29	28,200.09	30,365.36	36,550.02	1,22,834.59	1,50,615.66
(b) Other operating income	291.14	1,151.62	977.58	4,493.44	4,292.87	375.98	1,255.46	1,142.45	4,872.97	4,845.93
(c) Other income	1,024.17	489.14	216.71	1,870.65	1,057.07	787.22	425.58	246.76	1,444.41	994.97
<b>Total Income</b>	<b>25,944.35</b>	<b>28,022.54</b>	<b>33,581.64</b>	<b>1,11,923.41</b>	<b>1,38,082.23</b>	<b>29,363.29</b>	<b>32,046.40</b>	<b>37,939.23</b>	<b>1,29,151.97</b>	<b>1,56,456.56</b>
<b>2. Expenses</b>										
(a) Cost of materials consumed	16,433.92	16,117.73	20,623.93	68,303.93	86,496.80	17,674.00	17,373.87	22,174.33	74,423.07	93,049.79
(b) Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress	(810.26)	1,260.51	619.52	1,416.19	110.80	(770.42)	1,095.79	795.34	1,129.36	43.88
(d) Excise duty	-	-	-	-	-	-	-	-	-	-
(e) Employee benefits expense	3,325.73	3,616.19	3,444.18	14,193.67	14,851.02	5,533.86	5,814.24	5,583.97	23,388.37	23,022.85
(f) Finance costs	718.66	822.20	742.99	3,194.79	2,835.15	894.63	945.18	897.87	3,728.22	3,428.98
(g) Depreciation and amortisation expense	1,382.37	1,295.99	1,385.78	5,242.49	5,302.87	1,758.45	1,619.66	1,711.06	6,562.54	6,595.01
(h) Other expenses	4,578.06	4,564.83	5,232.39	18,159.50	21,449.23	5,839.02	5,942.82	6,911.18	24,176.77	27,752.74
<b>Total expenses</b>	<b>25,628.48</b>	<b>27,677.45</b>	<b>32,048.79</b>	<b>1,10,510.57</b>	<b>1,31,045.87</b>	<b>30,929.54</b>	<b>32,791.56</b>	<b>38,073.75</b>	<b>1,33,408.33</b>	<b>1,53,893.25</b>
<b>3. Profit before exceptional items (1-2)</b>	<b>315.87</b>	<b>345.09</b>	<b>1,532.85</b>	<b>1,412.84</b>	<b>7,036.36</b>	<b>(1,566.25)</b>	<b>(745.16)</b>	<b>(134.52)</b>	<b>(4,256.36)</b>	<b>2,563.31</b>
4. Exceptional Items (Refer note 6)	(3,757.54)	-	-	(3,757.54)	-	(196.40)	-	-	(196.40)	-
<b>5. Profit before tax (3 ± 4)</b>	<b>(3,441.67)</b>	<b>345.09</b>	<b>1,532.85</b>	<b>(2,344.70)</b>	<b>7,036.36</b>	<b>(1,762.65)</b>	<b>(745.16)</b>	<b>(134.52)</b>	<b>(4,452.76)</b>	<b>2,563.31</b>
6. Tax expense										
Current tax (Net of MAT Credit)	(55.94)	29.71	526.87	369.03	2,523.00	(55.74)	29.70	536.08	369.07	2,532.21
Deferred tax	24.17	(57.43)	108.41	(270.70)	(210.79)	24.17	(57.43)	108.41	(270.70)	(210.79)
<b>Total tax expenses</b>	<b>(31.77)</b>	<b>(27.72)</b>	<b>635.28</b>	<b>98.33</b>	<b>2,312.21</b>	<b>(31.57)</b>	<b>(27.73)</b>	<b>644.49</b>	<b>98.37</b>	<b>2,321.42</b>
<b>7. Profit/ (loss) for the period/ year (5-6)</b>	<b>(3,409.90)</b>	<b>372.81</b>	<b>897.57</b>	<b>(2,443.03)</b>	<b>4,724.15</b>	<b>(1,731.08)</b>	<b>(717.43)</b>	<b>(779.01)</b>	<b>(4,551.13)</b>	<b>241.89</b>
8. Other comprehensive income (Net of tax expenses)	(365.36)	(37.79)	(6.85)	(441.08)	(114.25)	(1,443.88)	(448.73)	99.64	(1,931.84)	(69.03)
A. (i) Items that will not be reclassified to profit or loss	(130.50)	(37.75)	5.27	(249.08)	(81.69)	(698.30)	(37.75)	(121.75)	(816.88)	(292.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss	45.60	13.19	(1.38)	87.04	29.01	45.60	13.19	(1.38)	87.04	29.01
B. (i) Items that will be reclassified to profit or loss	(431.11)	(20.34)	(16.51)	(428.93)	(79.27)	(941.83)	(431.28)	217.00	(1,351.89)	177.22
(ii) Income tax relating to items that will be reclassified to profit or loss	150.65	7.11	5.77	149.89	17.70	150.65	7.11	5.77	149.89	17.70
<b>9. Total comprehensive income for the period/ year (7+8)</b>	<b>(3,775.26)</b>	<b>335.02</b>	<b>890.72</b>	<b>(2,884.11)</b>	<b>4,609.90</b>	<b>(3,174.96)</b>	<b>(1,166.16)</b>	<b>(679.37)</b>	<b>(6,482.97)</b>	<b>172.86</b>
10. Details of equity share capital										
Paid-up equity share capital (Face Value of Rs.10/- per share)	1,255.39	1,197.32	1,197.32	1,255.39	1,197.32	1,255.39	1,197.32	1,197.32	1,255.39	1,197.32
<b>11. Other equity excluding revaluation reserves</b>				28,837.93	29,929.78				17,131.49	21,823.45
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.)										
(a) Basic	(28.30)	3.11	7.50	(20.37)	40.38	(14.37)	(5.99)	(6.51)	(37.95)	2.07
(b) Diluted	(24.86)	3.05	7.50	(19.59)	40.38	(12.62)	(5.86)	(6.51)	(36.49)	2.07

