

Rane (Madras) Limited



//Online Submission//

RML / SE / 36 / 2019-20

October 21, 2019

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 October 21, 2019 - under Regulation 30 of SEBI LODR

Ref: Our letter no. RML/SE/30/2019-20 dated September 30, 2019

This is to inform that the Board of Directors, inter alia, approved the un-audited financial results (standalone & consolidated) along with Cash Flow statement of the Company for the quarter and half year ended September 30, 2019 as recommended by the audit committee at their respective meeting(s) held today (**October 21, 2019**).

The un-audited financial results (standalone & consolidated) of the Company for the quarter and half-year ended September 30, 2019 is enclosed along with the Limited Review Report on both standalone & consolidated results issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors. (**Regulation 33**).

The un-audited financial results (standalone & consolidated) along with cash flow statement 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 extract of the un-audited financial results (standalone & consolidated) will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**).

The meeting of the Board of Directors commenced at 13:00 hrs (IST) and concluded at 15:00 hrs (IST).

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

Thanking you,

Yours faithfully,

For **Rane (Madras) Limited**


Subha Shree S
Secretary

Encl: a/a

1. Un-audited financial results (standalone & consolidated) for the quarter and half year ended September 30, 2019.
2. Extract of the un-audited financial results (standalone & consolidated) for Newspaper publication.
3. Limited Review Report (standalone & consolidated) for the quarter and half year ended September 30, 2019.
4. Earnings release for the quarter and half year ended September 30, 2019.



Chennai, India, October 21, 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 second quarter (Q2 FY20) and six months (H1FY20) ended September 30th, 2019

Standalone Q2 FY20 Performance

- Total Net Revenue was ₹282.4 Crore for Q2 FY20 as compared to ₹355.6 Crore in Q2 FY19, a decrease of 20.6%
- EBITDA stood at ₹24.2 Crore as compared to ₹40.5 Crore during Q2 FY19, a decrease of 40.3%
- EBITDA Margin at 8.6% for Q2 FY20 as against 11.4% in Q2 FY19, a decline of 282 basis points (bps)
- Net profit (PAT) stood at ₹2.7 Crore for Q2 FY20 as compared to ₹13.8 Crore in Q2 FY19, a decrease of 80.4%

Consolidated Q2 FY20 Performance

- Total Net Revenue was ₹331.2 Crore for Q2 FY20 as compared to ₹400.8 Crore in Q2 FY19, a decrease of 17.3%
- EBITDA stood at ₹14.8 Crore as compared to ₹38.3 Crore during Q2 FY19, a decrease of 61.4%
- EBITDA Margin at 4.5% for Q2 FY20 as against 9.5% in Q2 FY19, a decline of 509 basis points (bps)
- Net loss stood at ₹10.8 Crore for Q2 FY20 as compared to Net Profit of ₹6.8 Crore in Q2 FY19, a decrease of 257.8%

Operating Highlights for Q2 FY20 – Standalone

- Sales to Indian OE customers declined 31%. Experienced volume drop across vehicle segments.
- Sales to International customers declined 14% driven by drop in volume for Die casting products
- Sales to Indian Aftermarket customers dropped 16%
- Lower volume and unfavourable mix resulted in 282 bps drop in EBITDA margin

Operating Highlights for Q2 FY20 – Consolidated

- The US subsidiary stabilized on the supplies to the new program which helped to partially mitigate the drop in volumes in few existing products.

MANAGEMENT COMMENT

"The volume drop in domestic market resulted in significant challenges to the India operations. We expect the sluggish demand environment in India to continue for few quarters. The management is working on various cost reduction projects to partially mitigate the impact of volume drop. The US subsidiary is stabilizing the volumes on new businesses and working on several systemic operational improvement projects."

