

RANE HOLDINGS LIMITED

CIN : L35999TN1936PLC002202

Registered Office : " Maithri", 132, Cathedral Road, Chennai - 600 086

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Statement of audited consolidated financial results for the quarter and year ended March 31, 2023

Rs. Lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited (Refer note 8)	Unaudited	Audited (Refer note 8)	Audited	Audited
1. Income					
Revenue from operations	93,765	87,425	78,338	3,50,833	2,67,730
Other income	1,056	3,165	852	2,913	3,736
Total income	94,821	90,590	79,190	3,53,746	2,71,466
2. Expenses					
Cost of materials consumed	51,510	52,214	44,397	2,04,875	1,56,036
Purchases of stock-in-trade	204	228	461	907	1,089
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2,364	(2,384)	321	(2,918)	(6,333)
Employee benefits expense	13,028	13,711	12,187	52,717	48,002
Finance costs	1,705	1,372	815	4,982	3,417
Depreciation and amortisation expenses	3,990	3,563	3,342	14,173	12,884
Other expenses	16,284	15,872	14,429	63,304	52,365
Total expenses	89,085	84,576	75,952	3,38,040	2,67,460
3. Profit before share of profit / (loss) of joint venture / associate entities, exceptional items and tax (1-2)	5,736	6,014	3,238	15,706	4,006
4. Share of (loss) / profit of joint venture / associate entities (includes share of exceptional items, net of taxes) (refer note 9)	(4,284)	1,315	(2,333)	(92)	(736)
5. Profit before exceptional items and tax (3+4)	1,452	7,329	905	15,614	3,270
6. Exceptional items (refer note 10)	(1,103)	(509)	(86)	(1,832)	4,088
7. Profit before tax (5+6)	349	6,820	839	13,782	7,358
8. Tax expense					
Current tax	1,019	2,192	974	5,860	3,746
Current tax for earlier years	-	-	278	-	295
Deferred tax	136	(517)	864	(809)	(189)
Total tax expense	1,155	1,675	2,116	5,051	3,852
9. Profit / (Loss) for the period (7-8)	(806)	5,145	(1,277)	8,731	3,506
10. Other comprehensive income					
Items that will not be reclassified to profit or loss					
(i) Re-measurement gains / (losses) on defined benefit plans , net	201	46	247	51	59
(ii) Net gain / (loss) on fair value through other comprehensive income equity instruments	115	(217)	(913)	(21)	384
(iii) Income tax relating to items that will not be reclassified to profit or loss	9	44	179	79	(84)
	325	(127)	(487)	109	359
Items that will be reclassified to profit or loss					
(i) Net movement on cash flow hedges	-	-	-	-	(193)
(ii) Exchange differences on translating financial statements of foreign operations	(586)	(2,930)	(43)	(1,776)	700
	(586)	(2,930)	(43)	(1,776)	507
Other comprehensive (loss) / income for the period	(261)	(3,057)	(530)	(1,667)	866
11. Total comprehensive income for the period (9+10) (Comprising profit and other comprehensive income for the period)	(1,067)	2,088	(1,807)	7,064	4,372
Profit for the period attributable to:					
(a) Owners of the Company	(1,885)	4,097	(1,870)	6,227	2,414
(b) Non-controlling interest	1,079	1,048	593	2,504	1,092
	(806)	5,145	(1,277)	8,731	3,506
Other comprehensive income attributable to:					
(a) Owners of the Company	(166)	(2,237)	(563)	(1,230)	714
(b) Non-controlling interest	(95)	(820)	33	(437)	152
	(261)	(3,057)	(530)	(1,667)	866
Total comprehensive income attributable to:					
(a) Owners of the Company	(2,051)	1,860	(2,433)	4,997	3,128
(b) Non-controlling interest	984	228	626	2,067	1,244
	(1,067)	2,088	(1,807)	7,064	4,372
12. Paid-up equity share capital (face value of Rs.10/- each fully paid up)	1,428	1,428	1,428	1,428	1,428
13. Other equity	-	-	-	79,360	76,194
14. Earnings per share (EPS) (face value of Rs.10/- each) (not annualised for quarters)					
Basic (in Rs.)	(13.20)	28.69	(13.10)	43.61	16.91
Diluted (in Rs.)	(13.20)	28.69	(13.10)	43.61	16.91



