

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 and nine months ended December 31, 2021

(Rs. Crores)

Particulars	Standalone					
	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
(a) Revenue from operations	391.08	412.27	391.82	1,103.14	768.80	1,147.15
(b) Other income	2.87	0.88	7.03	4.48	12.02	3.90
Total income	393.95	413.15	398.85	1,107.62	780.82	1,151.05
2. Expenses						
(a) Cost of materials consumed	271.87	285.09	249.48	759.57	473.43	728.48
(b) Changes in inventories of finished goods and work-in-progress	(18.47)	(19.36)	0.19	(50.77)	16.72	4.24
(c) Employee benefits expense	42.40	41.99	39.11	124.00	97.77	133.99
(d) Finance costs	5.53	4.83	5.73	14.43	20.41	23.46
(e) Depreciation and amortisation expense	15.40	15.16	13.31	45.11	38.13	52.30
(f) Other expenses	67.01	74.20	59.27	188.91	125.31	191.12
Total expenses	383.74	401.91	367.09	1,081.25	771.77	1,133.59
3. Profit / (Loss) before exceptional items (1-2)	10.21	11.24	31.76	26.37	9.05	17.46
4. Exceptional Items (Refer note 4)	-	-	-	-	-	(62.50)
5. Profit / (Loss) before tax (3 ± 4)	10.21	11.24	31.76	26.37	9.05	(45.04)
6. Tax expense						
Current tax	4.13	3.98	14.56	9.81	2.53	7.16
Deferred tax	(1.63)	(1.22)	(4.27)	(3.35)	0.55	(1.51)
Total tax expenses	2.50	2.76	10.29	6.46	3.08	5.65
7. Profit / (loss) for the period/ year (5-6)	7.71	8.48	21.47	19.91	5.97	(50.69)
A. (i) Items that will not be reclassified to profit or loss	0.29	(0.03)	0.35	(0.03)	(0.30)	0.32
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.06)	-	(0.10)	0.01	0.10	(0.08)
Subtotal - A	0.23	(0.03)	0.25	(0.02)	(0.20)	0.24
B. (i) Items that will be reclassified to profit or loss	-	-	0.48	-	4.36	4.29
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	(0.26)	-	(1.48)	(1.50)
Subtotal - B	-	-	0.22	-	2.88	2.79
8. Other comprehensive income	0.23	(0.03)	0.47	(0.02)	2.68	3.03
9. Total comprehensive income for the period/ year (7+8)	7.94	8.45	21.94	19.89	8.65	(47.66)
10. Details of equity share capital						
Paid-up equity share capital (Face Value of Rs.10 /- per share)	15.42	15.42	12.55	15.42	12.55	14.57
11. Other equity	-	-	-	-	-	293.70
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)						
(a) Basic	5.00	5.64	17.10	13.27	4.75	(39.51)
(b) Diluted	4.90	5.52	17.10	13.00	4.75	(39.51)

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Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2021

Particulars	Consolidated					
	Quarter ended			Nine months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
(a) Revenue from operations	437.79	458.41	427.23	1,236.49	855.60	1,267.39
(b) Other income	2.71	1.04	7.98	4.43	16.00	6.87
Total income	440.50	459.45	435.21	1,240.92	871.60	1,274.26
2. Expenses						
(a) Cost of materials consumed	291.54	303.57	261.68	815.02	501.80	770.58
(b) Changes in inventories of finished goods and work-in-progress	(17.31)	(17.90)	(0.43)	(47.77)	14.87	2.42
(c) Employee benefits expense	68.28	65.42	62.71	196.05	164.01	219.53
(d) Finance costs	5.78	5.67	6.68	15.14	22.98	27.04
(e) Depreciation and amortisation expense	20.39	20.02	16.86	59.67	48.13	66.12
(f) Other expenses	83.13	86.77	71.93	229.86	163.17	244.04
Total expenses	451.81	463.55	419.43	1,267.97	914.96	1,329.73
3. Profit / (Loss) before exceptional items (1-2)	(11.31)	(4.10)	15.78	(27.05)	(43.36)	(55.47)
4. Exceptional Items (Refer note 5)	9.50	9.14	-	46.71	-	-
5. Profit / (Loss) before tax (3 ± 4)	(1.81)	5.04	15.78	19.66	(43.36)	(55.47)
6. Tax expense						
Current tax	4.13	3.98	14.56	9.81	2.53	7.18
Deferred tax	(1.63)	(1.22)	(4.27)	(3.35)	0.55	(1.51)
Total tax expenses	2.50	2.76	10.29	6.46	3.08	5.67
7. Profit / (loss) for the period/ year (5-6)	(4.31)	2.28	5.49	13.20	(46.44)	(61.14)
A. (i) Items that will not be reclassified to profit or loss	0.29	(0.03)	0.35	(0.03)	(0.30)	5.58
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.06)	-	(0.10)	0.01	0.10	(0.08)
Subtotal - A	0.23	(0.03)	0.25	(0.02)	(0.20)	5.50
B. (i) Items that will be reclassified to profit or loss	6.59	6.49	(6.66)	5.49	(10.32)	0.17
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	(0.26)	-	(1.48)	(1.50)
Subtotal - B	6.59	6.49	(6.92)	5.49	(11.80)	(1.33)
8. Other comprehensive income	6.82	6.46	(6.67)	5.47	(12.00)	4.17
9. Total comprehensive income for the period/ year (7+8)	2.51	8.74	(1.18)	18.67	(58.44)	(56.97)
10. Details of equity share capital						
Paid-up equity share capital (Face Value of Rs.10/- per share)	15.42	15.42	12.55	15.42	12.55	14.57
11. Other equity	-	-	-	-	-	167.32
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)						
(a) Basic	(2.80)	1.52	4.38	8.80	(36.99)	(47.66)
(b) Diluted	(2.80)	1.48	4.38	8.62	(36.99)	(47.66)