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

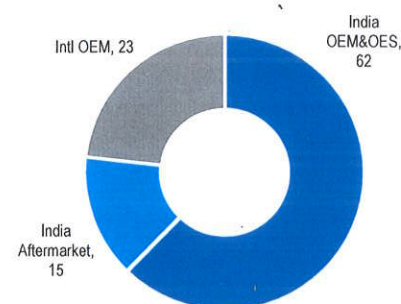
Financial Performance

Standalone	Q2 FY 20	Q2 FY 19	YOY%
Total Net Revenue	282.4	355.6	-20.6%
EBITDA	24.2	40.5	-40.3%
Margin (%)	8.6%	11.4%	-282 bps
PAT	2.7	13.8	-80.4%

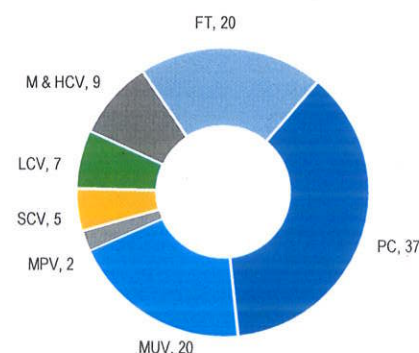
Consolidated	Q2 FY 20	Q2 FY 19	YOY%
Total Net Revenue	331.2	400.8	-17.3%
EBITDA	14.8	38.3	-61.4%
Margin (%)	4.5%	9.5%	-509 bps
PAT	-10.8	6.8	-257.8%

(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY20) (STANDALONE) BY MARKET (%)



BY VEHICLE SEGMENT (%)



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PROFIT AND LOSS ACCOUNT

Particulars	Standalone						Consolidated					
	Q2 FY20	Q2 FY19	YoY%	H1 FY20	H1 FY19	YoY%	Q2 FY20	Q2 FY19	YoY%	H1 FY20	H1 FY19	YoY%
Income from Operations	257.8	345.1	-25%	545.5	674.1	-19%	307.1	391.3	-22%	642.7	768.3	-16%
Other Operating Income	22.3	7.2	210%	30.5	18.5	65%	23.2	8.1	185%	32.4	21.7	50%
Other Income	2.3	3.2	-29%	3.6	10.5	-66%	1.0	1.4	-27%	2.3	7.5	-69%
Total Revenue	282.4	355.6	-21%	579.6	703.1	-18%	331.2	400.8	-17%	677.4	797.5	-15%
Expenses												
-Cost of Material Consumed	175.1	222.1	-21%	357.5	441.7	-19%	193.2	240.2	-20%	393.8	478.2	-18%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
-Changes in inventories	4.9	-0.7	808%	9.7	-3.1	414%	3.6	-1.6	322%	8.0	-6.2	230%
-Excise Duty	-	-	-	-	-	-	-	-	-	-	-	-
-Employee Benefit Expense	35.2	38.6	-9%	72.5	76.3	-5%	59.8	56.3	6%	120.4	116.2	4%
-Finance Cost	8.7	7.1	23%	16.5	13.6	22%	9.6	8.6	12%	18.9	16.3	16%
-Depreciation & Amortization	12.8	13.3	-3%	25.6	25.5	0%	16.0	16.5	-3%	31.8	31.8	0%
-Other Expenditure	43.0	55.1	-22%	90.2	108.6	-17%	59.9	67.7	-12%	123.9	137.0	-10%
Total Expenses	279.7	335.4	-17%	572.0	662.7	-14%	342.1	387.6	-12%	696.9	773.4	-10%
PBT before Exceptional Items	2.6	20.1	-87%	7.5	40.4	-81%	-10.8	13.1	-183%	-19.4	24.1	-181%
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-
PBT	2.6	20.1	-87%	7.5	40.4	-81%	-10.8	13.1	-183%	-19.4	24.1	-181%
Tax Expense	-0.1	6.3	-101%	1.6	13.2	-88%	-0.1	6.3	-101%	1.6	13.2	-88%
PAT	2.7	13.8	-80%	5.9	27.2	-78%	-10.8	6.8	-258%	-21.0	10.9	-293%

KEY BALANCE SHEET ITEMS

Particulars	Standalone	Consolidated
	As at 30.09.2019	As at 30.09.2019
Non-current assets	507.2	470.1
-Property, Plant and Equipment	327.5	371.9
-Financial Assets	114.8	17.8
Current assets	380.2	455.2
- Inventories	140.4	161.3
-Trade receivables	194.5	224.3
-Cash and cash equivalents	18.4	31.9
Total Assets	887.4	925.3
Shareholders Fund	310.3	202.3
Non-current liabilities	129.6	151.5
-Long-term borrowings	111.8	133.8
Current liabilities	447.4	571.5
-Short-term borrowings	168.3	221.2
-Trade payables	150.4	186.2
Total Liabilities	577.0	723.0
Total Equity and Liabilities	887.4	925.3

(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 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.



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