**Notes:-****1. Balance Sheet as on**

Rs. Lakhs

Particulars	Standalone		Consolidated	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	Audited	Audited	Audited	Audited
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	32,557.14	33,640.77	37,139.28	37,858.73
(b) Capital Work-In-Progress	1,014.78	1,212.53	4,982.70	1,561.81
(c) Investment property	-	-	-	-
(d) Goodwill	406.43	406.43	406.43	602.83
(e) Right to use asset	368.49	-	454.09	-
(f) Other Intangible Assets	58.72	138.64	58.72	138.64
(g) Financial Assets				
(i) Investments	70.99	75.00	60.00	60.00
(ii) Loans Receivable	11,312.73	4,469.89	-	-
(iii) Other Financial Assets	5,014.36	3,974.49	4,945.65	3,729.61
(h) Deferred tax assets (net)	-	-	-	-
(i) Income Tax Asset (Net of Provision)	1,446.00	995.00	1,446.00	995.00
(j) Other non-current assets	752.87	966.50	3,433.29	1,451.13
<b>Total Non-Current Assets</b>	<b>53,002.51</b>	<b>45,879.25</b>	<b>52,926.16</b>	<b>46,397.75</b>
<b>Current Assets</b>				
(a) Inventories	13,343.64	15,471.38	15,683.83	17,179.37
(b) Financial Assets				
(i) Investments	-	-	-	-
(ii) Trade Receivables	16,290.62	21,888.43	19,079.60	24,586.70
(iii) Cash and cash equivalents	1,652.41	1,053.30	1,835.16	1,781.44
(iv) Bank balances other than (iii) above	17.54	18.33	17.54	18.34
(v) Loans receivable	23.15	24.16	33.24	25.35
(vi) Other Financial Assets	189.04	522.05	189.04	522.05
(c) Other Current Assets	2,088.83	2,991.38	2,417.33	3,218.53
<b>Total Current Assets</b>	<b>33,605.23</b>	<b>41,969.03</b>	<b>39,255.74</b>	<b>47,331.78</b>
<b>TOTAL ASSETS</b>	<b>86,607.74</b>	<b>87,848.28</b>	<b>92,181.90</b>	<b>93,729.53</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	1,255.39	1,197.32	1,255.39	1,197.32
(b) Other Equity	28,837.93	29,929.78	17,131.49	21,823.45
<b>Total Equity</b>	<b>30,093.32</b>	<b>31,127.10</b>	<b>18,386.88</b>	<b>23,020.77</b>
<b>Liabilities</b>				
(1) Non-Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13,981.73	11,229.21	19,990.65	14,132.47
(ii) Trade payables	-	-	-	-
(iii) Other financial liabilities	533.16	841.26	575.55	818.42
(b) Provisions	609.16	620.66	609.16	620.66
(c) Deferred tax liabilities (net)	169.25	676.87	169.25	676.87
(d) Other non-current liabilities	248.30	398.13	2,371.67	1,937.74
(e) Non-current Tax Liabilities (Net)	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>15,541.60</b>	<b>13,766.13</b>	<b>23,716.28</b>	<b>18,186.16</b>
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15,895.05	17,114.44	19,665.55	22,302.94
(ii) Trade Payables				
Total outstanding dues of Micro enterprises and Small enterprises	902.74	1,153.77	902.74	1,153.77
Total outstanding dues of creditors other than Micro enterprises and	14,535.42	17,923.02	18,042.01	20,435.60
(iii) Other Financial Liabilities	7,481.52	4,733.08	9,269.27	6,554.14
(b) Other Current Liabilities	1,492.26	1,199.41	1,533.34	1,244.82
(c) Provisions	665.83	831.33	665.83	831.33
(d) Current Tax Liabilities	-	-	-	-
<b>Total Current Liabilities</b>	<b>40,972.82</b>	<b>42,955.05</b>	<b>50,078.74</b>	<b>52,522.60</b>
<b>Total Liabilities</b>	<b>56,514.42</b>	<b>56,721.18</b>	<b>73,795.02</b>	<b>70,708.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,607.74</b>	<b>87,848.28</b>	<b>92,181.90</b>	<b>93,729.53</b>

