

Rane (Madras) Limited



//Online Submission//

RML/SE/29/2023-24

July 26, 2023

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

Sub: Outcome of Board Meeting held on July 26, 2023 - under Regulation 30 of SEBI LODR

Ref: Our letter no. RML/SE/024/2023-24 dated June 29, 2023

This is to inform that the Board of Directors, inter alia, approved the un-audited financial results (standalone & consolidated) of the Company for the quarter ended June 30, 2023 as recommended by the Audit Committee at their respective meeting(s) held today (**July 26, 2023**).

The un-audited financial results (standalone & consolidated) of the Company for the quarter ended June 30, 2023 is enclosed along with the Limited Review Report on both standalone & consolidated results issued by M/s. BSR & Co., LLP, Chartered Accountants, Statutory Auditors. (**Regulation 33**).

The un-audited financial results (standalone & consolidated) will be uploaded on the website of the company at www.ranegroup.com and stock exchanges at www.bseindia.com and www.nseindia.com (**Regulation 46**). An 'earnings release' for the above results is also enclosed (**Regulation 30**).

The meeting of the Board of Directors commenced at 11:10 hrs (IST) and concluded at 12:57 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 (Madras) Limited**

S Subha Shree
Secretary

Encl: a/a

1. Un-audited financial results (standalone & consolidated) for the quarter ended June 30, 2023.
2. Limited Review Report (standalone & consolidated) for the quarter ended June 30, 2023.
3. Earnings release for the quarter ended June 30, 2023.

RANE (MADRAS) LIMITED

CIN L65993TN2004PLC052856

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

visit us at: www.ranegroup.com

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2023


(Rs. Crores)

Particulars	Standalone			
	Quarter ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited (Refer Note 6)	Unaudited	Audited
1. Income				
(a) Revenue from operations	530.40	560.82	499.78	2,123.55
(b) Other income	1.71	6.23	1.20	11.95
Total income	532.11	567.05	500.98	2,135.50
2. Expenses				
(a) Cost of materials consumed	345.47	347.82	321.61	1,389.10
(b) Changes in inventories of finished goods and work-in-progress	(10.01)	18.78	(0.05)	(11.36)
(c) Employee benefits expense	54.79	47.17	47.52	192.56
(d) Finance costs	9.97	8.43	4.92	27.64
(e) Depreciation and amortisation expense	19.18	22.85	16.37	73.00
(f) Other expenses	89.99	90.09	83.91	336.78
Total expenses	509.39	535.14	474.28	2,007.72
3. Profit / (Loss) before exceptional items (1-2)	22.72	31.91	26.70	127.78
4. Exceptional Items (Refer note 5)	(18.75)	(223.28)	-	(225.89)
5. Profit / (Loss) before tax (3 ± 4)	3.97	(191.37)	26.70	(98.11)
6. Tax expense				
Current tax	1.34	4.08	8.25	34.75
Deferred tax	(0.34)	0.28	(1.61)	(6.32)
Total tax expenses	1.00	4.36	6.64	28.43
7. Profit / (loss) for the period/ year (5-6)	2.97	(195.73)	20.06	(126.54)
A. (i) Items that will not be reclassified to profit or loss	(0.94)	(0.65)	(0.70)	(1.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.24	0.17	0.17	0.44
8. Other comprehensive income	(0.70)	(0.48)	(0.53)	(1.28)
9. Total comprehensive income for the period/ year (7+8)	2.27	(196.21)	19.53	(127.82)
10. Details of equity share capital				
Paid-up equity share capital (Face Value of Rs.10 /- per share)	16.27	16.27	16.27	16.27
11. Other equity	-	-	-	230.84
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)				
(a) Basic	1.83	(120.34)	12.33	(77.80)
(b) Diluted	1.83	(120.34)	12.33	(77.80)

RANE (MADRAS) LIMITED

CIN L65993TN2004PLC052856

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Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2023

(Rs. Crores)

