

**RANE HOLDINGS LIMITED**

CIN : L35999TN1936PLC002202

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

Visit us at: www.ranegroup.com

Statement of unaudited standalone financial results for the quarter ended June 30, 2023



Rs. Lakhs

Particulars	Quarter ended		Year ended	
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	Unaudited	Audited (Refer note 6)	Unaudited	Audited
<b>1. Income</b>				
Revenue from operations	2,554	2,529	2,912	11,766
Other income	18	15	10	53
<b>Total income</b>	<b>2,572</b>	<b>2,544</b>	<b>2,922</b>	<b>11,819</b>
<b>2. Expenses</b>				
Employee benefits expense	716	606	518	2,321
Finance costs	129	127	138	561
Depreciation and amortisation expenses	121	128	88	437
Professional charges	116	293	81	725
Information systems expenses	196	199	197	774
Other expenses	247	194	171	806
<b>Total expenses</b>	<b>1,525</b>	<b>1,547</b>	<b>1,193</b>	<b>5,624</b>
<b>3. Profit before exceptional items and tax (1-2)</b>	<b>1,047</b>	<b>997</b>	<b>1,729</b>	<b>6,195</b>
<b>4. Exceptional items (refer note 8)</b>	(296)	(292)	-	(292)
<b>5. Profit before tax (3+4)</b>	<b>751</b>	<b>705</b>	<b>1,729</b>	<b>5,903</b>
<b>6. Tax expense</b>				
Current tax	155	161	317	1,118
Deferred tax	(2)	(5)	(15)	(45)
<b>Total tax expense</b>	<b>153</b>	<b>156</b>	<b>302</b>	<b>1,073</b>
<b>7. Profit for the period (5-6)</b>	<b>598</b>	<b>549</b>	<b>1,427</b>	<b>4,830</b>
<b>8. Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
(i) Re-measurement (losses) /gains on defined benefit plans, net	(68)	15	(47)	(42)
(ii) Net gain / (loss) on fair value through other comprehensive income equity instruments	4	115	(178)	(21)
(iii) Income tax relating to items that will not be reclassified to profit or loss	15	(10)	57	39
<b>Other comprehensive (loss) / income for the period</b>	<b>(49)</b>	<b>120</b>	<b>(168)</b>	<b>(24)</b>
<b>9. Total comprehensive income for the period (7+8)</b> (Comprising profit and other comprehensive income for the period)	<b>549</b>	<b>669</b>	<b>1,259</b>	<b>4,806</b>
<b>10. Paid-up equity share capital (face value of Rs.10/- each fully paid up)</b>	1,428	1,428	1,428	1,428
<b>11. Other equity</b>	-	-	-	52,208
<b>12. Earnings per share (EPS) (face value of Rs.10/- each) (not annualised for quarters)</b>				
Basic (in Rs.)	4.19	3.84	9.99	33.82
Diluted (in Rs.)	4.19	3.84	9.99	33.82

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**Statement of unaudited consolidated financial results for the quarter ended June 30, 2023**

**Rs. Lakhs**

Particulars	Quarter ended		Year ended	
	June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
	Unaudited	Audited (Refer note 6)	Unaudited	Audited
<b>1. Income</b>				
Revenue from operations	89,446	93,765	81,714	3,50,833
Other income	323	1,056	394	2,913
<b>Total income</b>	<b>89,769</b>	<b>94,821</b>	<b>82,108</b>	<b>3,53,746</b>
<b>2. Expenses</b>				
Cost of materials consumed	50,869	51,510	47,915	2,04,875
Purchases of stock-in-trade	278	204	231	907
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(794)	2,364	(653)	(2,918)
Employee benefits expense	14,576	13,028	12,870	52,717
Finance costs	1,856	1,705	843	4,982
Depreciation and amortisation expenses	3,535	3,990	3,327	14,173
Other expenses	16,749	16,284	15,947	63,304
<b>Total expenses</b>	<b>87,069</b>	<b>89,085</b>	<b>80,480</b>	<b>3,38,040</b>
<b>3. Profit before share of profit / (loss) of joint venture / associate entities, exceptional items and tax (1-2)</b>	<b>2,700</b>	<b>5,736</b>	<b>1,628</b>	<b>15,706</b>
<b>4. Share of profit / (loss) of joint venture / associate entities (includes share of exceptional items, net of taxes) (refer note 7)</b>	<b>1,040</b>	<b>(4,284)</b>	<b>1,543</b>	<b>(92)</b>
<b>5. Profit before exceptional items and tax (3+4)</b>	<b>3,740</b>	<b>1,452</b>	<b>3,171</b>	<b>15,614</b>
<b>6. Exceptional items (refer note 8)</b>	<b>(1,988)</b>	<b>(1,103)</b>	<b>(105)</b>	<b>(1,832)</b>
<b>7. Profit before tax (5+6)</b>	<b>1,752</b>	<b>349</b>	<b>3,066</b>	<b>13,782</b>
<b>8. Tax expense</b>				
Current tax	537	1,019	1,349	5,860
Deferred tax	5	136	(343)	(809)
<b>Total tax expense</b>	<b>542</b>	<b>1,155</b>	<b>1,006</b>	<b>5,051</b>
<b>9. Profit / (Loss) for the period (7-8)</b>	<b>1,210</b>	<b>(806)</b>	<b>2,060</b>	<b>8,731</b>
<b>10. Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
(i) Re-measurement (losses) / gains on defined benefit plans , net	(224)	201	(67)	51
(ii) Net gain / (loss) on fair value through other comprehensive income equity instruments	4	115	(179)	(21)
(iii) Income tax relating to items that will not be reclassified to profit or loss	54	9	61	79
	<b>(166)</b>	<b>325</b>	<b>(185)</b>	<b>109</b>
<b>Items that will be reclassified to profit or loss</b>				
(i) Exchange differences on translating financial statements of foreign operations	152	(586)	729	(1,776)
	<b>152</b>	<b>(586)</b>	<b>729</b>	<b>(1,776)</b>
<b>Other comprehensive (loss) / income for the period</b>	<b>(14)</b>	<b>(261)</b>	<b>544</b>	<b>(1,667)</b>
<b>11. Total comprehensive income for the period (9+10)</b>	<b>1,196</b>	<b>(1,067)</b>	<b>2,604</b>	<b>7,064</b>
(Comprising profit / (loss) and other comprehensive (loss) / income for the period)				
<b>Profit / (loss) for the period attributable to:</b>				
(a) Owners of the Company	1,277	(1,885)	2,005	6,227
(b) Non-controlling interest	(67)	1,079	55	2,504
	<b>1,210</b>	<b>(806)</b>	<b>2,060</b>	<b>8,731</b>
<b>Other comprehensive (loss) / income attributable to:</b>				
(a) Owners of the Company	(13)	(166)	335	(1,230)
(b) Non-controlling interest	(1)	(95)	209	(437)
	<b>(14)</b>	<b>(261)</b>	<b>544</b>	<b>(1,667)</b>
<b>Total comprehensive income attributable to:</b>				
(a) Owners of the Company	1,264	(2,051)	2,340	4,997
(b) Non-controlling interest	(68)	984	264	2,067
	<b>1,196</b>	<b>(1,067)</b>	<b>2,604</b>	<b>7,064</b>
<b>12. Paid-up equity share capital (face value of Rs.10/- each fully paid up)</b>	<b>1,428</b>	<b>1,428</b>	<b>1,428</b>	<b>1,428</b>
<b>13. Other equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,360</b>
<b>14. Earnings per share (EPS) (face value of Rs.10/- each) (not annualised for quarters)</b>				
Basic (in Rs.)	8.94	(13.20)	14.04	43.61
Diluted (in Rs.)	8.94	(13.20)	14.04	43.61