**Notes:-**

- 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 18, 2020.
- 4 The Company is engaged in the manufacture of components for Transportation industry, which in the context of Indian Accounting Standard (Ind AS) 108 – Operating Segments, is considered as the only operating segment of the Company.
- 5 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method which has resulted in recognition of Right-of-Use asset (ROU) of Rs. 455.08 Lakhs (Rs.588.78 Lakhs at Consolidated level) and a lease liability of Rs. 455.08 Lakhs (Rs.588.78 Lakhs at Consolidated level) as on the transition date. The effect of this adoption is insignificant on the profit for the period and earnings per share.
- 6 The company / group has assessed the recoverable value of its total investment, loans and other financial assets/ net assets in an operating wholly owned step down subsidiary (either directly or through the intermediate subsidiary) and provided for an impairment aggregating to Rs. 3757.54 Lakhs being shown as an exceptional charge for the Quarter and Year ended March 31, 2020. In order to carry out the above assessment, projections of future cash flows based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known.  
The impact of Covid 19 on the Company's financial results/statements may differ from that estimated as at the date of approval of these financial results/statements dependent on circumstances that evolve in the future.
- 7 During the quarter ended December 31, 2019, 17,42,160 warrants convertible into equity shares of Rs. 10/- each were issued and allotted on preferential basis to the holding company (Rane Holdings Limited) out of which 580,720 warrants were converted into equity shares in March, 2020
- 8 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assessee have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. The company is in the process of evaluating the impact of availment of the said option, and accordingly, no effect in this regard has presently been considered in the measurement of tax expense for the quarter and Year ended March 31, 2020 and the consequent impact in the deferred tax as on that date.
- 9 The financial results for the year ended March 31, 2020 have been audited and for the quarter ended March 31, 2020 have been reviewed by the statutory auditors of the Company. The figures for the quarters ended March 31, 2020 and March 31, 2019 are the balancing figures between the audited figures for the years ended March 31, 2020 and March 31, 2019. The unaudited year to date figures for the nine months ended December 31, 2019 and December 31, 2018, respectively, which were subject to limited review by the Statutory Auditor. The Statutory Auditors did not issue a limited review conclusion for quarter ended March 31, 2019.
- 10 The previous period figures have been re-grouped wherever necessary to conform to current period's presentation.
- 11 The company / group has assessed the impact of COVID-19 on its financial statement based on the internal and external information, to the extent known and available, up to the date of approval of these financial statements and expects to recover the carrying amounts of investments, loans, intangible assets, trade receivable, inventories and other financial assets.
- 12 The Standalone and Consolidated financial results for the 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 Standalone and Consolidated financial results are also available on the Stock Exchange websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) and on the Company's website viz., [www.ranegroup.com](http://www.ranegroup.com).

**For Rane (Madras) Limited**

**Chennai  
June 18, 2020**

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**L Ganesh  
Chairman**

**RANE (MADRAS) LIMITED**

CIN L65993TN2004PLC052856

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

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Statement of Audited Standalone and Consolidated Financial Results for the Year Ended March 31, 2020