Particulars	Consolidated			
	Quarter ended			Year ended
	30.06.2023	31.03.2023	30.06.2022	31.03.2023
	Unaudited	Audited (Refer Note 6)	Unaudited	Audited
1. Income				
(a) Revenue from operations	588.34	621.56	549.27	2,354.44
(b) Other income	1.61	8.54	1.09	17.86
Total income	589.95	630.10	550.36	2,372.30
2. Expenses				
(a) Cost of materials consumed	369.58	373.94	348.94	1,497.98
(b) Changes in inventories of finished goods and work-in-progress	(8.52)	18.57	(1.34)	(11.19)
(c) Employee benefits expense	78.36	71.09	71.44	289.63
(d) Finance costs	14.40	12.80	5.00	33.64
(e) Depreciation and amortisation expense	24.32	28.27	21.88	96.60
(f) Other expenses	106.53	102.47	101.08	395.52
Total expenses	584.67	607.14	547.00	2,302.18
3. Profit / (Loss) before exceptional items (1-2)	5.28	22.96	3.36	70.12
4. Exceptional Items (Refer note 5)	(18.75)	(9.05)	-	(11.66)
5. Profit / (Loss) before tax (3 ± 4)	(13.47)	13.91	3.36	58.46
6. Tax expense				
Current tax	1.34	4.09	8.25	34.76
Deferred tax	(0.34)	0.28	(1.61)	(6.32)
Total tax expenses	1.00	4.37	6.64	28.44
7. Profit / (loss) for the period/ year (5-6)	(14.47)	9.54	(3.28)	30.02
A. (i) Items that will not be reclassified to profit or loss	(0.94)	1.96	(0.70)	0.89
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.24	0.17	0.17	0.44
Subtotal - A	(0.70)	2.13	(0.53)	1.33
B. (i) Items that will be reclassified to profit or loss	1.52	(5.86)	7.28	(17.84)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal - B	1.52	(5.86)	7.28	(17.84)
8. Other comprehensive income	0.82	(3.73)	6.75	(16.51)
9. Total comprehensive income for the period/ year (7+8)	(13.65)	5.81	3.47	13.51
10. Details of equity share capital				
Paid-up equity share capital (Face Value of Rs.10 /- per share)	16.27	16.27	16.27	16.27
11. Other equity	-	-	-	225.39
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)				
(a) Basic	(8.90)	5.99	(2.02)	18.46
(b) Diluted	(8.90)	5.99	(2.02)	18.46

Notes to the unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2023

- 1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 26, 2023.
- 2 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3 Rane (Madras) Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') are engaged in the manufacture of components primarily 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 Group.
- 4 During the quarter, Board of Directors and Shareholders of the Company have approved the sale/ divestment/ pledge/ dilution / disposal of Rane Light Metal Castings Inc., USA (LMCA) and / or cessation of control of the Company in LMCA. This is owing to changes in market conditions and re-prioritization of investments.
- 5 Exceptional items comprise:
 - In the standalone financial results: During the quarter and year ended March 31, 2023, the Company had assessed the carrying value of its investments in a subsidiary and considered the fair value changes thereto resulting in a reduction in the carrying value aggregating to Rs. 223.28 crores being shown as an exceptional item for the quarter and year ended March 31, 2023. In order to carry out the above assessment, projections of future cash flows of the operating step-down subsidiary based on the most recent long-term forecasts, including selling price and related volumes.
 - In the consolidated financial results: As at 31 March 2023, on account of changes in market conditions and rising cost of capital, the Group has assessed the recoverable amount of the net assets of Rane Light Metal Castings Inc, USA ('LMCA') the step-down subsidiary of the holding company which represents a single cash generating unit (CGU). Based on such assessment, the Group has recorded an impairment charge of Rs. 9.05 crores as an exceptional item in its consolidated financial results during the quarter and year ended March 31, 2023.
 - In the standalone and consolidated financial results: for the quarter ended June 30, 2023, exceptional items amounting to Rs. 18.75 crores primarily comprise of provision for one time warranty related costs and expenditure towards Voluntary Retirement Scheme (year ended March 31, 2023 : Rs. 2.61 crores).
- 6 The figures for the quarter ended March 31, 2023 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year.
- 7 The Standalone and Consolidated financial results for the quarter ended June 30, 2023 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) and NSE (www.nseindia.com) and on the Company's website viz., www.ranegroup.com.

