



Expanding Horizons

Rane Engine Valve Limited
49th Annual General Meeting
July 22, 2021

Attendees:

Directors:

L Ganesh, Chairman

Harish Lakshman, Vice Chairman

Anil Kumar Venkat Epur, Independent Director

Ashok Malhotra, Independent Director,
Chairman of Stakeholders Relationship Committee &
Nomination and Remuneration Committee

Brinda Jagirdar, Independent Director

C N Srivatsan, Independent Director,
Chairman of Audit Committee

Management:

Murali K Rajagopalan – President & Manager

V K Vijayaraghavan – Senior Vice President - Finance & Chief Financial Officer

Vivekanandaa M – Secretary

Siva Chandrasekaran - EVP- Secretarial & Legal, Rane Holdings Limited (RHL),
Authorised Person

S Subha Shree – Deputy General Manager - Secretarial, RHL

Auditors:

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

Prasanna Varma

Arjun Rajagopalan

**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): Sir, we are live and good to go. Welcome to the 49th Annual General Meeting (AGM) of Rane Engine Valve Limited, I now handover the proceedings to the Company.

Siva Chandrasekaran (03:01 PM): Good afternoon to all, I welcome the members to the 49th AGM of Rane Engine Valve Limited. In view of the COVID-19 pandemic this 49th AGM is being conducted through video conferencing in compliance with the Companies Act, 2013. In accordance with the MCA circulars, the notice of 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 notices were issued in English and Tamil newspapers. The transcript of the proceedings of the meeting would be made available on the website of the Company. Members who have pre-registered themselves as speaker shareholders during the window provided would be unmuted and allowed to 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 to all. Since the meeting has been convened and requisite quorum is present, I call the meeting to order. The Authorisations in favour of corporate representatives have been duly received and the prescribed statutory registers and documents in connection with this AGM are available for inspection till the conclusion of this AGM. I would like to introduce the Directors present at the AGM, Mr. Harish Lakshman, Mr. Ashok Malhotra, Mr. CN Srivatsan, Dr. Brinda Jagirdar and Mr. Anil Epur. I would also like to confirm the presence of Mr. Prasanna Varma and Mr. Arjun Rajagopalan from 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.

With the permission of the members, the AGM notice is taken as read and in view of the unmodified reports issued by the statutory auditors and the secretarial auditors for the financial year 20-21, they are not being read.

Few comments on the Industry and the Company's performance before we move to the other items of the Agenda. First of all on behalf of the Board, I would like to welcome you all to this 49th Annual General Meeting of your Company.

As you are all aware, we are just coming out of the second wave of Covid-19, which was much more severe compared to the first wave last year. We see signs of economic recovery however this will sustain if we are able to vaccinate as per plan and the people are reasonably cautious. I would like

to make a few remarks on the performance of the Company. Before that if you look at the economy, the global economy which was already facing a slowdown received a huge setback last year due to the Covid-19 outbreak causing major economic disruption globally leading to a contraction of global growth by 3.5% in FY21.

India's economy is estimated to have contracted by 7.5% for FY21 due to the lockdowns and other containment efforts to mitigate Covid-19. However, there was some recovery starting from Q2 of last year, Q3 and near pre Covid normalcy in Q4. The Indian automobile industry which had been struggling already for growth even before this pandemic because of the cyclic downturn and BS-VI disruption, faced a severe blow due to the onset of the pandemic. Post lifting of lockdown there was a recovery due to pent-up demand, low interest rates, improving in availability finance and gradual pick-up in the economic and business activity. There was also a clear preference for personal mobility and due to the good monsoons the disposable income in the rural market also supported this growth. However due to the Q1 effect, the passenger vehicle segment declined by 11% for the year as the whole and commercial vehicle segment declined by 17%, two wheelers segment declined 13%. However, farm tractors grew by 24% despite the Q1 effect.

Turning to the Company's performance, revenue from operations decreased by 15% to ₹ 301.85 crores from ₹ 354.99 crores in previous year and exports also declined by 18% in 2020-21. EBITDA loss was ₹ 0.74 crores in FY21 as compared to profit of ₹ 13.31 crores in FY20. The drop in demand set us back on the turnaround plan. REVL management team continued to make progress on reducing the breakeven point, improving productivity & quality performance. Significant operational improvements have also been made in the last two years.

Your company has also established a hollow valve line which is a future technology which will help us in some of the new generation engines. The Company has been certified as a "Great Place To Work" during this year.

In terms of outlook, the last 18 months have been a very turbulent and uncertain for the entire world and the effects of the global pandemic are manifesting in many ways. The industry which is seeing meaningful uptrend after a long period of sluggish growth is likely to witness a positive momentum on the back of revival in overall economy and with an increasing need for personal mobility.

The Company is addressing further operational performance in the short term to return to profitability. As I said before the Covid-19 has been a setback for a turnaround. We are seeing what more can be done to further catch-up on the turnaround of the Company. At the same time the company's management is keeping in mind the long-term sustainability of the business through investing in technology and growing our business in India and abroad.

While there are concerns about the long term future of engine components like valves because of electrification, we still believe that there is a medium term as sustainable future. The IC engine will still have some life for at least two decades in our estimate. More than that, REVL also has about 22% of its revenue from non-automotive segment and we are working on this segment with sharper focus.

The new schemes like PLI and continuing labour reforms in India is likely to the enhance growth of our economy and the auto sector. We believe that we will be able to capitalize on this and with our business development activities we will also be able to increase our international business and hope to see a turnaround probably in next 18 to 24 months.

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

I now move to the businesses before this AGM:

ORDINARY BUSINESS:

1. Consideration and adoption of the Audited Financial Statement of the Company for the year ended March 31, 2021, together with reports of the Board of Directors and the Auditor thereon.
2. Appointment of a Director in the place of Mr. Harish Lakshman, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of remuneration of Cost Auditor for FY 2020-21.
4. Appointment of Mr. Anil Epur as an Independent Director.

Before we move to the next procedure of polling, I invite any questions or comments from the members who have pre-registered themselves.

Siva Chandrasekaran (03:10 PM): Karthik (CDSL Host), is there any pre-registered shareholder logged in for the meeting?

CDSL Host (03:10 PM): Sir, there are no speaker shareholder who have joined for this event. You may continue with your proceedings please.

L Ganesh (03:11 PM): In compliance with the Companies Act, the Company has engaged CDSL for providing remote e-Voting facilities and e-Voting at the AGM to enable members to participate electronically in this AGM. The remote e-Voting facility opened on 19th July, 2021 and ended on 21th July 2021 **as scheduled**. Those members who have exercised their votes by remote e-voting



cannot cast their voting 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 remote e-Voting, will also act as 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 shall stand closed at the end of the e-Voting process. I now handover the proceedings to Mr. Balu Sridhar, Scrutinizer.

Scrutinizer (03:12 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 (03:27 PM): Thank you all for joining!

(03:28 PM): End of the event.