



## **RANE BRAKE LINING LIMITED**

16<sup>th</sup> Annual General Meeting

July 26, 2021

### **Attendees:**

#### **Directors:**

L Ganesh, Chairman

Harish Lakshman,  
Chairman of Stakeholders Relationship Committee

S Sandilya, Independent Director,  
Chairman of Audit Committee & Nomination and Remuneration Committee

Anil Kumar Venkat Epur, Independent Director

Brinda Jagirdar, Independent Director

#### **Management:**

R Balakrishnan – President & Manager

M A P Sridhar Kumar – Senior Vice President – Finance & Chief Financial Officer

Venkatraman – Secretary

P A Padmanabhan – President – Finance & Group CFO, Rane Holdings Limited (RHL)

Siva Chandrasekaran – EVP – Secretarial & Legal, RHL, Authorized Person

J Ananth – Vice President – Finance & CFO, RHL

S Subha Shree – Deputy General Manager – Secretarial, RHL

#### **Auditors:**

**M/s. Varma & Varma, Chartered Accountants, Statutory Auditors**

Georgy Mathew

Rasiga Raghupathy

**M/s. S Krishnamurthy & Co. Company Secretaries, Secretarial Auditors**

K Sriram

Sharanya Sriram

**M/s. Capri Assurance & Advisory Services, Internal Auditors**

K V Sriram

**(03:00 PM):** Start of the Event.

**CDSL Host (03:00 PM):** Dear All, welcome to the 16<sup>th</sup> Annual General Meeting (AGM) of Rane Brake Lining Limited. Now, I handover the proceedings to the Company.

**Siva Chandrasekaran (03:00 PM):** Good afternoon to all, I welcome the members to the 16<sup>th</sup> AGM of Rane Brake Lining Limited. In view of the COVID-19 pandemic this 16<sup>th</sup> AGM is being conducted through video conferencing in compliance with the Companies Act, 2013. In accordance with the MCA circulars, the notice for this AGM & Annual Report for the financial year 2020-2021 were sent by email to all members whose email IDs are available and also public notice were issued in English and Tamil newspapers. The transcript of the proceedings of the meeting would be made available in the website of the Company. Members who have pre-registered themselves as speaker shareholders during the window provided would be unmuted and allowed to speak and ask questions when indicated by the Chairman. Members are requested to keep their questions very brief, not to exceed two to three minutes per speaker in the interest of time. I confirm to the Chairman, the members forming the requisite quorum have logged in, Independent Directors and Auditors have also logged in. Now, I handover the proceedings to the Chairman.

**L Ganesh (03:02 PM):** Thank you Siva, good afternoon ladies and gentleman. The meeting has been duly convened and constituted with presence of requisite quorum and I call the meeting to Order. The Authorisations in favour of corporate representatives have been duly received and the prescribed statutory registers and necessary documents in connection with this AGM are available for inspection till the conclusion of the AGM. I would like to introduce the Directors who have joined us today, Mr. Sandilya, Mr. Anil Epur, Dr. Brinda Jagirdar and Mr. Harish Lakshman. Mr. Yasuji Ishii who represents Nisshinbo, Japan, was not able to join the meeting. I also confirm the presence of the Auditors and Scrutinizer, Mr. Georgy Mathew and Ms. Rasiga Ragupathy of M/s. Varma & Varma, Statutory Auditors, Mr. Sriram and Ms. Sharanya Sriram from M/s S. Krishnamoorthy & Co., Secretarial Auditors, Mr. K V Sriram from M/s. Capri Assurance and Advisory Services, Internal Auditors and Mr. Balu Sridhar, Practicing Company Secretary / Scrutinizer.

Once again good afternoon to all of you, on behalf of the Board I would like to welcome you all to this 16<sup>th</sup> Annual General Meeting of the Company.

As you are aware, India is just coming out of the second wave of corona virus which was more severe than the first wave in many ways. We see signs of economic recovery, however this will sustain if we are able to vaccinate as per plan and people are reasonably cautious. I would like to make a few remarks on the state of the industry, your company's performance for the year 2021 and the near term outlook.

The global economy which was already facing slowdown, received a major setback due to the Covid-19 outbreak which caused major economic disruption leading to a contraction of global growth



by 3.5% in FY21. India's economy is estimated to have contracted by 7.5% in FY21 as lockdowns and other containment efforts to control Covid-19 reduced domestic consumption. However, there was a sharp recovery in the second half of the fiscal.