**2. Cash flow statement**

Particulars	Rs. Lakhs			
	Standalone		Consolidated	
	Audited Year ended 31.03.2020	Audited Year ended 31.03.2019	Audited Year ended 31.03.2020	Audited Year ended 31.03.2019
<b>A. Cash flow from operating activities</b>				
<b>Profit for the year</b>	(2,443.03)	4,724.15	(4,551.13)	241.89
<b>Adjustments for :</b>				
Income tax expense recognised in profit and loss	98.33	2,312.21	98.37	2,321.42
Finance costs recognised in profit and loss	3,194.79	2,835.15	3,728.22	3,428.98
Interest income recognised in profit and loss	(223.40)	(149.56)	(43.85)	(44.77)
Net loss/(gain) on disposal of property, plant and equipment	(14.86)	(13.89)	(5.52)	(6.38)
Government grant income	(154.41)	(191.00)	(154.41)	(191.00)
Guarantee Commission	(36.50)	(44.00)	-	-
Unrealised Exchange Loss/(Gain)	(807.72)	117.00	(150.92)	9.00
Foreign Currency translation Gain / (Loss)	-	-	(922.96)	256.49
Translation Gain on Property, Plant and Equipment	-	-	(421.20)	(467.37)
Provision for doubtful trade receivables and advances (net of write back)	(361.10)	128.72	(281.72)	128.72
Impairment of Financial Assets / Goodwill	3,757.54	-	196.40	-
Depreciation and amortisation of non-current assets	5,242.49	5,302.87	6,562.54	6,595.01
	<b>8,252.13</b>	<b>15,021.65</b>	<b>4,053.82</b>	<b>12,271.99</b>
<b>Movements in working capital :</b>				
(Increase) / decrease in trade and other receivables	6,131.50	(749.57)	5,961.41	(291.84)
(Increase) / decrease in inventories	2,127.74	(1,894.21)	1,495.54	(1,924.93)
(Increase) / decrease in other non current assets	5.26	(90.26)	(590.90)	(76.20)
(Increase) / decrease in other non current financial assets	(980.61)	(503.39)	(1,216.04)	(535.45)
(Increase) / decrease in other current financial assets	343.17	636.07	343.17	635.07
(Increase) / decrease in other current assets	902.56	765.55	801.20	588.10
(Increase) / decrease in loans receivable	1.00	(3.19)	(7.90)	(4.12)
Increase / (decrease) in trade payables	(3,644.16)	(4,258.36)	(2,651.27)	(3,994.93)
Increase / (decrease) in long term provisions	(11.50)	74.73	(11.50)	74.73
Increase / (decrease) in short term provisions	(165.50)	238.84	(165.50)	238.84
Increase / (decrease) in other non current financial liabilities	(597.34)	(130.48)	(597.34)	(251.08)
Increase / (decrease) in other current financial liabilities	48.52	3.27	260.97	(220.70)
Increase / (decrease) in other non current liabilities	-	53.93	583.76	247.06
Increase / (decrease) in other current liabilities	47.85	(24.89)	(524.27)	(211.52)
<b>Cash generated from operations</b>	<b>12,460.62</b>	<b>9,139.69</b>	<b>7,735.15</b>	<b>6,545.02</b>
Income tax paid	(819.90)	(2,087.14)	(819.94)	(2,076.58)
<b>Net cash (used in) / generated by operating activities</b>	<b>11,640.72</b>	<b>7,052.55</b>	<b>6,915.21</b>	<b>4,468.44</b>
<b>B. Cash flow from investing activities</b>				
Interest received	(9.15)	46.43	33.70	46.43
Non current Investments	-	(60.00)	-	(60.00)
Loans/investment to subsidiary	(9,776.44)	(3,730.55)	-	-
Payments for property, plant and equipment	(3,770.26)	(5,069.62)	(10,447.44)	(6,133.33)
Proceeds from disposal of property, plant and equipment	105.63	162.45	160.08	163.54
Bank Balances not considered as cash and cash equivalents	0.79	(2.36)	0.79	(2.36)
<b>Net cash (used in) / generated by investing activities</b>	<b>(13,449.43)</b>	<b>(8,653.65)</b>	<b>(10,252.87)</b>	<b>(5,985.72)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	58.07	36.56	58.07	36.56
Proceeds from Share premium on equity shares	1,608.59	1,963.43	1,608.59	1,963.43
Money Received against Share warrant	833.33	(500.00)	833.33	(500.00)
Proceeds from long term borrowings	10,636.00	3,000.00	15,065.00	3,858.00
Repayment of long term borrowings	(5,660.26)	(1,324.33)	(7,093.76)	(1,474.73)
Proceeds from short term borrowings	-	3,314.94	-	3,680.86
Repayment of short term borrowings	(1,250.05)	-	(2,668.05)	-
Dividend paid	(538.79)	(1,349.49)	(538.79)	(1,349.49)
Tax on dividend	(110.75)	(277.40)	(110.75)	(277.40)
Interest paid	(3,181.90)	(2,783.44)	(3,775.84)	(3,340.93)
<b>Net cash (used in)/ generated by financing activities</b>	<b>2,394.24</b>	<b>2,080.27</b>	<b>3,377.80</b>	<b>2,596.30</b>
<b>Net increase in cash and cash equivalents</b>	<b>585.53</b>	<b>479.17</b>	<b>40.14</b>	<b>1,079.02</b>
Cash and cash equivalents at the beginning of the year	1,061.30	582.13	1,789.44	710.42
<b>Cash and Cash equivalents at the end of the year</b>	<b>1,646.83</b>	<b>1,061.30</b>	<b>1,829.58</b>	<b>1,789.44</b>

**Reconciliation of cash and cash equivalents to Balance sheet**

Particulars	Rs. Lakhs			
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
Cash and cash equivalents as per Balance sheet	1,652.41	1,053.30	1,835.16	1,781.44
Exchange loss/(Gain) on EEFC account	(5.58)	8.00	(5.58)	8.00
<b>Cash and cash equivalents as above</b>	<b>1,646.83</b>	<b>1,061.30</b>	<b>1,829.58</b>	<b>1,789.44</b>

**RANE (MADRAS) LIMITED**

Regd. Office : " MAITHRI ", 132, Cathedral Road, Chennai - 600 086  
visit us at: www.ranegroup.com CIN L65993TN2004PLC052856



**Extract of Audited Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2020**

(Rs. in Lakhs except per share data)

S.No	Particulars	Standalone					Consolidated				
		Quarter ended		Year ended			Quarter ended		Year ended		
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
1	Total Income from Operations	24,920.18	27,533.40	33,364.93	1,10,052.76	1,37,025.16	28,576.07	31,620.82	37,692.47	1,27,707.56	1,55,461.59
2	Net Profit / (Loss) for the period (before Tax, Exceptional items)	315.87	345.09	1,532.85	1,412.84	7,036.36	(1,566.25)	(745.16)	(134.52)	(4,256.36)	2,563.31
3	Net Profit / (Loss) for the period before tax (after Exceptional items)	(3,441.67)	345.09	1,532.85	(2,344.70)	7,036.36	(1,762.65)	(745.16)	(134.52)	(4,452.76)	2,563.31
4	Net Profit / (Loss) for the period after tax (after Exceptional items)	(3,409.90)	372.81	897.57	(2,443.03)	4,724.15	(1,731.08)	(717.43)	(779.01)	(4,551.13)	241.89
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	(3,775.26)	335.02	890.72	(2,884.11)	4,609.90	(3,174.96)	(1,166.16)	(679.37)	(6,482.97)	172.86
6	Equity Share Capital	1,255.39	1,197.32	1,197.32	1,255.39	1,197.32	1,255.39	1,197.32	1,197.32	1,255.39	1,197.32
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year				28,837.93	29,929.78				17,131.49	21,823.45
8	Earnings Per Share (of Rs. 10/- each) -										
	1. Basic:	(28.30)	3.11	7.50	(20.37)	40.38	(14.37)	(5.99)	(6.51)	(37.95)	2.07
	2. Diluted:	(24.86)	3.05	7.50	(19.59)	40.38	(12.62)	(5.86)	(6.51)	(36.49)	2.07

