

Rane (Madras) Limited



RML/SE/058/2023-24

January 25, 2024

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

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

Ref: Our letter no. RML/SE/037/2023-24 dated September 28, 2023

The Investment Committee of the Board at its meeting held today has approved investment in Rane Automotive Components Mexico S de R.L. de C.V. (RACM), wholly owned overseas subsidiary (WOS) established in Mexico, an amount of USD 3.00 Million to USD 6.00 Million over the next 12 to 18 months in one or more tranches.

The details in terms of regulation 30 of SEBI LODR read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 are enclosed vide Annexure1 to this letter.

A press release in this connection is also enclosed.

The meeting of investment committee held today started at 19:15 hrs (IST) and concluded at 19:29 hrs (IST).

Kindly acknowledge receipt.

Thanking you.

Yours faithfully
For **Rane (Madras) Limited**

S Subha Shree
Secretary

Encl: a/a

Annexure to letter no. RML/SE/078/2023-24 dated January 25, 2024

Details in terms of regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.1. Acquisition (including agreement to acquire):	
Particulars	Details
a) name of the target entity, details in brief such as size, turnover etc.;	M/s. Rane Automotive Components Mexico S de R.L. de C.V. (RACM) Turnover: NIL
b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length";	The investment would be in a Wholly Owned Subsidiary, which is a related party to the Company and the transaction is at arms length.
c) industry to which the entity being acquired belongs;	Automotive
d) objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	This investment in the Mexican subsidiary is towards establishment of greenfield facility for manufacturing steering and suspension components for passenger vehicle application.
e) brief details of any governmental or regulatory approvals required for the acquisition;	Investment will be under the Automatic Route of Foreign Exchange Management Regulations (FEMA) and subject to necessary regulatory approvals in Mexico, if any.
f) indicative time period for completion of the acquisition;	RACM is already a wholly-owned subsidiary
g) nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration
h) cost of acquisition or the price at which the shares are acquired;	The company has been set up with an initial investment of MXN \$ 10,000. Further investment of USD 3 million, which could be scaled upto USD 6 million over a period of next 12 to 18 months, in one or more tranches, as may be required to cater to business opportunities of RACM.
i) Percentage of shareholding / control acquired and / or number of shares acquired;	100% held in the membership interest of RACM directly and indirectly.
j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	Business: Automotive Components Date of Incorporation: July 20, 2023 Turnover for last three years: Not applicable Country of Presence: United Mexican States Significant Information: The WOS is expected to address the opportunities in the steering and suspension business in the North American region.



Rane (Madras) Opens New Facility in Aguascalientes, Mexico for Steering Components

Chennai, India, January 25, 2024 – Rane (Madras) Limited (NSE: RML; BSE Code: 532661), a leading manufacturer of steering and suspension products and light metal casting components, establishes its global footprint with a greenfield facility for manufacturing steering and suspension components for passenger vehicle application through its wholly-owned subsidiary viz., Rane Automotive Components Mexico (RACM), in Aguascalientes, Mexico. The first business for this facility is an order for supply of inner and outer ball joints to a leading automotive tier-1 for an upcoming electric vehicle platform of a leading American OEM. The program is slated for launch in 2025 with a peak annual sales value of INR 80 Crores.

The company selected Aguascalientes because of its strategic location in the heart of Mexico. One of 5 states that make up the *Bajío* region in Central Mexico, Aguascalientes is home to large OEMs like Nissan and several top tier-1 automotive suppliers. The new facility will address the large and growing market for inner and outer ball joints in North American market. RML currently supplies inner and outer ball joints from its Indian facilities, to several global locations including Mexico, China and Central Europe.

There will be an initial investment of USD 3 million going up to USD 6 million in the Mexican subsidiary over the next 12 to 18 months. RACM has a further INR 250 Crores of opportunities under discussion for the North American market for vehicle platforms of various OEMs like Ford, GM and Honda.

Commenting on the new manufacturing facility, **Mr. Harish Lakshman, Vice Chairman, Rane Group**, said, "The establishment of this greenfield facility is aligned to our aspiration of growing the share of international revenues. This new state-of-the-art facility will help us to address the demand for steering and suspension components in the North American region and position us to capitalise on the emerging trend of localization of parts by the customers in this region driven by USMCA (United States-Mexico-Canada Agreement). With the footprint established in Mexico, RML is favorably positioned to further build on its current book of business in the North American Region."





About Rane (Madras)

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.

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 manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Light metal casting products. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and stationery Engines.

For media queries, please contact:

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Disclaimer: 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.

