

RANE HOLDINGS LIMITED

CIN : L35999TN1936PLC002202

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

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Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2022

Rs. Lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
Revenue from operations	2,364	3,961	1,858	9,237	6,779	8,880
Other income	16	12	1,986	38	2,025	2,044
Total income	2,380	3,973	3,844	9,275	8,804	10,924
2. Expenses						
Employee benefits expense	597	600	439	1,715	1,253	1,701
Finance costs	148	148	152	434	450	590
Depreciation and amortisation expense	128	93	77	309	230	309
Professional charges	213	138	150	432	370	468
Information systems expenses	194	184	170	575	489	675
Other expenses	185	256	152	612	472	634
Total expenses	1,465	1,419	1,140	4,077	3,264	4,377
3. Profit before exceptional items and tax (1-2)	915	2,554	2,704	5,198	5,540	6,547
4. Exceptional items (refer note 7.)	-	-	(1,781)	-	(1,781)	(1,781)
5. Profit before tax (3+4)	915	2,554	923	5,198	3,759	4,766
6. Tax expense						
Current tax	171	469	576	957	1,240	1,306
Current tax for earlier years	-	-	-	-	-	77
Deferred tax	(2)	(23)	(2)	(40)	(10)	(5)
Total tax expense	169	446	574	917	1,230	1,378
7. Profit for the period (5-6)	746	2,108	349	4,281	2,529	3,388
8. Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
(i) Re-measurement (losses) / gains on defined benefit plans	10	(20)	7	(57)	(29)	15
(ii) Net gain / (loss) on fair value through other comprehensive income equity instruments	(217)	259	3	(136)	1,297	384
(iii) Income tax effect on above	53	(61)	(2)	49	(319)	(100)
Total other comprehensive income	(154)	178	8	(144)	949	299
9. Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the period)	592	2,286	357	4,137	3,478	3,687
10. Paid-up equity share capital (face value of Rs.10/- each fully paid up)	1,428	1,428	1,428	1,428	1,428	1,428
11. Other equity	-	-	-	-	-	49,115
12. Earnings per share (EPS) (face value of Rs.10/- each) (amount in Rs.) (not annualised for quarters and year to date periods)						
Basic (in Rs.)	5.22	14.77	2.44	29.98	17.71	23.73
Diluted (in Rs.)	5.22	14.77	2.44	29.98	17.71	23.73

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Rs. Lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
Revenue from operations	87,425	87,929	68,144	2,57,068	1,89,392	2,67,730
Other income	3,165	449	2,178	1,857	3,237	3,736
Total income	90,590	88,378	70,322	2,58,925	1,92,629	2,71,466
2. Expenses						
Cost of materials consumed	52,214	53,236	39,999	1,53,365	1,11,639	1,56,036
Purchases of stock-in-trade	228	244	254	703	628	1,089
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2,384)	(2,245)	(1,833)	(5,282)	(6,654)	(6,333)
Employee benefits expense	13,711	13,108	12,274	39,689	35,815	48,002
Finance costs	1,372	1,062	961	3,277	2,602	3,417
Depreciation and amortisation expense	3,563	3,293	3,224	10,183	9,542	12,884
Other expenses	15,872	17,352	13,775	47,020	38,289	52,365
Total expenses	84,576	86,050	68,654	2,48,955	1,91,861	2,67,460
3. Profit / (loss) before share of profit / (loss) of joint venture / associate entities, exceptional items and tax (1-2)	6,014	2,328	1,668	9,970	768	4,006
4. Share of profit / (loss) of joint venture / associate entities (includes share of exceptional items, net of taxes) (refer note 6.)	1,315	1,334	(344)	4,192	1,597	(736)
5. Profit before exceptional items and tax (3+4)	7,329	3,662	1,324	14,162	2,365	3,270
6. Exceptional items (refer note 7.)	(509)	(115)	523	(729)	4,154	4,088
7. Profit before tax (5+6)	6,820	3,547	1,847	13,433	6,519	7,358
8. Tax expense						
Current tax	2,192	1,300	1,249	4,841	2,772	3,746
Current tax for earlier years	-	-	-	-	17	295
Deferred tax	(517)	(85)	(458)	(945)	(1,053)	(189)
Total tax expense	1,675	1,215	791	3,896	1,736	3,852
9. Profit for the period (7-8)	5,145	2,332	1,056	9,537	4,783	3,506
10. Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
(i) Re-measurement (losses) / gains on defined benefit plans	46	(129)	75	(150)	(188)	59
(ii) Net gain / (loss) on fair value through other comprehensive income equity instruments	(217)	260	3	(136)	1,297	384
(iii) Income tax effect on above	44	(35)	(22)	70	(263)	(84)
	(127)	96	56	(216)	846	359
Items that will be reclassified subsequently to profit or loss						
(i) Net movement on cash flow hedges	-	-	-	-	(193)	(193)
(ii) Exchange differences on translation of foreign operations	(2,930)	1,011	658	(1,190)	743	700
(iii) Income tax effect on above	-	-	-	-	-	-
	(2,930)	1,011	658	(1,190)	550	507
Total other comprehensive income	(3,057)	1,107	714	(1,406)	1,396	866
11. Total comprehensive income for the period (9+10) (Comprising profit and other comprehensive income for the period)	2,088	3,439	1,770	8,131	6,179	4,372
Profit for the period attributable to:						
(a) Owners of the Company	4,097	2,010	963	8,112	4,284	2,414
(b) Non-controlling interest	1,048	322	93	1,425	499	1,092
	5,145	2,332	1,056	9,537	4,783	3,506
Other comprehensive income attributable to:						
(a) Owners of the Company	(2,237)	838	498	(1,064)	1,277	714
(b) Non-controlling interest	(820)	269	216	(342)	119	152
	(3,057)	1,107	714	(1,406)	1,396	866
Total comprehensive income attributable to:						
(a) Owners of the Company	1,860	2,848	1,461	7,048	5,561	3,128
(b) Non-controlling interest	228	591	309	1,083	618	1,244
	2,088	3,439	1,770	8,131	6,179	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	1,428
13. Other equity	-	-	-	-	-	76,194
14. Earnings per share (EPS) (face value of Rs.10/- each) (amount in Rs.) (not annualised for quarters and year to date periods)						
Basic (in Rs.)	28.69	14.08	6.74	56.81	30.00	16.91
Diluted (in Rs.)	28.69	14.08	6.74	56.81	30.00	16.91