**Notes to statement of unaudited standalone and consolidated financial results for the quarter ended June 30, 2023**



- 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 August 04, 2023.
- 2 The Statutory auditors have carried out a limited review of the above financial results for the quarter ended June 30, 2023. 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 The figures for the quarter ended March 31, 2023, as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the relevant financial year, which were subject to limited review.
- 7 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 ended June 30, 2023 and June 30, 2022, Rs. 3,626 Lakhs for the quarter and year ended March 31, 2023. 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 June 30, 2023, is adequate.
- 8 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.296 Lakhs for the quarter ended June 30, 2023, Rs. 292 Lakhs for the quarter and year ended March 31, 2023 being shown as an exceptional charge in the standalone financial results.
  - b. Rane Engine Valve Limited ("REVL"), a subsidiary company incurred a provision for customer quality claims for Rs. 113 Lakhs for the quarter ended June 30, 2023, Rs. 199 Lakhs for the quarter ended March 31, 2023, Rs. 105 Lakhs for the quarter ended June 30, 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 June 30, 2023 is adequate to cover the estimated net liability.

Further, REVL has incurred Voluntary Retirement Scheme ("VRS") expenditure of Rs. 48 Lakhs for the year ended March 31, 2023.
  - c. Rane (Madras) Limited ("RML"), a subsidiary company primarily incurred provision for one time warranty related costs and VRS expenditure of Rs. 1,875 Lakhs for the quarter ended June 30, 2023 and VRS expenditure of Rs. 261 Lakhs for the 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.
- 9 During the quarter ended June 30, 2023, the Company acquired 1,71,821 equity shares of Rs.10 each fully paid-up in Rane Engine Valve Limited("REVL") pursuant to conversion of 1,71,821 share warrants for an aggregate consideration of Rs.500 Lakhs (including the share warrant exercise price of Rs. 125 Lakhs). Pursuant to such acquisition, the shareholding of the Company in REVL stands at 58.29%.
- 10 During the quarter, the Company acquired 21,60,432 equity shares of Rs.10 each on rights basis and converted the 2,78,50,000 Compulsorily Convertible Preference Shares (CCPS) of Rs.10 each held by the Company in Rt4u into 2,78,50,000 equity shares of Rs.10/- each. Pursuant to the such acquisition, the shareholding of the Company in Rt4u stands at 99.47%.

On May 31, 2023, the Board approved the sale of its entire investment in Rt4U for a consideration of Rs. 850 Lakhs in exchange for allotment of 8,62,505 equity shares in eTrans Solutions Private Limited ("eTrans") representing 11.94% stake in eTrans. The sale was completed subsequent to the quarter and Rt4U ceased to be a subsidiary of the Company effective July 19, 2023.

- 11 During the quarter, Board of Directors and shareholders of RML approved the sale/ divestment/ pledge/ dilution/ disposal of LMCA and/ or cessation of control of RML in LMCA. This is owing to changes in market conditions and re-prioritization of investments.
- 12 During the quarter, ZF Rane Occupant Safety Systems Private Limited, a subsidiary of one of the joint venture/ associate entity commenced operations.
- 13 The unaudited standalone and consolidated financial results for the quarter ended June 30, 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the company's website: [www.ranegroup.com](http://www.ranegroup.com).

**Place :** Chennai  
**Date :** August 04, 2023

**For Rane Holdings Limited**  
GANESH  
LAKSHMINA  
RAYAN  
  
**L Ganesh**  
**Chairman & Managing Director**