



Rane Engine Valve Limited – 50th Annual General Meeting - Transcript

Host (00:00): Sir, we are on live, you can start your proceeding.

CS (00:15): Thank you, Good morning to all, I am Siva Chandrasekaran taking care of the secretarial function, I welcome the members to the meeting. This is the 50th AGM being conducted through Video Conferencing in compliance with the Companies Act and the circulars issued by MCA. Notice of this AGM & Annual Report for the financial year 2021-22 have been sent by email to all members whose email IDs are available and also public notices were issued in English and Tamil newspapers as per MCA & SEBI circulars. The transcript of the proceedings of this meeting would be made available on the website after the meeting, members who have pre-registered as Speaker Shareholders during the window provided would be allowed to ask questions when indicated by the Chairman. Members are requested to keep their questions very brief and not to exceed two to three minutes per speaker in the interest of time. I confirm to the Chairman, that the members forming the requisite quorum have logged in and Independent Directors and Auditors have also logged in. Now I handover the proceedings to the Chairman.

LG (02:30): Thank you Siva. Good Morning ladies and gentleman, this meeting has been duly convened and constituted with the presence of the requisite quorum, I call the meeting to Order. Authorisations in favour of the corporate representatives have been duly received and the prescribed statutory registers and necessary documents in connection with this AGM are available at the office after the conclusion of this AGM. I would like to introduce the Board of Directors who are present today Mr. CN Srivatsan, Mr. Ashok Malhotra, Dr. Brinda Jagirdar and Mr. Anil Epur. I take this opportunity to inform the members that Mr. CN Srivatsan & Mr. Ashok Malhotra, Independent Directors are completing their second term as Independent directors of the Company and therefore will cease to hold the office at the conclusion of this Annual General Meeting. On behalf of the Board, I take this opportunity to thank them for their valuable advice and guidance rendered by them during their tenure. I also confirm the presence of Mr. Prasanna Kumar Varma and Mr. Arjun Rajagopalan from the Statutory Auditors Varma & Varma, Mr. K Sriram and Sharanya Sriram from M/s Krishnamoorthy & Co. Secretarial Auditors. Mr. KV Sriram from Capri our Internal Auditors and Mr. Balu Sridhar, Practicing Company Secretary.

I would like to share a brief note about the status of the industry and the Company's performance.

Once again good morning to all of you. On behalf of the board, I would also like to welcome you to this 50th Annual General Meeting of your Company. FY 2022 was an eventful year for the Country weathering two waves of COVID-19. Despite these challenges, the demand environment remained largely favourable. I would like to make a few remarks about the status of the Industry and the Company outlook. The global economy is projected to have grown by 5.9% in 2021, the fastest rate recorded in over four decades. Global inflation especially in the United States and in some emerging



markets also have resulted in a global monetary policy normalization by Central Banks. After recovering from a historic contraction of 7.3% in the preceding year, India's economy is estimated to have grown by almost 9% in FY 22 surpassing the pre-pandemic level. The economic damage on account of COVID 19 waves were short-lived thanks to the buoyant government spending and pick up in investments and post lifting of restrictions the Indian automobile industry which has been witnessing a strong recovery on account of low interest rate regime coupled up with the pent-up demand faced some temporary headwinds during start of the fiscal year due to the second wave of the pandemic.

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Turning to the Company's performance, revenue from operations increased by 27% to ₹382 crores and EBITDA increased to 16.4 crores from ₹(74) lakhs in the previous year. EBITDA after considering the VRS is about ₹12.88 crores.

The Company continued to improve the operational performance across all the locations, working on multiple R&D projects with customers on new age engines such as CNG, flex fuel etc. considering the trend in the industry.

Your company received awards and recognitions from several of its prestigious customers like Hyundai, Daimler India and John Deere.

As a strategic initiative to mitigate the effect of auto electrification, your Company is focusing on growing its EV insulated business including the non-auto segment. This business grew by 42% and currently contributes to about 25% of the Company's sales.

Turning to outlook, as I said earlier we are seeing some headwinds in global economy and several supply chain challenges. We still remain optimistic about the demand environment in FY 23. The Indian automotive industry is back on a strong footing and on course to reach the pre-pandemic level on sales on back of the buoyant demand. We are working across the supply chains to mitigate the challenges.

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The Company is addressing operational performance further improvements in the short term to return to profitability. At the same time the Company is also keeping in mind the long term sustainability of this business through investing in technology and growing our business in India and abroad. Given the diverse customer and geographical portfolio of this Company, we do not believe that the impact of increase penetration of electric vehicle will be significant at least for the next five to ten years. Of course beyond that what happens, one has to wait and see. The management is cognizant of this issue for the long term.

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



With the permission of the members, I would like to take the AGM notice as read and in view of the unmodified reports issued by the statutory auditors and the secretarial auditors for the financial year 2021-22, they are not being read.

Turning to the Business, the business(es) which are proposed to be transacted in this AGM are as follows. The detailed objective and implications of the resolutions under special business(es) are available in the explanatory statement annexed to the notice. Since this meeting is held through electronic mode there is no proposer or seconder for the resolutions proposed.

The Resolutions:

ORDINARY BUSINESS:

1. Consideration and adoption of the Audited Financial Statement of the Company for the year ended March 31, 2022, together with reports of the Board of Directors and the Auditor thereon
2. Appointment of a Director in the place of Ganesh, myself, who retires by rotation and being eligible, offers himself for re-appointment
3. Approval for re-appointment of statutory auditors.

SPECIAL BUSINESS:

4. Ratification of remuneration of Cost Auditor
5. Appointment of Mr. Ramesh Rajan Natarajan as an Independent Director

I now invite any question or comments that the members may have before we move the resolution to adopt the accounts for the year.

LG (10:57): Do we have any questions or comments ?

CS (11:05): Yes, we have one speaker registration, if that shareholder has joined he may be unmuted for asking questions.

Host (11:10): Sir, two persons have registered but no one joined Sir

CS (11:16): There are no questions.

LG (11:18): Okay, so 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 25th June and ended on 27th June as scheduled. Those members who have exercised their votes by remote e-voting can cast their this



AGM, the e-Voting facility will be kept open up to the end of this meeting for 15 minutes and meeting shall stand concluded there after.

Mr. Balu Sridhar, Practicing Company Secretary appointed as scrutinizer for the remote e-voting and 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 once again confirm the requisite quorum was present throughout the meeting, thank you all for your participation, the meeting stands closed at the end of the e-voting process. I handover the proceedings to Mr. Balu Sridhar Scrutinizer.

Scrutinizer (12:28): Thank you Chairman, the e-Voting facility will remain open for further 15 minutes, the electronic voting facility will automatically disconnected after the said period.

Host (12:50): Thank you, with the permission of the chairperson we are concluding this meeting, as informed the remote e-voting system will remain open for further 15mins, thank you everyone for joining.

(13:00): End of event.