Chennai
July 26, 2023

For Rane (Madras) Limited

GANESH
LAKSHMINAR
AYAN

L Ganesh
Chairman

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No. 1, Harrington Road, Chetpet,
Chennai – 600 031, India.
Tel: +91 44 4608 3100
Fax: +91 44 4608 3199

Limited Review Report on unaudited standalone financial results of Rane (Madras) Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane (Madras) Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Rane (Madras) Limited (hereinafter referred to as “the Company”) for the quarter ended 30 June 2023 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons 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 Standards on Auditing 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.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

B S R & Co. LLP

Limited Review Report (Continued)
Rane (Madras) Limited

contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

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Partner

Chennai

26 July 2023

Membership No.: 203491

UDIN:23203491BGYXYX3872

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
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Telephone: +91 44 4608 3100
Fax: +91 44 4608 3199

Limited Review Report on unaudited consolidated financial results of Rane (Madras) Limited for the quarter ended 30 June 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane (Madras) Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Rane (Madras) Limited (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 June 2023 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons 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 Standards on Auditing 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.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities: Rane (Madras) Limited (Parent Company), Rane (Madras) International Holdings, B.V. (Wholly owned subsidiary) and Rane Light Metal Castings Inc. (Wholly owned step-down subsidiary).
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2023 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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B S R & Co. LLP

7. The Statement includes the interim financial information of one subsidiary which has not been reviewed, whose interim financial information reflects total revenues of Rs. Nil, total net loss after tax of Rs. 0.57 crores and total comprehensive loss of Rs. 0.57 crores for the quarter ended 30 June 2023, as considered in the Statement. According to the information and explanations given to us by the Parent's management, this interim financial information is not material to the Group.

Our conclusion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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S Sethuraman

Partner

Chennai
26 July 2023

Membership No.: 203491
UDIN:23203491BGYXYW4160



Chennai, July 26, 2023 – 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 first quarter (Q1FY24) ended June 30th, 2023.

Standalone Q1 FY24 Performance

- Total Revenue was ₹532.1 Crore for Q1 FY24 compared to ₹501.0 Crore in the Q1 FY23, an increase of 6.2%
- EBITDA stood at ₹51.9 Crore compared to ₹48.0 Crore during Q1 FY23, an increase of 8.1%
- EBITDA Margin at 9.7% for Q1 FY24 against 9.6% in Q1 FY23
- Net profit stood at ₹3.0 Crore for Q1 FY24 compared to ₹20.1 Crore in Q1 FY23

Consolidated Q1 FY24 Performance

- Total Revenue was ₹590.0 Crore for Q1 FY24 compared to ₹550.4 Crore in the Q1 FY23, an increase of 7.2%
- EBITDA stood at ₹44.0 Crore compared to ₹30.2 Crore during Q1 FY23, an increase of 45.5%
- EBITDA Margin at 7.5% for Q1 FY24 against 5.5% in Q1 FY23
- Net loss stood at ₹14.5 Crore for Q1 FY24 compared to Net Loss of ₹3.3 Crore in Q1 FY23

Operating Highlights for Q1 FY24 – Standalone

- Sales to Indian OE customers dropped 1%. This was mainly attributed to drop in Farm Tractors segment and served segment de-growth in M&HCV.
- Export Sales grew 33%. Strong off-take for steering and light metal casting products.
- Sales to Indian Aftermarket customers declined by 17%.
- EBITDA margin improved by 17 bps
 - Favourable material price movement helped offset the inflationary pressure on employee and other costs
- A major customer has announced a recall of certain vehicles, for possible defect suspected in a part of steering tie rod supplied by the Company and used in such vehicles. Since the matter is under discussion with the customer, exceptional item for the quarter ended June 30, 2023 includes a provision towards one time warranty related costs.