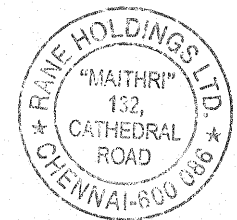
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1 Balance Sheet

Rs. Lakhs

Particulars	Standalone		Consolidated	
	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Audited	Audited	Audited	Audited
ASSETS				
Non-current assets				
Property, plant and equipment	10,199	10,131	77,742	75,504
Capital work-in-progress	-	20	3,795	2,674
Right-of-use assets	249	63	1,239	1,045
Investment property	-	-	-	31
Goodwill	-	-	7,093	7,093
Other intangible assets	140	48	496	676
Intangible assets under development	-	95	-	95
Investments accounted for using equity method	-	-	27,343	29,161
Financial assets				
i. Investments	47,660	47,452	4,658	4,948
ii. Other financial assets	62	4	2,771	6,198
Deferred tax assets, net	-	-	3,943	3,464
Income tax assets, net	435	420	3,204	3,138
Other non-current assets	14	5	3,184	3,144
Total non-current assets	58,759	58,238	1,35,468	1,37,171
Current assets				
Inventories	-	-	43,664	39,995
Financial assets				
i. Investments	214	-	2,543	1,209
ii. Trade receivables	1,049	468	64,218	57,547
iii. Cash and cash equivalents	254	34	4,714	2,715
iv. Bank balances other than (iii) above	47	46	96	96
v. Loans	-	2	38	98
vi. Other financial assets	449	5	2,283	1,122
Current tax assets, net	-	-	38	39
Other current assets	402	310	6,097	6,837
Total current assets	2,415	865	1,23,691	1,09,658
TOTAL ASSETS	61,174	59,103	2,59,159	2,46,829
EQUITY AND LIABILITIES				
Equity				
Equity share capital	1,428	1,428	1,428	1,428
Other equity	52,208	49,115	79,360	76,194
Equity attributable to owners of the Company	53,636	50,543	80,788	77,622
Non-controlling interest	-	-	24,307	22,932
TOTAL EQUITY	53,636	50,543	1,05,095	1,00,554
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	4,491	5,632	33,478	32,431
ii. Lease liabilities	147	10	944	819
iii. Other financial liabilities	-	-	151	142
Provisions	191	122	3,952	4,077
Deferred tax liabilities, net	334	481	369	821
Other non-current liabilities	-	-	1,297	1,354
Total non-current liabilities	5,163	6,245	40,191	39,644
Current liabilities				
Financial liabilities				
i. Borrowings	1,075	1,286	51,807	45,248
ii. Lease liabilities	100	56	404	307
iii. Trade payables				
a. Total outstanding dues of micro enterprises and small enterprises	67	79	2,411	3,098
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	254	171	46,201	46,818
iv. Other financial liabilities	616	528	8,957	7,738
Other current liabilities	198	151	2,817	2,363
Provisions	65	44	1,275	1,056
Current tax liabilities, net	-	-	1	3
Total current liabilities	2,375	2,315	1,13,873	1,06,631
TOTAL EQUITY AND LIABILITIES	61,174	59,103	2,59,159	2,46,829



