

February 24, 2026

## Rane Holdings Limited: Update on material event

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Outstanding
Long-term-Fund-based-Cash credit	5.00	5.00	[ICRA]AA- (Stable);
Long-term/Short-term-Unallocated limits	20.00	20.00	[ICRA]AA- (Stable)/[ICRA]A1+;
Long-term-Fund-based-Term loan	75.00	75.00	[ICRA]AA- (Stable);
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The board of directors of Rane Holdings Limited (RHL/the company) approved the unaudited financial results for Q3 FY2026 on February 14, 2026. The share of profits in the consolidated financial results includes RHL's share (49%) of exceptional item recorded by ZF Rane Automotive India Private Limited (ZFRAIPL; rated [ICRA]AA- (Stable)/[ICRA]A1+) towards warranty provision amounting to Rs. 84.6 crore for the quarter and nine months ended on December 31, 2025. ZFRAIPL has recognised the provision based on the management's best estimate of the expenditure required to settle the claim in respect to the product recall liability towards quality and safety-related issues in certain products manufactured and sold in prior periods that may require corrective action, including voluntary or regulator-mandated recalls.

ZFRAIPL is a 51:49 joint venture between ZF Automotive J.V. US LLC (ZF) and RHL. ZFRAIPL manufactures airbags, seat belts and cushion products under the occupant safety division (OSD) and steering gears, pumps and reservoirs under the steering gear division (SGD). ZFRAIPL had demerged its business operations and transferred its OSD division to ZF Lifetec Rane Automotive India Private Limited with effect from February 01, 2026, such that ZF and RHL continue to hold 51:49 stake in the new entity. The further updates on the actual warranty cost and rectification measures are expected in the coming quarters, and clarity on funding requirement, if any, from the JV partners, is expected to emerge gradually based on the quantum and timing of outflow.

ICRA notes that RHL has an adequate liquidity position and strong financial flexibility and does not expect a material impact on its credit profile. However, ICRA will continue to monitor further developments related to product recall and related outflows.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#)

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Auto Components</a> <a href="#">Investment Companies</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/group Support	Not Applicable
Consolidation/standalone	The ratings are based on the consolidated financials of Rane Holdings Limited. See Annexure II for list of entities considered for consolidated analysis.

### About the company

RHL is the holding company of various companies in the Rane Group with total aggregate revenues (Group including ZF Rane Automotive India Private Limited) of Rs. 7,413 crore in FY2025, through which the promoter group holds all its stake in Group

companies. As on December 31, 2025, the promoters held a 46.55% stake in RHL. In addition to acting as a holding company, RHL provides various support services to the Group companies such as training, infrastructure and Information technology (IT) support.

RHL holds strategic investments in subsidiaries and joint ventures, which are primarily in the manufacturing of automotive components. The key investee companies are Rane (Madras) Limited, Rane Steering Systems Private Limited. RHL holds a 63.8% stake in RML as on December 31, 2025, which further has two step-down overseas subsidiaries. RHL holds a 100% stake in RSSPL and 49% stake each in ZFRAIPL and ZF Lifetec Rane, which further has two wholly-owned subsidiaries. RHL has two wholly-owned subsidiaries, Rane Holdings America Inc, Rane Holdings Europe GmbH, which are marketing arms for the Group's business. The company, through its subsidiaries, has diversified product presence across divisions such as steering & linkages, brake components, engine components, light metal castings and after-market. Around 65% of sales are derived from the PV segment.

### Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	3,529.8	4,361.6
PAT	92.1	185.6
OPBDITA/OI	10.0%	8.0%
PAT/OI	2.6%	4.3%
Total outside liabilities/Tangible net worth (times)	1.1	1.6
Total debt/OPBDITA (times)	2.4	3.0
Interest coverage (times)	5.0	4.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortization; Total debt includes lease liabilities

