

Rane (Madras) Limited



//Online Submission//

RML / SE / 27 / 2017-18

August 24, 2017

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| BSE Limited Listing Centre Scrip Code: 532661 | National Stock Exchange of India Ltd. NEAPS Symbol: RML |
|---|---|

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on August 24, 2017 - under Regulation 30 of SEBI LODR

Ref: Our letter no. RML/SE /17/2017-18 dated June 29, 2017

This is to inform you that the Board of Directors have at their meeting held today, i.e. **August 24, 2017**, inter alia, approved the un-audited standalone financial results (Ind AS compliant) of the Company for the quarter ended June 30, 2017, based on the recommendations of the audit committee at their meeting held on August 23, 2017.

The un-audited standalone financial results of the Company for the quarter ended June 30, 2017 is enclosed along with the Limited Review Report issued by M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors (**Regulation 33**).

The un-audited standalone financial results will be available on the website of the company at www.ranegroup.com (**Regulation 46**).

The extract of the un-audited standalone financial results will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**). An 'earnings release' for the above results is also enclosed (**Regulation 30**).

The meeting of the Board of Directors commenced at 13:00 hrs (IST) and concluded at 15:10 hrs (IST).

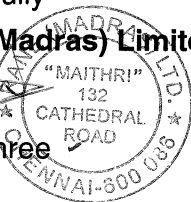
We request you to take the above on record and note the compliance under above referred regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you.

Yours faithfully

For **Rane (Madras) Limited**


S-Subha Shree
Secretary



Encl: a/a

1. Un-audited standalone financial results for the quarter ended June 30, 2017.
2. Extract of the un-audited standalone financial results for Newspaper publication.
3. Limited Review Report for the quarter ended June 30, 2017.
4. Earnings release for the quarter ended June 30, 2017.



Chennai, India, August 24, 2017 – Rane (Madras) Limited (NSE: RML; BSE Code:532661), a leading manufacturer of steering and suspension products and die casting components today announced financial performance for the first quarter (Q1 FY18) ended June 30th, 2017

The company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017 and this financial results have been prepared in accordance with the recognition and measurement principles laid down in the said standards. The date of transition to Ind AS is April 1, 2016. The figures for the quarter ended June 30, 2016 under IND-AS have not been subjected to limited review by the statutory auditors.

Q1 FY18 Performance

- Total Revenue was ₹250.39 Crore for Q1 FY18 as compared to ₹225.78 Crore in the Q1 FY17, an increase of 11%
- EBITDA stood at ₹23.64 Crore as compared to ₹22.30 Crore during Q1 FY17, an increase of 6%
- EBITDA Margin at 9.4% for Q1 FY18 as against 9.9% in Q1 FY17
- Net profit (PAT) stood at ₹2.72 Crore for Q1 FY18 as compared to ₹3.33 Crore in Q1 FY17, a decrease of 18%

Operating Highlights for Q1 FY18

- Strong demand from Indian OE customers particularly passenger cars and farm tractor segments. Further, commencement of supplies for new passenger car programs supported the strong growth
- Sales to Aftermarket segment was affected as dealers lowered stocking owing to GST implementation
- After significant ramp-up in the previous year, Diecast division experienced lower offtake from international customers
- EBITDA margin declined 44 bps YoY
 - Adverse product mix impacted material cost
 - Stringent cost control initiatives helped to contain inflationary pressures and lower operational cost

MANAGEMENT COMMENT

"The performance in this quarter was mixed as the auto industry witnessed some pullback post BS III ban and in anticipation of GST roll-out. The strong supplies to Indian OEM customers were partially offset by the suppressed demand in the aftermarket segment and lower offtake of Diecast products by international customers. We continue to work on several initiatives to improve our operational performance and drive margin expansion" - **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