The above is an extract of the detailed format of Quarterly Standalone and Consolidated Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated 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:**

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 20, 2020.
- Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method which has resulted in recognition of Right-of-Use asset (ROU) of Rs. 455.08 Lakhs (Rs.588.78 Lakhs at Consolidated level) and a lease liability of Rs. 455.08 Lakhs (Rs.588.78 Lakhs at Consolidated level) as on the transition date. The effect of this adoption is insignificant on the profit for the period and earnings per share.

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019, corporate assesses have been given an option to apply a lower income tax rate with effect from 1st April, 2019, subject to certain conditions specified therein. The company is in the process of evaluating the impact of availment of the said option, and accordingly, no effect in this regard has presently been considered in the measurement of tax expense for the quarter and Year ended 31st March, 2020 and the consequent impact in the deferred tax as on that date.

During the quarter ended December 31, 2019, 17,42,160 warrants convertible into equity shares of Rs. 10/- each were issued and allotted on preferential basis to the holding company (Rane Holdings Limited) out of which 580,720 warrants were converted into equity shares in March, 2020

The company / group has assessed the recoverable value of its total investment, loans and other financial assets/ net assets in an operating wholly owned step down subsidiary (either directly or through the intermediate subsidiary) and provided for an impairment aggregating to Rs. 3757.54 Lakhs being shown as an exceptional charge for the Quarter and Year ended March 31, 2020. In order to carry out the above assessment, projections of future cash flows based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known. The impact of Covid 19 on the Company's financial results/statements may differ from that estimated as at the date of approval of these financial results/statements dependent on circumstances that evolve in the future.

The company / group has assessed the impact of COVID-19 on its financial statement based on the internal and external information, to the extent known and available, up to the date of approval of these financial statements and expects to recover the carrying amounts of investments, loans, intangible assets, trade receivable, inventories and other financial assets.

For Rane (Madras) Limited

Chennai  
June 18, 2020

L Ganesh  
Chairman

L GANESH

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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND  
REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF RANE (MADRAS) LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of Rane (Madras) Limited ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020**

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.





# Deloitte Haskins & Sells

## Emphasis of Matter

We draw attention to Note 6 to the Financial Results which fully describes the management's assessment of impairment of investment, loans and other financial assets in an operating wholly owned step down subsidiary, which has taken into consideration the adverse business impact and uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

## Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian 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 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 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, 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.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's Responsibilities

### (a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the 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 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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.

## **(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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# **Deloitte Haskins & Sells**

## **Other Matters**

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Ananthi Amarnath**  
(Partner)  
(Membership No. 209252)  
(UDIN: 20209252AAAAFL9078)

Place: Chennai  
Date: 18 June 2020

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS  
AND REVIEW OF QUARTERLY FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF RANE (MADRAS) LIMITED****Opinion and Conclusion**

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of Rane (Madras) Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Consolidated Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit report of other auditor on separate financial statements of the subsidiary referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- i. includes the results of the following entities:

<b>Name of subsidiary</b>	<b>Relationship</b>
Rane (Madras) International Holdings, B.V., Netherlands	Subsidiary
Rane Precision Die Casting Inc. , United States of America (named changed to Rane Light Metal Castings Inc. w.e.f June 04, 2020)	Step down subsidiary

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group for the year ended March 31, 2020.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, 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 Consolidated Financial Results for the year ended March 31,

# Deloitte Haskins & Sells

2020 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

## **Emphasis of Matter**

We draw attention to Note 6 to the Financial Results which fully describes the management's assessment of impairment of net assets in a subsidiary / step down subsidiary, which has taken into consideration the adverse business impact and uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

## **Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian 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.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities**

### **(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 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 this Consolidated Financial Results.



# Deloitte Haskins & Sells

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 Annual Consolidated Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such branches or entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditor, remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

## **(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 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 ICAI. A review of interim financial

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# Deloitte Haskins & Sells

information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

## Other Matters

- As stated in Note 9 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report is not modified in respect of the above matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of the above matter.
- We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 17,265 Lakhs as at March 31, 2020 and total revenues of Rs. 17,655 Lakhs for the year ended March 31, 2020, total net loss after tax of Rs. 5,032 Lakhs for the year ended March 31, 2020 and total comprehensive loss of Rs. 5,531 Lakhs for the year ended March 31, 2020 and net cash outflows (net) of Rs. 135 Lakhs for the year ended March 31, 2020, as considered in the Statement. These financial statements have been audited, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above. Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

ANANTHI AMARNATH Digitally signed by ANANTHI  
AMARNATH  
Date: 2020.06.18 13:39:09 +05'30'

**Ananthi Amarnath**  
(Partner)  
(Membership No. 209252)  
(UDIN: 20209252AAAAFM1365)

Place: Chennai  
Date: 18 June 2020

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URL : www.ranegroup.com

## **Rane (Madras) Limited**



June 18, 2020

<b>BSE Limited</b> Listing Centre Scrip Code: 532661	<b>National Stock Exchange of India Limited</b> <b>NEAPS</b> Scrip Code: RML
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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. Deloitte Haskins & Sells, Chartered Accountants, have issued an unmodified audit report on Financial Results (Standalone & Consolidated) of the Company for the financial year ended March 31, 2020.