98

2 Statement of cash flows

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Audited	Audited	Audited	Audited
Cash flows from operating activities				
Profit for the year	4,830	3,388	8,731	3,506
Adjustments for:				
Tax expense	1,073	1,378	5,051	3,852
Depreciation and amortisation expenses	437	309	14,173	12,884
Net (gain) / loss on disposal of property, plant and equipment	(6)	(8)	(29)	(21)
Government grants	-	-	(130)	(2,164)
Share of (profit) / loss of Joint venture / associate entities	-	-	92	736
Finance costs	561	590	4,982	3,417
Impairment losses on financial assets	-	-	374	317
Provision / Liabilities no longer required written back	-	-	(682)	(1,249)
Gain on current investments mandatorily measured at FVTPL	(38)	(17)	(68)	(18)
Impairment of investment / goodwill / property, plant and equipment	292	1,781	905	162
Net unrealised foreign exchange (gain) / loss	-	-	(1,481)	416
Interest income	(3)	(48)	(156)	(160)
Gain on sale of non-current investments	-	(1,970)	-	(1,564)
Working capital adjustments:				
(Increase) / decrease in inventories	-	-	(3,500)	(11,596)
(Increase) / decrease in trade receivables	(581)	698	(9,293)	(8,734)
(Increase) / decrease in other assets	(209)	166	4,462	(877)
Increase / (decrease) in trade payables	71	33	(915)	3,872
Increase / (decrease) in provisions	48	22	107	(805)
Increase / (decrease) in other liabilities	140	158	1,992	3,746
Cash generated from operating activities	6,615	6,480	24,615	5,720
Income taxes paid, net	(1,196)	(1,777)	(5,991)	(4,187)
Net cash generated from / (used in) operating activities	5,419	4,703	18,624	1,533
Cash flows from investing activities				
Loan repaid by subsidiary	-	765	-	-
Loan given to subsidiary	-	(465)	-	-
(Payment towards purchase) / proceeds from sale of current investments, net	(175)	289	(1,288)	1,105
Purchase consideration for acquisition of business	-	-	-	(2,319)
Dividend received from joint venture / associate entities	-	-	1,670	612
Payment towards purchase of property, plant and equipment and intangible assets	(373)	(178)	(15,820)	(13,317)
Proceeds from disposal of property, plant and equipment	6	8	104	45
Payment towards purchase of non-current investments	(913)	(6,318)	(124)	(378)
Proceeds from sale of non-current investments	-	2,569	-	2,483
Interest received	-	51	290	210
Bank balances not considered under cash and cash equivalents	-	-	4	114
Net cash generated from / (used in) investing activities	(1,455)	(3,279)	(15,164)	(11,445)
Cash flows from financing activities				
Proceeds from long-term borrowings	872	599	12,776	18,058
Repayment of long-term borrowings	(2,224)	(1,373)	(10,757)	(10,201)
Proceeds from short-term borrowings, net	-	-	4,376	5,266
Dividends paid to shareholders	(1,713)	-	(1,713)	-
Dividends paid to non-controlling interest	-	-	(775)	(1,012)
Finance costs paid	(537)	(572)	(4,791)	(3,898)
Payment of lease liabilities	(142)	(82)	(495)	(361)
Acquisition of NCI through buy-back	-	-	-	(182)
Tax on buyback	-	-	-	(42)
Acquisition of NCI	-	-	(39)	(1,127)
Net cash generated from / (used in) from financing activities	(3,744)	(1,428)	(1,418)	6,501
Net increase / (decrease) in cash and cash equivalents	220	(4)	2,042	(3,411)
Cash and cash equivalents at the beginning of the year	34	38	2,511	5,922
Cash and cash equivalents at the end of the year	254	34	4,553	2,511
Reconciliation of cash and cash equivalents to Balance sheet				
Particulars				
Cash and cash equivalents as per Balance sheet	254	34	4,714	2,715
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-	(161)	(58)
Bank overdraft availed for cash management purposes	-	-	-	(146)
Cash and cash equivalents as above	254	34	4,553	2,511