1. 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 February 14, 2023.
2. The Statutory auditors have carried out a limited review of the above financial results for the quarter and nine months ended December 31, 2022. The financial results of the subsidiaries and joint venture / associate entities were reviewed by the respective statutory auditors, as applicable.
3. 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, as amended.
4. 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.
5. 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.
6. Share of profit / (loss) of joint venture / associate entities disclosed in the unaudited consolidated financial results includes the share of exceptional item, recorded by Rane NSK Steering Systems Private Limited ("RNSS") of Rs. Nil for the quarter and nine months ended December 31, 2022 and Rs. 2,254 Lakhs for the quarter and nine months ended December 31, 2021 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 December 31, 2022, is adequate.
7. 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. 1,781 Lakhs for the quarter and nine months ended December 31, 2021 and 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. 162 Lakhs for the quarter and nine months ended December 31, 2021 and 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. 200 Lakhs for the quarter ended December 31, 2022, Rs. 115 Lakhs for the quarter ended September 30 2022 and Rs. 420 Lakhs for the nine months ended December 31, 2022 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 December 31, 2022 is adequate to cover the estimated net liability.

Further REVL has incurred Voluntary Retirement Scheme ('VRS') expenditure of Rs. 48 Lakhs for the quarter and nine months ended December 31, 2022 ; Rs. 265 Lakhs for the quarter ended December 31, 2021 and Rs. 355 Lakhs for the nine months ended December 31, 2021 and year ended March 31, 2022.
 - c. Rane Brake Lining Limited ("RBL"), a subsidiary company incurred VRS expenditure of Rs. 66 Lakhs for the year ended March 31, 2022.
 - d. Rane (Madras) Limited ("RML"), a subsidiary company incurred VRS expenditure of Rs. 261 Lakhs for the quarter and nine months ended December 31, 2022.

The Step down 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 1,945 Lakhs). 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 2,726 Lakhs) (including USD 1.26 million (INR 950 Lakhs) for the quarter ended December 31, 2021). The aggregate amounts of such relief have been recorded as an exceptional income in the consolidated results for the quarter and nine months ended December 31, 2021 and for the year ended March 31, 2022.
8. The comparative period figures have been regrouped wherever necessary to conform to current period's classification.
9. The Company / Group has considered the possible effects that may result from the continued effect of the COVID-19 pandemic on the carrying amounts of assets, 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 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.
10. The unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2022 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 : February 14, 2023

For Rane Holdings Limited
LAKSHMINARA
YAN GANESH
Digitally signed by
LAKSHMINARAYAN GANESH
Date: 2023.02.14 11:27:42
+05'30'
L Ganesh
Chairman & Managing Director