Kindly take this declaration on record.

Thanking you.

Yours faithfully

For Rane (Madras) Limited

A handwritten signature in blue ink, appearing to be "B Gnanasambandam", written in a cursive style.

B Gnanasambandam  
Senior Vice President Finance & CFO





Expanding Horizons

# RANE (MADRAS) LIMITED

## FY20 Earnings Release



**Chennai, India, June 18, 2020** – Rane (Madras) Limited (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and light metal casting components today announced its standalone and consolidated financial performance for the financial year (FY20) ended March 31, 2020

### Standalone FY20 Performance

- Total Net Revenue was ₹1,119.2 Crore for FY20 as compared to ₹1,380.8 Crore in FY19, a decrease of 18.9%
- EBITDA stood at ₹98.5 Crore as compared to ₹151.7 Crore during FY19, a decrease of 35.1%
- EBITDA Margin at 8.8% for FY20 as against 11.0% in FY19, a decline of 219 basis point (bps)
- Net Loss stood at ₹24.4 Crore for FY20 which includes an impairment of ₹37.6 Crore as compared to net profit ₹47.2 Crore in FY19

### Consolidated FY20 Performance

- Total Net Revenue was ₹1,291.5 Crore for FY20 as compared to ₹1,564.6 Crore in FY19, a decrease of 17.5%
- EBITDA stood at ₹60.3 Crore as compared to ₹125.9 Crore during FY19, a decrease of 52.1%
- EBITDA Margin at 4.7% for FY20 as against 8.0% in FY19, a decline of 337 basis point (bps)
- Net Loss stood at ₹45.5 Crore for FY20 as compared to net profit ₹2.4 Crore in FY19

### Operating Highlights for FY20 – Standalone

- Sales to Indian OE customers declined 24%. Experienced volume drop across segments.
- Sales to International customers declined 22% due to lower offtake in served segments and end of life in some customer programs.
- Sales to Indian Aftermarket customers declined 3%.
- Lower volume and unfavourable mix resulted in 219 bps drop in EBITDA margin

### Overseas Subsidiary: Rane Light Metal Castings Inc. (formerly known as Rane Precision Die Casting Inc.)

- Rane Light Metal Casting Inc. continued to face challenge of lower off take across served customers and lower than anticipated volumes on new program.
- Secured new business from one of existing key customers and a new non-automotive customer.
- Continued to focus on operational improvements and cost savings initiatives

### Impairment

- The investments made in/loans and guarantees given to the subsidiary companies is evaluated for impairment every year based on the estimated sales volumes and cash flow projections of the subsidiary. The estimation of sales volume is based on management assessment of securing new businesses and also considers the economic impact of Covid-19. Based on the valuation as per the current projections, an impairment of ₹ 37.58 Crores is recognized during the fiscal year 2019-20 in Standalone results.

### MANAGEMENT COMMENT

“RML had a challenging year with significant drop in sales on account of demand environment in India and lower volumes on served models in export business. The operational performance continued to improve in steering and light metal casting business in India helping partially offset the volume related impact. The Covid-19 pandemic has significantly affected the business and the company has drafted measures to minimize the impact. This includes a management salary reduction of 10% to 35% from junior to senior level employees respectively.”

### US Subsidiary

“The Covid-19 pandemic has significantly impacted the future of this business and this has forced the management to revisit the strategy and limit the investments. The board will review the performance of the business closely in the next 12 months and take an appropriate decision, keeping in view the long term interest of shareholders.”

– **L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

#### Financial Performance

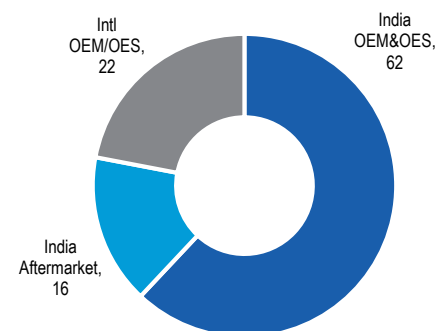
Standalone	FY 20	FY 19	YOY%
Total Net Revenue	1,119.2	1,380.8	-18.9%
EBITDA	98.5	151.7	-35.1%
Margin (%)	8.8%	11.0%	-219 bps
PAT	-24.4	47.2	NA

Consolidated	FY 20	FY 19	YOY%
Total Net Revenue	1,291.5	1,564.6	-17.5%
EBITDA	60.3	125.9	-52.1%
Margin (%)	4.7%	8.0%	-337 bps
PAT	-45.5	2.4	NA

