

Rane (Madras) Limited



//Online Submission//

RML / SE / 06 / 2019-20

May 23, 2019

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

Sub: Outcome of Board Meeting held on May 23, 2019 - under Regulation 30 of SEBI LODR

Ref: Our letter no. RML/SE/54/2018-19 dated March 29, 2019

This is to inform that the Board of Directors, inter alia, approved the audited financial results of the Company (standalone for the quarter and year ended March 31, 2019 & consolidated for the year ended March 31, 2019) as recommended by the audit committee at their respective meeting(s) held today (**May 23, 2019**).

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, 2019 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 and stock exchanges at www.bseindia.com and www.nseindia.com (**Regulation 46 & 47**). An 'earnings release' for the above results is also enclosed (**Regulation 30**).

The meeting of the Board of Directors commenced at 12:30 hrs and concluded at **14:00** hrs (IST).

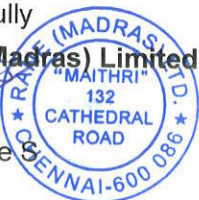
We request you to take the above on record and note the compliance under above referred regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you.

Yours faithfully

For **Rane (Madras) Limited**

Subha Shree
Secretary



Encl: a/a

1. Audited financial results (standalone & consolidated) for the quarter & year ended March 31, 2019.
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, 2019.
4. Declaration under Reg 33(3)(d) of SEBI LODR.
5. Earnings release for the year ended March 31, 2019.



Expanding Horizons

RANE (MADRAS) LIMITED

FY19 Earnings Release



Chennai, India, May 23, 2019 – Rane (Madras) Limited (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and die casting components today announced its standalone and consolidated financial performance for the financial year (FY19) ended March 31st, 2019

Standalone FY19 Performance

- Total Net Revenue was ₹1,380.8 Crore for FY19 as compared to ₹1,219.6 Crore in FY18, an increase of 13.2%
- EBITDA stood at ₹151.7 Crore as compared to ₹139.5 Crore during FY18, an increase of 8.8%
- EBITDA Margin at 11.0% for FY19 as against 11.4% in FY18, a decline of 45 basis point (bps)
- Net profit (PAT) stood at ₹47.2 Crore for FY19 as compared to ₹41.8 Crore in FY18, an increase of 13.0%

Consolidated FY19 Performance

- Total Net Revenue was ₹1,564.6 Crore for FY19 as compared to ₹1,408.7 Crore in FY18, an increase of 11.1%
- EBITDA stood at ₹125.9 Crore as compared to ₹134.9 Crore during FY18, a decrease of 6.7%
- EBITDA Margin at 8.0% for FY19 as against 9.6% in FY18, a decline of 153 basis point (bps)
- Net profit (PAT) stood at ₹2.4 Crore for FY19 as compared to ₹24.2 Crore in FY18, a decrease of 90.0%

Corporate Action

- A final dividend of ₹4.5/- per equity share has been recommended by the Board of Directors on the paid-up capital of 1,19,73,171 equity shares of ₹10/- each fully paid up. The total dividend for the year ending March 31, 2019 is ₹8.5/- per equity share including an interim dividend of ₹4.0/- per equity share declared on January 22, 2019 and paid on February 08, 2019.

Operating Highlights for FY19 – Standalone

- Registered 14% growth in sales to Indian OE customers. This was supported by increased share of business and supplies to new models.
- Experienced 9% growth in sales to Indian Aftermarket segment owing to the successful introduction of new parts for the passenger car segment.
- Sales to international customers grew 13%. Robust demand for steering products partially offset by decline in die-casting business. There was lower off take on served models and a key customer program reaching end of production.
- Unfavourable mix, inflationary pressure on raw material and employee cost, resulted in 45 bps drop in EBITDA margin.

Overseas Subsidiary

- Lower offtake in served models resulted in drop in sales.
- Rane Precision Die Casting Inc. (RPDC) improved delivery performance with customers and achieved lower employee cost. However, there were few setbacks as the business incurred higher cost on utilities, unexpected machine downtime resulting in increased production costs and higher repairs and tooling maintenance.

MANAGEMENT COMMENT

"FY19 was a difficult year for Rane (Madras). The strong performance of steering business was offset by challenges in die-casting business. The Indian die-casting business saw overall improvement in operational performance and further cost reduction is planned as the capacity utilization is expected to remain under stress in FY20. RPDC secured new business and the management team is working on operational improvements to ensure long term sustainability of the business."

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance:

| Standalone | FY19 | FY18 | YOY% |
|--------------------|---------|---------|---------|
| Total Net Revenue* | 1,380.8 | 1,219.6 | 13.2% |
| EBITDA | 151.7 | 139.5 | 8.8% |
| Margin (%) | 11.0% | 11.4% | -45 bps |
| PAT | 47.2 | 41.8 | 13.0% |

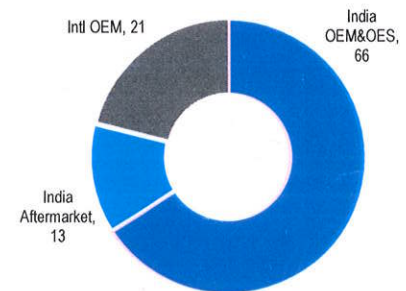
| Consolidated | FY19 | FY18 | YOY% |
|--------------------|---------|---------|----------|
| Total Net Revenue* | 1,564.6 | 1,408.7 | 11.1% |
| EBITDA | 125.9 | 134.9 | -6.7% |
| Margin (%) | 8.0% | 9.6% | -153 bps |
| PAT | 2.4 | 24.2 | -90.0% |