Notes to the Unaudited Standalone and Consolidated Financial Results for the quarter ended December 31, 2021

- 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 January 24, 2022.
- 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 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 year ended March 31, 2021, 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. 62.50 crores being shown as an exceptional item for the year ended March 31, 2021. 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 as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results depending on the circumstances that may evolve in the future.
- 5 The Company's subsidiary in the U.S., Rane Light Metal Castings Inc., ('LMCA') was entitled to certain economic relief provided by the U.S. government in order to manage the impact of COVID-19 pandemic. Pursuant to such economic relief schemes, during the nine months ended December 31, 2021, LMCA received an approval for forgiveness of the paycheck protection program loan ('PPP Loan') from the U.S. Small Business Administration (SBA) for an amount of USD 2.63 million (INR 19.45 crores). Further, LMCA was eligible for employee retention credit (ERC), from the U.S. Internal Revenue Service during the nine months ended December 31, 2021 for an amount of USD 3.66 million (INR 27.26 crores) (including USD 1.26 million (INR 9.50 crores) for the quarter ended December 31, 2021 and USD 1.23 million (INR 9.14 crores) for the quarter ended September 30, 2021). The aggregate amounts of such relief have been recorded as an exceptional income in the consolidated results for the quarter ended September 30, 2021 and for the quarter and nine months ended December 31, 2021.
- 6 Pursuant to the Business transfer agreement dated October 11, 2021, the Company acquired the Steering Components Business ('SCB') of Yagachi Technologies Private Limited ('YTPL') for an aggregate consideration of INR 23.19 crores on a slump sale basis effective from October 31, 2021. Pursuant to such acquisition, the Property, plant and equipment, Intangibles, Inventories and other net current assets relating to SCB have been transferred to the Company.
- 7 COVID-19 pandemic has rapidly spread throughout the world, including India. Governments have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions on activities. Consequently, the Company's/ Group's manufacturing plants and offices had to operate under restrictions for a period of time during the nine months ended December 31, 2021. These measures have an impact on matters relating to commodity prices, supply chain matters, customer demand, personnel available for work and for being available to access offices etc.

The Company/Group has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses), capital and financial resources, profitability, liquidity position, internal financial controls etc. In developing the assumptions relating to the possible future uncertainties, the company/ Group, as at the date of approval of these financial results has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's/Group's financial results may differ from that estimated as at the date of approval of these financial results depending on the circumstances that may evolve in the future. The Company/Group will continue to closely monitor any material changes to future economic conditions.
- 8 The Company's operations for the quarter ended June 30, 2020 were suspended for part of the quarter on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. The results for the nine months ended December 31, 2021 are, therefore, not comparable with the nine months ended December 31, 2020.
- 9 Subsequent to the quarter ended December 31, 2021, the Company has received Rs.15 crores from Rane Holdings Limited as warrant exercise price towards conversion of the outstanding 8,49,979 warrants issued on preferential basis and has allotted equivalent equity shares of Rs.10 each fully paid up on January 11, 2022. Consequently, the issued and paid up capital stands increased by 8,49,979 equity shares of Rs.10 each fully paid-up towards which listing approvals were received on January 18, 2022 from NSE/BSE & trading approvals are awaited from BSE and NSE.
- 10 The Standalone and Consolidated financial results for the quarter and nine months ended December 31, 2021 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
January 24, 2022

For Rane (Madras) Limited

LAKSHMINARA
YAN GANESH

L Ganesh
Chairman

RANE (MADRAS) LIMITED

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Extract of Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2021