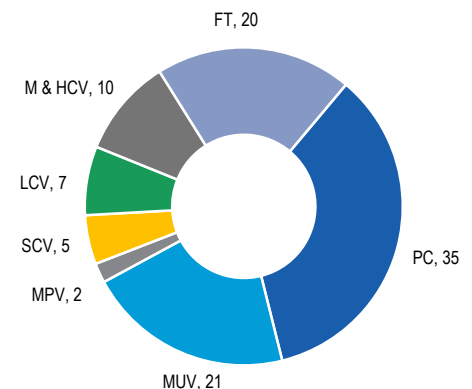
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (FY20)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	FY20	FY19	YoY%	FY20	FY19	YoY%
Income from Operations	1,055.6	1,327.3	-20%	1,228.3	1,506.2	-18%
Other Operating Income	44.9	42.9	5%	48.7	48.5	1%
Other Income	18.7	10.6	77%	14.4	9.9	45%
<b>Total Revenue</b>	<b>1,119.2</b>	<b>1,380.8</b>	<b>-19%</b>	<b>1,291.5</b>	<b>1,564.6</b>	<b>-17%</b>
<b>Expenses</b>						
-Cost of Material Consumed	683.0	865.0	-21%	744.2	930.5	-20%
-Purchase of stock-in-trade	-	-	-	-	-	-
-Changes in inventories	14.2	1.1	1178%	11.3	0.4	2474%
-Excise Duty	-	-	-	-	-	-
-Employee Benefit Expense	141.9	148.5	-4%	233.9	230.2	2%
-Finance Cost	31.9	28.4	13%	37.3	34.3	9%
-Depreciation & Amortization	52.4	53.0	-1%	65.6	66.0	0%
-Other Expenditure	181.6	214.5	-15%	241.8	277.5	-13%
<b>Total Expenses</b>	<b>1,105.1</b>	<b>1,310.5</b>	<b>-16%</b>	<b>1,334.1</b>	<b>1,538.9</b>	<b>-13%</b>
<b>PBT before Exceptional Items</b>	<b>14.1</b>	<b>70.4</b>	<b>-80%</b>	<b>-42.6</b>	<b>25.6</b>	<b>-266%</b>
Exceptional Item	-37.6	-	-	-2.0	-	-
<b>PBT</b>	<b>-23.4</b>	<b>70.4</b>	<b>-133%</b>	<b>-44.5</b>	<b>25.6</b>	<b>-274%</b>
Tax Expense	1.0	23.1	-96%	1.0	23.2	-96%
<b>PAT</b>	<b>-24.4</b>	<b>47.2</b>	<b>-152%</b>	<b>-45.5</b>	<b>2.4</b>	<b>-1981%</b>

## KEY BALANCE SHEET ITEMS

Particulars	Standalone			Consolidated		
	As at 31.03.2020	As at 31.03.2019	Change	As at 31.03.2020	As at 31.03.2019	Change
<b>Non-current assets</b>	<b>530.0</b>	<b>458.8</b>	<b>71.2</b>	<b>529.3</b>	<b>464.0</b>	<b>65.3</b>
-Property, Plant and Equipment	325.6	336.4	-10.8	371.4	378.6	-7.2
-Financial Assets	164.0	85.2	78.8	50.1	37.9	12.2
<b>Current assets</b>	<b>336.1</b>	<b>419.7</b>	<b>-83.6</b>	<b>392.6</b>	<b>473.3</b>	<b>-80.8</b>
- Inventories	133.4	154.7	-21.3	156.8	171.8	-15.0
-Trade receivables	162.9	218.9	-56.0	190.8	245.9	-55.1
-Cash and cash equivalents	16.5	10.5	6.0	18.4	17.8	0.5
<b>Total Assets</b>	<b>866.1</b>	<b>878.5</b>	<b>-12.4</b>	<b>921.8</b>	<b>937.3</b>	<b>-15.5</b>
<b>Shareholders Fund</b>	<b>300.9</b>	<b>311.3</b>	<b>-10.3</b>	<b>183.9</b>	<b>230.2</b>	<b>-46.3</b>
<b>Non-current liabilities</b>	<b>155.4</b>	<b>137.7</b>	<b>17.8</b>	<b>237.2</b>	<b>181.9</b>	<b>55.3</b>
-Long-term borrowings	139.8	112.3	27.5	199.9	141.3	58.6
<b>Current liabilities</b>	<b>409.7</b>	<b>429.6</b>	<b>-19.8</b>	<b>500.8</b>	<b>525.2</b>	<b>-24.4</b>
-Short-term borrowings	159.0	171.1	-12.2	196.7	223.0	-26.4
-Trade payables	154.4	190.8	-36.4	189.4	215.9	-26.4
<b>Total Liabilities</b>	<b>565.1</b>	<b>567.2</b>	<b>-2.1</b>	<b>738.0</b>	<b>707.1</b>	<b>30.9</b>
<b>Total Equity and Liabilities</b>	<b>866.1</b>	<b>878.5</b>	<b>-12.4</b>	<b>921.8</b>	<b>937.3</b>	<b>-15.5</b>

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

## ABOUT RANE (MADRAS) LIMITED

Established in 1960, Rane (Madras) Limited (RML) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RML manufactures steering and suspension linkage products, steering gear products and light metal casting products. Through its overseas subsidiary Rane Light Metal Castings Inc., RML supplies specialized light metal cast components to North American customers from its facility in Kentucky, USA.