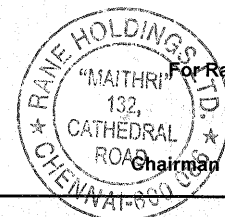
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- 3 The above financial results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors of Rane Holdings Limited ('the Company') at their respective meetings held on May 12, 2023.
- 4 The standalone and consolidated financial results for the quarter and year ended March 31, 2023 have been audited by the statutory auditors of the Company. The financial results of the subsidiaries and joint venture / associate entities have been audited by the respective statutory auditors, as applicable.
- 5 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, 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, as amended.
- 6 The Company holds strategic investments in subsidiaries (the Company and its subsidiaries collectively referred to as 'the Group') and joint venture / associate entities that are engaged primarily in manufacturing / marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Company also provides management, information technology and business development services to its subsidiaries and joint venture / associate entities.
- 7 The Group is primarily engaged in manufacture and supply of auto components and providing technological services for transportation industry which in the context of Indian Accounting Standard (Ind AS) 108 Operating Segments, is considered as the only operating segment.
- 8 The figures for the quarter ended March 31, 2023, and March 31, 2022, as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year which were subject to limited review.
- 9 Share of profit / (loss) of joint venture / associate entities disclosed in the audited consolidated financial results includes the share of exceptional item, recorded by Rane NSK Steering Systems Private Limited ("RNSS") of Rs. 3,626 Lakhs for the quarter and year ended March 31, 2023, Rs. Nil for the quarter ended December 31, 2022, Rs. 5,664 Lakhs for the quarter ended March 31, 2022, and Rs. 7,918 Lakhs for the year ended March 31, 2022. This was incurred by RNSS towards incremental warranty claims with respect to certain specific lots of products sold by RNSS to one of its customers. RNSS has determined the amount based on technical estimates and is currently in discussions with various parties to determine and conclude on certain aspects that may impact the quantum of the final warranty liability to be borne by RNSS. Based on its assessment and pending final outcome of such discussions and negotiations, RNSS believes that the cumulative provision carried by them towards such special warranty obligations as at March 31, 2023, is adequate.
- 10 Exceptional items in the above financial results includes the following:
- a. In respect of, Rane t4u Private Limited ("Rt4u") a subsidiary company, the Company assessed the carrying value of its investments and considered the fair value changes thereto resulting in a reduction in the carrying value aggregating to Rs. 292 Lakhs for the quarter and year ended March 31, 2023 and Rs. 1,781 Lakhs for the year ended March 31, 2022 being shown as an exceptional charge in the standalone financial results; and the corresponding effect in the consolidated financial results towards impairment of goodwill was Rs. Nil for the year ended March 31, 2023 and Rs. 162 Lakhs for the year ended March 31, 2022.
- b. Rane Engine Valve Limited ("REVL"), a subsidiary company incurred a provision for customer quality claims for Rs. 199 Lakhs for the quarter ended March 31, 2023, Rs. 200 Lakhs for the quarter ended December 31, 2022, and Rs. 619 Lakhs for the year ended March 31, 2023 towards estimated product liability costs, in respect of certain valves supplied to an overseas customer pending finalisation. REVL has initiated insurance claim in respect of the same, which is under process. The management is of the opinion that the provision carried as at March 31, 2023 is adequate to cover the estimated net liability.
- Further REVL has incurred Voluntary Retirement Scheme ('VRS') expenditure of Rs. 48 Lakhs for the quarter ended December 31, 2022 and year ended March 31, 2023; Rs. 355 Lakhs for the year ended March 31, 2022.
- c. Rane Brake Lining Limited ("RBL"), a subsidiary company incurred VRS expenditure of Rs. 66 Lakhs for the quarter and year ended March 31, 2022.
- d. Rane (Madras) Limited ("RML"), a subsidiary company incurred VRS expenditure of Rs. 261 Lakhs for the quarter ended December 31, 2022 and year ended March 31, 2023.
- As at March 31, 2023, on account of changes in market conditions and rising cost of capital, the Group has assessed the recoverable amount of the net assets of Rane Light Metal Castings Inc, ('LMCA') the step-down subsidiary in the U.S, which represents a single cash generating unit (CGU). Based on such assessment, the Group has recorded an impairment charge of Rs. 904 Lakhs as an exceptional item in its consolidated financial results during the quarter and year ended March 31, 2023.
- 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 year ended March 31, 2022, 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 1,945 Lakhs). Further, LMCA was eligible for employee retention credit (ERC), from the U.S. Internal Revenue Service during the year ended March 31, 2022 for an amount of USD 3.66 million (INR 2,726 Lakhs). The aggregate amounts of such relief have been recorded as an exceptional income in the consolidated results for the year ended March 31, 2022.
- 11 During the year ended March 31, 2023, the Company acquired 3,43,642 equity shares of Rs.10 each fully paid-up in Rane Engine Valve Limited ("REVL") pursuant to conversion of 3,43,642 share warrants for an aggregate consideration of Rs.1,000 lakhs (including the share warrant exercise price of Rs. 250 Lakhs). Pursuant to such acquisition, the shareholding of the Company in REVL stands at 57.28 %. The balance 1,71,821 warrants are due for conversion on or before September 08, 2023.
- 12 The Board of Directors have recommended a Dividend of Rs.17 per equity share for the year ended March 31, 2023.
- 13 The audited standalone and consolidated financial results for the quarter and year ended March 31, 2023 are being published in the newspaper as per the format prescribed under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results are also being made available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website: www.ranegroup.com.

Place : Chennai
Date : May 12, 2023



For Rane Holdings Limited


L. Ganesh
Chairman & Managing Director