Rane Light Metal Casting Inc.

- RML board has decided to divest/dispose of its wholly owned subsidiary Rane Light Metal Casting Inc., USA (LMCA)

MANAGEMENT COMMENT

“RML sustained sales momentum albeit decline in volume in the Farm Tractor segment. The demand from international customers remained robust. Further to the board’s decision, the company is exploring various options to divest the LMCA business. Demand across major vehicle segments continues to remain robust. We are closely monitoring the evolving economic indicators and continuing to prioritise cost reduction and operational improvement programs in the upcoming quarter.”

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

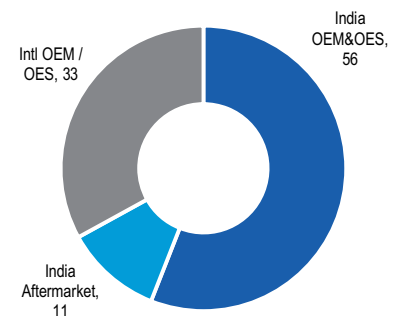
Standalone	Q1 FY24	Q1 FY23	YOY%
Total Revenue	532.1	501.0	6.2%
EBITDA	51.9	48.0	8.1%
Margin (%)	9.7%	9.6%	17 bps
PAT	3.0	20.1	-85.2%

Consolidated	Q1 FY24	Q1 FY23	YOY%
Total Revenue	590.0	550.4	7.2%
EBITDA	44.0	30.2	45.5%
Margin (%)	7.5%	5.5%	196 bps
PAT	-14.5	-3.3	-341.2%

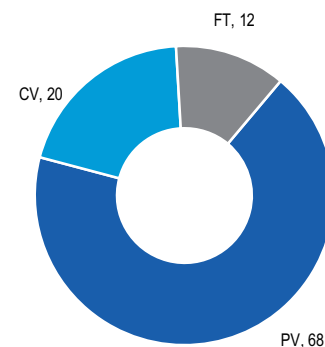
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q1 FY24)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Standalone			Consolidated		
	Q1 FY24	Q1 FY23	YoY%	Q1 FY24	Q1 FY23	YoY%
Income from Operations	530.4	499.8	6%	588.3	549.3	7%
Other Income	1.7	1.2	43%	1.6	1.1	48%
Total Revenue	532.1	501.0	6%	590.0	550.4	7%
Expenses						
-Cost of Material Consumed	345.5	321.6	7%	369.6	348.9	6%
-Changes in inventories	-10.0	-0.1		-8.5	-1.3	
-Employee Benefit Expense	54.8	47.5	15%	78.4	71.4	10%
-Finance Cost	10.0	4.9	103%	14.4	5.0	188%
-Depreciation & Amortization	19.2	16.4	17%	24.3	21.9	11%
-Other Expenditure	90.0	83.9	7%	106.5	101.1	5%
Total Expenses	509.4	474.3	7%	584.7	547.0	7%
PBT before Exceptional Items	22.7	26.7	-15%	5.3	3.4	57%
Exceptional Item	-18.8	-		-18.8	-	
PBT	4.0	26.7	-85%	-13.5	3.4	-501%
Tax Expense	1.0	6.6	-85%	1.0	6.6	-85%
PAT	3.0	20.1	-85%	-14.5	-3.3	-341%

(In ₹ Crore, unless otherwise mentioned. The sum of the 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 has two divisions namely Steering and Linkages Division (SLD) and Light Metal Casting India Division (LMCI). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. LMCI manufactures low porosity, high-quality light metal casting such as steering housings and engine case covers. Through its overseas subsidiary Rane Light Metal Castings Inc. (RLMCA), RML manufactures high pressure light metal casting components 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, and Light Metal casting components. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT: INVESTORSERVICES@RANEGROUP.COM OR DIWAKAR.PINGLE@IN.EY.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.