## 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.



*Dear Shareholder,*

*The world has changed drastically with the coronavirus pandemic. This is an extreme event – one for which there is no precedence. Your company started experiencing the adverse impact of the pandemic from March 2020 with Government announcing lockdown to contain the spread of coronavirus. This came after six quarters of decline in automotive market which created an even more challenging business environment. Even with the lockdown eased in various parts of the country, it will take considerable time before true normalcy returns.*

*Through this communication, I would like to share details around your company's performance in FY2020 and the outlook for the business in these unprecedented times.*

### **Economic and Industry Review**

*The global economy grew at slower pace in 2019 compared to 2018. Increasing uncertainty in the economic environment amid rising tariffs and rapid shifts in trade policies resulted in deteriorating business confidence and dampened investment growth across most region. The Indian GDP growth dipped to 4.2% in FY20 significantly slower than 6.8% in FY19<sup>1</sup>. This slowdown is attributable to credit squeeze negatively impacting consumption, investments and exports. The manufacturing sector remained flat in FY20.*

*Globally automotive sales demonstrated resilience despite trade woes, increasing popularity of ride hailing services and rising prices. US Auto sales declined slightly in 2019, however sold more than 17 million vehicles<sup>2</sup> for the fifth consecutive year. The European new-car registrations increased by 1.2% across the European Union, the seventh consecutive year of growth, reaching more than 15.3 million units<sup>3</sup>.*

*The automotive industry in India went through challenging phase in FY20 with volumes declining double digit across vehicle segments. The industry was impacted by several factors including the slowdown in the economy, challenges on credit availability and rising cost of vehicle ownership. This was unprecedented and the company has not seen such volume decline across segments in the recent history.*

### **India business – Volume drop impacting business performance**

*The company's business was affected by slowdown in the Indian automotive market. Despite these odds, your company continued to strengthen the market position, win new business and customer accolades.*

*The company continued to enhance its market position in India across product segments. In the aftermarket, new product introduction, range expansion and improving the market reach helped to sustain the business despite the slowdown. The exports revenue declined on account of lower*

<sup>1</sup> Ministry of Statistics and Programme Implementation (MOSPI), India

<sup>2</sup> National Automobile Dealers Association (NADA), US

<sup>3</sup> European Automobile Manufacturers' Association (ACEA)

**Steering business:** Strong operational performance and healthy order book

**Light metal casting business (India):** Operational issues addressed; capacity utilization challenges remain but order book visibility is high

offtake in served segments and end of life in some customer programs. In the steering business, the export order book remains healthy with the company securing order to supply ball joints and the business won in earlier years for steering gear. For the light metal casting products, the company is pursuing both new customers and new applications, which will enhance future growth potential.

On the operational front, the Steering and Linkages business responded well by optimizing the resources and

sustaining efficiency levels. The team continued to enhance lean measures to improve utilisation, productivity and optimize manpower. In addition, significant cost saving projects were executed to minimize the impact due to lower volumes and the inflationary pressures. Similarly, Light Metal Casting India business continued its emphasis on operational improvement and reduced manufacturing cost. Specific initiatives have been taken to improve the availability of the machines and cycle time reduction in casting and machining to improve productivity.

### **Performance of US Subsidiary affected by lower volumes**

The company's acquisition of Rane Light Metal Castings America (earlier known as Rane Precision Die Casting) in 2016 was done with an objective to establish global manufacturing footprint and serve the demand for aluminium components as global automotive majors were prioritizing light weighting. However, the desired results could not be achieved in the planned timeframe. Rane Light Metal Castings America could secure only limited new business which resulted in widening of losses and restricting the capacity to invest on operational improvements. Also, the implementation of operational excellence did not make much progress given the resource constraints.

The Covid-19 pandemic has significantly impacted the future of this business and this has forced the management to revisit the strategy and limit the investments. The board will review the performance of the business closely in next 12 months and take an appropriate decision, keeping in view the long term interest of shareholders.

The performance of US subsidiary is severely affected by the Covid-19 induced slowdown.

### **Impairment**

The investments made in/loans and guarantees given to the subsidiary companies is evaluated for impairment every year based on the estimated sales volumes and cash flow projections of the subsidiary. The estimation of sales volume is based on management assessment of securing new businesses and also considers the economic impact of Covid-19. Based on the valuation as per the current projections, an impairment of Rs. 37.58 Crores is recognized during the fiscal year 2019-20.

### **Outlook**

The world is currently facing unprecedented situation on account of the coronavirus pandemic and this adversity has created further difficulties for people across the globe. By staying true to purpose and values of the company, we committed and prioritized on employee's safety and health.

Though the Covid-19 related business slowdown is real, it is difficult to predict the duration and extent of this slowdown both in India and across the globe. The company anticipates significant decline in revenues in FY 2020-21 and accordingly drafted measures to mitigate the impact. These measures are targeted at improving productivity, optimizing manufacturing cost and includes

*management staff taking salary reductions ranging from 10% to 35% from Junior to Senior levels. The capital expenditure requirements have been drastically reduced and only vital new program related investments and strategic R&D investments are being planned.*

*An excellent, dedicated and professional team of employees continue to drive forward your company's efforts on winning new orders and improving the operational performance. Our inherent resilience to market fluctuations and prudent conservatism will help the company tide over this critical period and put us in stronger footing when the market recovers.*

*I thank you for reposing your faith in the Company and look forward to reporting good results in the coming years.*

**-sd-**

**L Ganesh**