Indian automotive industry which had already been struggling for growth even before Covid-19 due to the cyclical downturn and BS-VI disruption faced a severe blow due to the onset of the pandemic. Post lifting of lockdown restrictions, the auto industry witnessed recovery led by pent-up demand, low interest rates, improving financial availability, gradual pick-up in the business, economic activity, increasing preference for personal mobility and good monsoon leading to high disposable income in the rural market. However, due to the Q1 effect of last fiscal, the Passenger Vehicle segment declined by 11%, Commercial Vehicle segment declined by 17%, Two wheeler segment declined by 13%. Farm tractors however grew by 24% despite the Q1 effect.

Turning to the Company's performance, the Company registered a turnover of ₹ 423.39 crores which was 9.7% lower than the sales reported for fiscal 2020, this was due to the Covid-19 pandemic effect in Q1. The new products accounted for 2.7% of the revenue. EBITDA stood at ₹ 71.60 crores in FY21 from ₹ 71.00 crores in the previous year which was a marginal increase. Despite drop in volumes, profitability improved due to stable commodity prices and various cost control measures executed by the Company.

Enhanced capacity with special focus on quality enhancement through latest technologies both at our Puducherry and Trichy Plants for Two wheeler and four wheeler disc pads manufacturing continued to improve coverage on the vehicle parc and new launches for aftermarket also turn in a good performance. Rane Brake Lining Limited once again for the fifth time won the "Great Place to Work" Certificate. The long term settlements plan with our team members at Trichy and Chennai Plant were concluded successfully and also well within timelines.

Turning to the outlook, the last 18 months have been a very turbulent time for the world and the effects of the global pandemic are manifesting in many ways. The industry which is seeing a meaningful uptrend after a long period of sluggish growth is likely to witness positive momentum on the back of revival in the overall economy and with an increasing preference for personal mobility. The new schemes like PLI and labour reform are likely to enhance the growth of Indian economy and auto sector. We believe your company is well poised to take advantage of the same.

Thank you for your attention and I welcome you all once again to the AGM.

With the permission of the members, I am taking the AGM notice as read and also in view of the unmodified reports issued by the statutory auditors and the secretarial auditors, they are not being read.

The businesses proposed to be transacted at this AGM are as follows:

**ORDINARY BUSINESS:**

1. Consideration and adoption of the Audited Financial Statement of the Company for the year ended March 31, 2021, together with the reports of the Board of Directors and the Auditors thereon.
2. Declaration of dividend on equity shares.
3. Appointment of a Director in the place of Mr. Yasuji Ishii, who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. Approval under Regulation 17(6)(ca) of SEBI LODR, the remuneration payable to Chairman Mr. Ganesh Lakshminarayan, which is myself, exceeding fifty per cent of the total annual remuneration payable to all the Non-Executive Directors.
5. Appointment of Dr. Brinda Jagirdar as an Independent Director.
6. Approval for payment of commission to Mr. Ganesh Lakshminarayan for a period of three years.

Before we move to the voting procedure, I invite questions from members who have pre-registered as speakers may have on the accounts. Any Questions?

**Siva Chandrasekaran (03:09 PM):** Karthik (CDSL Host), are there any registered speakers who have logged in?

**CDSL Host (03:09 PM):** One minute Sir. Let me check and confirm it to you.

Sir, there are no pre-registered speaker shareholder for this meeting. You may continue with your proceedings.

**L Ganesh (03:10 PM):** Thank you. In compliance with Companies Act, the Company has engaged CDSL for providing remote e-Voting facility and e-voting at the AGM to enable members to participate electronically in this AGM. The remote e-Voting facility opened on 23<sup>rd</sup> July, 2021 and closed on 25<sup>th</sup> July, 2021 as scheduled. Those Members who have not exercised their votes by remote e-voting can cast their vote at this AGM. The e-Voting facility will be kept open at the end of this meeting for 15 mins and the meeting shall stand concluded there after.

Mr. Balu Sridhar, Practicing Company Secretary appointed as scrutinizer for the remote e-Voting, will also act as the scrutinizer for the e-Voting conducted at the AGM. The voting results will be available within two working days on the website of the Company. I confirm that the requisite quorum was present throughout the meeting. Thank you all for your participation, the meeting stand



closed at the end of the e-Voting process. I now handover the proceedings to Mr. Balu Sridhar, Scrutinizer. Thank you.

**Scrutinizer (03:11 PM):** Thank you Chairman, the e-Voting facility will remain open for 15 mins.

**Scrutinizer (03:27 PM):** The timing for the e-Voting has elapsed and the electronic facility is being disconnected for the meeting.

**CDSL Host (03:29 PM):** Thank you all for joining!

**(03:30 PM):** End of the event.