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: Not applicable**

### Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	FY2026			FY2025		FY2024		FY2023	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating	
		Feb 24, 2026									
<b>Fund-based-Cash credit</b>	Long-term	5.00	[ICRA]AA- (Stable)	Dec 18, 2025	[ICRA]AA- (Stable)	Jul 10, 2024	[ICRA]AA- (Stable)	Dec 04, 2023	[ICRA]AA- (Stable)	Dec 14, 2022	[ICRA]AA- (Stable)
				-	-	Dec 16, 2024	[ICRA]AA- (Stable)	Feb 20, 2024	[ICRA]AA- (Stable)	-	-
<b>Unallocated limits</b>	Long-term/short-term	20.00	[ICRA]AA-(Stable)/[ICRA]A1+	Dec 18, 2025	[ICRA]AA-(Stable)/[ICRA]A1+	Jul 10, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	Dec 04, 2023	[ICRA]AA-(Stable)/[ICRA]A1+	Dec 14, 2022	[ICRA]AA-(Stable)/[ICRA]A1+
				-	-	Dec 16, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	Feb 20, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	-	-
<b>Fund-based-Term loan</b>	Long-term	75.00	[ICRA]AA- (Stable)	Dec 18, 2025	[ICRA]AA- (Stable)	Jul 10, 2024	[ICRA]AA- (Stable)	Dec 04, 2023	[ICRA]AA- (Stable)	Dec 14, 2022	[ICRA]AA- (Stable)
				-	-	Dec 16, 2024	[ICRA]AA- (Stable)	Feb 20, 2024	[ICRA]AA- (Stable)	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based - Term loans	Simple
Long-term fund based- Cash Credit	Simple
Long term/short term- Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

## Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term fund based - Term loans	May 2024	9.25%	FY2031	75.00	[ICRA]AA- (Stable)
NA	Long-term fund based- Cash Credit	FY2021	NA	NA	5.00	[ICRA]AA- (Stable)
NA	Long term/short term- Unallocated	NA	NA	NA	20.00	[ICRA]AA- (Stable) / [ICRA]A1+

Source: Company

## Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Rane (Madras) Limited	63.80%	Full Consolidation
Rane Steering Systems Private Limited	100.00%	Full Consolidation
Rane Holdings America Inc.	100.00%	Full Consolidation
Rane Holdings Europe GmbH	100.00%	Full Consolidation
ZF Rane Automotive India Private Limited	49.00%	Equity Method
ZF Lifetec Rane Automotive India Private Limited	49.00%	Equity Method

Source: Company

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar Krishnamurthy**

+91 44 4596 4318

[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Sruthi Thomas**

+91 80 4332 6430

[sruthi.thomas2@icraindia.com](mailto:sruthi.thomas2@icraindia.com)

**Sriraman Mohan**

+91 80 4332 6428

[sriraman.mohan@icraindia.com](mailto:sriraman.mohan@icraindia.com)

## RELATIONSHIP CONTACT

**L Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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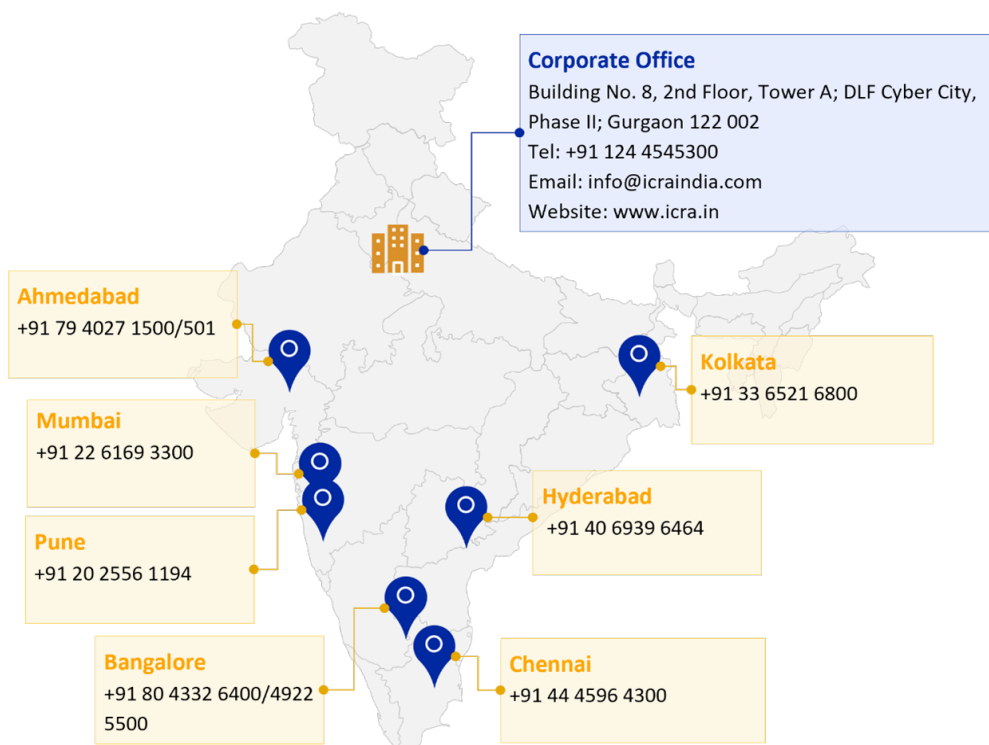


### Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



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