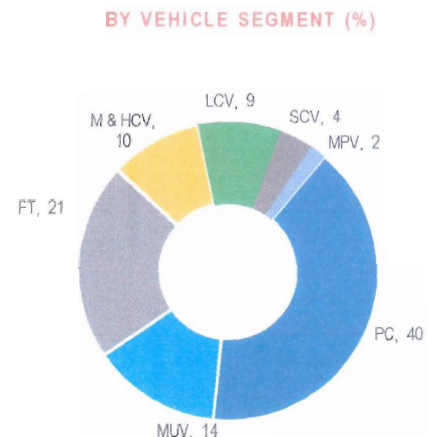
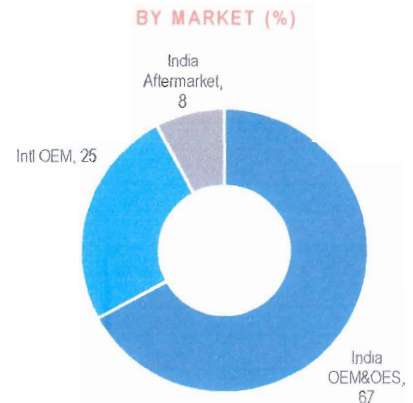
FINANCIAL PERFORMANCE

| Particulars | Q1 FY 18 | Q1 FY 17 | YOY% |
|-------------|----------|----------|--------|
| Revenue* | 250.39 | 225.78 | 10.9% |
| EBITDA | 23.64 | 22.30 | 6.0% |
| Margin (%) | 9.4% | 9.9% | 44bps |
| PBT | 3.26 | 4.86 | -33.0% |
| Margin (%) | 1.3% | 2.2% | 90bps |
| PAT | 2.72 | 3.33 | -18.1% |
| Margin (%) | 1.1% | 1.5% | 40bps |

(In ₹ Crore, unless otherwise mentioned)

Note: * Revenue excluding excise duty

BUSINESS SPLIT (Q1 FY18)**



**Standalone RML business only



PROFIT AND LOSS ACCOUNT

| | Q1FY18 | Q1FY17 | YoY% |
|---|---------------|---------------|---------------|
| Revenue from Operations (Gross) | 274.88 | 246.18 | 11.7% |
| Other Income | 0.92 | 0.57 | 63.5% |
| Total Revenue | 275.80 | 246.75 | 11.8% |
| Expenses | | | |
| -Cost of Material Consumed | 160.33 | 138.06 | 16.1% |
| -Changes in inventories of finished goods, work-in-progress | -3.65 | -8.97 | 59.3% |
| -Excise Duty | 25.42 | 20.97 | 21.2% |
| -Employee Benefit Expense | 30.90 | 27.21 | 13.6% |
| -Finance Cost | 8.34 | 6.80 | 22.5% |
| -Depreciation & Amortization | 12.05 | 10.64 | 13.2% |
| -Other Expenditure | 39.16 | 47.17 | -17.0% |
| Total Expenses | 272.54 | 241.89 | 12.7% |
| PBT before Exceptional Items | 3.26 | 4.86 | -33.0% |
| Exceptional Item | - | - | |
| PBT | 3.26 | 4.86 | -33.0% |
| Tax Expense | 0.53 | 1.53 | -65.2% |
| PAT | 2.72 | 3.33 | -18.1% |
| Other Comprehensive Income (Net of Tax) | | | |
| -Items that will not be reclassified to profit or loss | -0.34 | -0.33 | -3.1% |
| -Income tax relating to items that will not be reclassified to profit or loss | 0.12 | 0.11 | 3.1% |
| -Items that will be reclassified to profit or loss | 0.81 | 0.21 | 278.1% |
| -Income tax relating to items that will be reclassified to profit or loss | -0.28 | -0.07 | -278.0% |
| Total Other Comprehensive Income (Net of Tax) | 0.31 | -0.07 | 514.4% |
| Total Comprehensive Income | 3.03 | 3.25 | -6.8% |

(In ₹ Crore, unless otherwise mentioned)

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. It has two divisions namely Steering gear (SGP), Steering and Suspension Linkage Products (SSLP) division and Die-casting Products division. The Steering division manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products. RML holds 39% and 72% market share in India in SGP and SSLP. The Die casting division manufactures low porosity, high-quality aluminum die-castings such as steering housings, 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 and Die-casting products. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and tationery 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.