*Revenue excludes excise duty wherever applicable

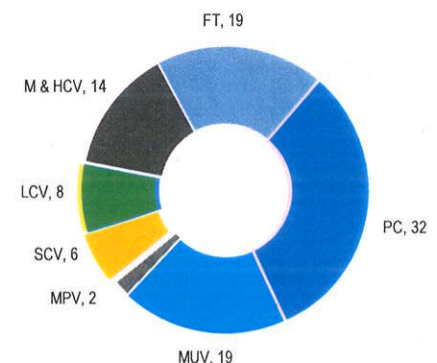
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (FY19)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



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PROFIT AND LOSS ACCOUNT

| Particulars | Standalone | | | Consolidated | | |
|-------------------------------------|----------------|----------------|------------|----------------|----------------|-------------|
| | FY19 | FY18 | YoY% | FY19 | FY18 | YoY% |
| Income from Operations | 1,327.3 | 1,197.2 | 11% | 1,506.2 | 1,374.0 | 10% |
| Other Operating Income | 42.9 | 42.2 | 2% | 48.5 | 51.3 | -5% |
| Other Income | 10.6 | 5.6 | 87% | 9.9 | 8.9 | 12% |
| Total Revenue | 1,380.8 | 1,245.0 | 11% | 1,564.6 | 1,434.1 | 9% |
| Expenses | | | | | | |
| -Cost of Material Consumed | 865.0 | 761.1 | 14% | 930.5 | 819.9 | 13% |
| -Changes in inventories | 1.1 | -15.5 | 107% | 0.4 | -15.9 | 103% |
| -Excise Duty | - | 25.4 | -100% | - | 25.4 | -100% |
| -Employee Benefit Expense | 148.5 | 136.0 | 9% | 230.2 | 219.4 | 5% |
| -Finance Cost | 28.4 | 29.4 | -4% | 34.3 | 33.3 | 3% |
| -Depreciation & Amortization | 53.0 | 49.9 | 6% | 66.0 | 61.4 | 7% |
| -Other Expenditure | 214.5 | 198.5 | 8% | 277.5 | 250.5 | 11% |
| Total Expenses | 1,310.5 | 1,184.8 | 11% | 1,538.9 | 1,394.0 | 10% |
| PBT before Exceptional Items | 70.4 | 60.2 | 17% | 25.6 | 40.1 | -36% |
| Exceptional Item | - | - | | - | - | |
| PBT | 70.4 | 60.2 | 17% | 25.6 | 40.1 | -36% |
| Tax Expense | 23.1 | 18.4 | 26% | 23.2 | 15.9 | 46% |
| PAT | 47.2 | 41.8 | 13% | 2.4 | 24.2 | -90% |

KEY BALANCE SHEET ITEMS

| Particulars | Standalone | | | Consolidated | | |
|-------------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| | FY19 | FY18 | Change | FY19 | FY18 | Change |
| Non-current assets | 450.7 | 406.1 | 44.6 | 458.0 | 445.7 | 12.3 |
| -Property, Plant and Equipment | 336.4 | 337.2 | -0.8 | 378.6 | 378.9 | -0.3 |
| -Financial Assets | 64.6 | 26.5 | 38.1 | 17.3 | 16.6 | 0.6 |
| Current assets | 419.7 | 405.2 | 14.6 | 471.2 | 455.8 | 15.4 |
| - Inventories | 154.7 | 135.8 | 18.9 | 171.8 | 152.5 | 19.2 |
| -Trade receivables | 218.9 | 213.4 | 5.4 | 243.7 | 245.5 | -1.8 |
| -Cash and cash equivalents | 10.6 | 5.6 | 5.0 | 17.9 | 6.9 | 11.0 |
| Total Assets | 870.4 | 811.2 | 59.2 | 929.2 | 901.5 | 27.7 |
| Shareholders Fund | 311.3 | 266.4 | 44.8 | 230.2 | 229.7 | 0.5 |
| Non-current liabilities | 129.5 | 130.4 | -0.8 | 158.3 | 161.6 | -3.3 |
| -Long-term borrowings | 112.3 | 118.6 | -6.4 | 141.3 | 149.3 | -8.0 |
| Current liabilities | 429.6 | 414.4 | 15.1 | 540.7 | 510.1 | 30.5 |
| -Short-term borrowings | 171.1 | 138.7 | 32.4 | 223.0 | 187.0 | 36.1 |
| -Trade payables | 190.8 | 233.6 | -42.7 | 216.0 | 256.1 | -40.1 |
| Total Liabilities | 559.1 | 544.8 | 14.3 | 699.0 | 671.8 | 27.2 |
| Total Equity and Liabilities | 870.4 | 811.2 | 59.2 | 929.2 | 901.5 | 27.7 |

(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 Die Casting Division (DCD). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. DCD manufactures low porosity, high-quality aluminum die-castings such as steering housings and engine case covers. Through its overseas subsidiary Rane Precision Die Casting Inc. (RPDC), RML manufactures high pressure aluminium die 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, 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 OR 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.

