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Rane (Madras) Limited

//Online submission//

RML/SE/ 17 /2020-21

July 11, 2020

BSE Limited (BSE) Listing Centre Scrip Code: 532661	National Stock Exchange of India Limited (NSE) NEAPS Symbol: RML
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Dear Sir / Madam,

Sub: Disclosure of material impact of COVID 19 pandemic – Updates

Ref: Our letter no. RML/SE/10/2020-21 dated June 09, 2020

This is further to our letter referred above giving details of material impact of the COVID-19 pandemic on the Company.

In compliance with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 we enclose herewith further updates relating to the material impact of the COVID-19 pandemic on the Company, vide **Annexure I**.

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

Thanking you.

For **Rane (Madras) Limited**

S Subha Shree
Secretary

Encl.: a/a

Disclosure of material impact of Covid-19 pandemic**Details of impact of Covid-19**

S No.	Particulars	Disclosure
1	Capital and financial resources	The disruption caused by Covid-19 and the resultant lockdown has impacted the sales performance and cash flows. The Company has drawn up plans to cut costs and conserve cash. The Company is confident of raising money to meet working capital requirements as and when necessary.
2	Profitability	The Covid-19 pandemic situation severely impacted the demand for the company's products. Despite various cost control measures in place, lower revenues and less capacity utilisation will impact profitability in the Q1 FY21. Q1 performance is likely to have impact on the annual performance of FY21.
3	Liquidity Position	The Company does not foresee major challenges in meeting its financial obligations.
4	Ability to service debt and other financing arrangements	Company has availed moratorium facility being offered by banks in respect of interest and instalments of loan to restrict the cash outflow. With the projected recovery from Q2 onwards, the company will be in a position to service the debt repayments during this period.
5	Assets	The Covid-19 pandemic has significantly impacted the sales projections for the company's stepdown subsidiary in the US, which has necessitated an impairment of investments made in/loans and guarantees given to the subsidiary. The management has decided to limit the further investments in the subsidiary.
6	Internal Financial Reporting and Control	There is no impact on internal financial controls due to Covid-19 Pandemic.
7	Supply Chain	There is a disruption of supply chain on account of continued partial lockdown measures. However the Company has got adequate inventory to operate and expect the situation to improve by Q2.
8	Demand for its products / services	The lockdown measures imposed by several State Governments across the Country had impacted the demand.
9	Non-fulfilment of the obligations by any party of Existing Contracts/arrangements	The Company does not foresee any challenge in its existing contracts or agreements where non-fulfilment of obligations by any party will have significant impact on the Company's business.