(Rs. Crores except per share data)

S.No	Particulars	Standalone				Consolidated			
		Quarter ended		Nine months ended		Quarter ended		Nine months ended	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
		31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
1	Total Income from Operations	391.08	391.82	1,103.14	768.80	437.79	427.23	1,236.49	855.60
2	Net Profit / (Loss) for the period (before Tax, Exceptional Items)	10.21	31.76	26.37	9.05	(11.31)	15.78	(27.05)	(43.36)
3	Net Profit / (Loss) for the period before tax (after Exceptional Items)	10.21	31.76	26.37	9.05	(1.81)	15.78	19.66	(43.36)
4	Net Profit / (Loss) for the period after tax (after Exceptional Items)	7.71	21.47	19.91	5.97	(4.31)	5.49	13.20	(46.44)
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	7.94	21.94	19.89	8.65	2.51	(1.18)	18.67	(58.44)
6	Equity Share Capital	15.42	12.55	15.42	12.55	15.42	12.55	15.42	12.55
7	Earnings Per Share (of Rs. 10/- each) - (Not annualised for the quarters)								
	1. Basic:	5.00	17.10	13.27	4.75	(2.80)	4.38	8.80	(36.99)
	2. Diluted:	4.90	17.10	13.00	4.75	(2.80)	4.38	8.62	(36.99)

The above is an extract of the detailed format of Quarterly Standalone and Consolidated Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015. The full format of the Standalone and Consolidated unaudited Financial Results are available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website-www.ranegroup.com

Note:

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 24, 2022.
- During the year ended March 31, 2021, 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. 62.50 crores being shown as an exceptional item for the year ended March 31, 2021. 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 as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results depending on the circumstances that may evolve in the future.
- The Company's subsidiary in the U.S., Rane Light Metal Castings Inc. ("LMCA") was entitled to certain economic relief provided by the U.S. government in order to manage the impact of COVID-19 pandemic. Pursuant to such economic relief schemes, during the nine months ended December 31, 2021, LMCA received an approval for forgiveness of the paycheck protection program loan ("PPP Loan") from the U.S. Small Business Administration (SBA) for an amount of USD 2.63 million (INR 19.45 crores). Further, LMCA was eligible for employee retention credit (ERC), from the U.S. Internal Revenue Service during the nine months ended December 31, 2021 for an amount of USD 3.68 million (INR 27.26 crores) (including USD 1.26 million (INR 9.50 crores) for the quarter ended December 31, 2021 and USD 1.23 million (INR 9.14 crores) for the quarter ended September 30, 2021). The aggregate amounts of such relief have been recorded as an exceptional income in the consolidated results for the quarter ended September 30, 2021 and for the quarter and nine months ended December 31, 2021.
- Pursuant to the Business transfer agreement dated October 11, 2021, the Company acquired the Steering Components Business ("SCB") of Yagachi Technologies Private Limited ("YTPL") for an aggregate consideration of INR 23.19 crores on a slump sale basis effective from October 31, 2021. Pursuant to such acquisition, the Property, plant and equipment, Intangibles, Inventories and other net current assets relating to SCB have been transferred to the Company.
- COVID-19 pandemic has rapidly spread throughout the world, including India. Governments have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions on activities. Consequently, the Company's Group's manufacturing plants and offices had to operate under restrictions for a period of time during the half year ended September 30, 2021. These measures have an impact on matters relating to commodity prices, supply chain matters, customer demand, personnel available for work and for being available to access offices etc. The Group has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses), capital and financial resources, profitability, liquidity position, internal financial controls etc. In developing the assumptions relating to the possible future uncertainties, the Group, as at the date of approval of these financial results has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's/Group's financial results may differ from that estimated as at the date of approval of these financial results depending on the circumstances that may evolve in the future. The Company/Group will continue to closely monitor any material changes to future economic conditions.
- The Company's operations for the quarter ended June 30, 2020 were suspended for part of the quarter on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. The results for the nine months ended December 31, 2021 are, therefore, not comparable with the nine months ended December 31, 2020.
- Subsequent to the quarter ended December 31, 2021, the Company has received Rs.15 crores from Rane Holdings Limited as warrant exercise price towards conversion of the outstanding 8,49,979 warrants issued on preferential basis and has allotted equivalent equity shares of Rs.10 each fully paid up on January 11, 2022. Consequently, the issued and paid up capital stands increased by 8,49,979 equity shares of Rs.10 each fully paid-up towards which listing & trading approvals are awaited from BSE and NSE.

Chennai
January 24, 2022

For Rane (Madras) Limited
LAKSHMINARA
YAN GANESH
L Ganesh
Chairman