

## Rane Brake Lining Limited – 19<sup>th</sup> Annual General Meeting – Transcript

**(14:00:00):** Start of the event

**Host (00:14):** Good afternoon all. Sir, we are on live, you can start your proceedings please.

**CS (00:21):** We can start the proceedings.

**CS (00:32):** Shall we start?

**Host (00:34):** Yes, Sir, you can start.

**CS (01:30):** We welcome the members to this 19<sup>th</sup> Annual General Meeting of Rane Brake Lining Limited which is being conducted through video conferencing in compliance with the Companies Act and circulars issued by MCA. The notice of this AGM & Annual Report for the financial year 2023-24 were sent by email to all members whose email IDs are registered and also public notices have been 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 would be allowed to speak when indicated by the Chairman. Members are requested to keep their questions very brief not to exceed two or three minutes per speaker in the interest of time. I request CDSL to confirm whether the quorum is present for this meeting.

**Host (02:32):** Yes, Sir, totally we have 33 shareholders joined. We have sufficient quorum sir.

**CS (02:42):** Thank you. I confirm to the Chairman, that the members forming the requisite quorum, other Board members and the Auditors have also logged in. I now handover the proceedings to the Chairman.

**HL (03:00):** Good Afternoon. I Harish Lakshman, Chairman, welcome you all and confirm that the AGM has been duly convened and constituted with the presence of requisite quorum of members. I call the meeting to order. Authorizations in favour of the corporate representatives have been duly received and prescribed statutory registers and necessary documents in connection with this AGM are available for inspection till the conclusion of the AGM. I would now like to introduce my fellow members of the Board who are attending today, My first introduction is Mr. C N Srivatsan, who is the chairman of the Audit Committee and then Mr. Ashok Malhotra, Chairman of Nomination and Remuneration Committee, Mr. L Ganesh, Non-Executive Director & Non-Independent Director, Dr. Brinda Jagirdar, Independent Director and Mr. Yasuji Ishii, who is a nominee of Nisshinbo Holdings, however he has requested leave of absence due to other pre-occupations.

I place on record the presence of representatives of our statutory auditors from M/s. B S R & Co. LLP, Secretarial Auditors, M/s. S Krishnamurthy & Co., Our internal auditors, M/s. Deloitte Touche Tohmatsu India LLP, Practicing Company Secretary and Scrutinizer, M/s. AK Jain & Associates.

On behalf of the Board, I would like to welcome you all again to this 19<sup>th</sup> Annual General Meeting of your Company. It is a pleasure to address this, this AGM as the chairman of the group for the 1<sup>st</sup> time.

## **Rane Brake Lining Limited**

### **19<sup>th</sup> Annual General Meeting**

The group has been successfully built bit by bit over the past several decades, and I'm committed to preserving the values that defined the company while fostering a culture of excellence. It is my privilege to lead us into the exciting future that lies ahead.

I'd like to make a few remarks on the state of our industry, your company's performance in FY 24 and the near term outlook. The state of the industry, the global economic growth is estimated to have slowed to 3.1% in 2023, mainly due to the negative impact of the monetary policy tightening to curb inflationary pressures. There was significant contraction in both manufacturing activity and international trade amidst sluggish global demand, largely influenced by tighter credit conditions that weighed on housing markets, investments, and overall economic activity.

The Indian economy displayed remarkable resilience despite tighter monetary policy and global headwinds and emerged as the fastest growing large economy witnessing a growth of 7.8% in FY 24. The global automotive industry reflected a complex interplay of innovation, resilience, and adaptation to a changing world and witnessed strong growth led by resilient demand and improving supply chain conditions. While the internal industry continued to pivot towards electrification, traditional internal combustion engine vehicles witnessed strong growth across all major geographies.

The Indian automobile industry recorded a satisfactory performance in FY 24. Stabilization in commodity prices, improving chip availability, robust economic activity and new model launches resulted in satisfactory growth in the industry.

Coming to your company's performance, the company registered a turnover of 660.83 crores which was 10.36% higher than the previous fiscal year.

Export sales grew 33% for the full year. The company successfully commenced supplies for the US market through continuous customer engagement efforts and launch of new products vehicle segment. The profit before tax was 54.4 crores registering an increase of 22% over the previous years.

Operation improvement initiatives and energy saving initiatives helped to mitigate inflationary pressures on other operational curve. Energy conservation continued to be a key focus area. During the year, 1MW Solar Plant was installed at the Trichy Plant. The Company created own generation of overall renewable energy of 5.6 MW. The Company received various customer accolades and awards, including from ACMA, the Telangana state government, as well as the national safety Council of India.

As all of you are aware, the company is undergoing a scheme of amalgamation. The Board of Directors of the company at the meeting held on February 09, 2024, approved the proposed scheme of amalgamations of Rane Brake Lining Limited and Rane Engine Valve Limited with and into Rane (Madras) Limited. The same is under statutory approval process and once completed, we expect increased operational efficiency, diversified product offerings and enhanced synergies.

Coming to the outlook, the Indian automotive industry is poised for significant growth driven by a multitude of factors such as rapid adaptation of new technologies for enhanced safety, reduced emissions,

## **Rane Brake Lining Limited**

### **19<sup>th</sup> Annual General Meeting**

However, the industry could face challenges from a range of issues, including logistics and supply chain disruptions, escalating energy costs, shortage and skill labor, complex economic and geopolitical landscape.

Sluggish consumer spending omits tighter credit conditions and higher prices. Nevertheless, the company will prioritize continuous improvement and innovate to adapt. Ensuring its resilience and sustained growth in the long run.

**HL (09:47):** Thank you all for your attention and I welcome you once again to the AGM. With the permission of the members, the AGM notice maybe taken as read.

In view of the unmodified reports issued by the statutory auditors and the secretary of auditors for the financial year 2324, the reports are not being read.

The business proposed to be transacted at this AGM are as follows and the detailed objective and implications of resolution under special business are available in exploratory statement and next to the notice.

Under ordinary business, Consideration and adopt adoption of audited financial statement of the company for the year ended March 31 2024, together with the reports of board of directors and the auditors there on.

The 2nd item is the declaration of dividend on equity shares.

The 3rd under ordinary business is the appointment of director in the place of Mr. Ganesh Lakshminarayan, who retires by rotation and being eligible, offers himself for re-appointment.

Under the special business, the appointment of Mr. Ramesh Rajan Natajan as an independent director.

I would now like to invite questions from members who have pre-registered as speakers on the audited financial statements and other business agenda of the AGM. The host may unmute the speaker shareholders one by one. Speakers are requested to state their name and folio number for identification.

**Host (11:44):** Yes sir. Our 1st speaker Mr. Krishna Kumar. Sir, you can unmute yourself and ask your queries, please.

**KK (12:12):** Good afternoon Mr. Ganesh, Mr. Harish Lakshman and the Board of directors. Most importantly I want to join this AGM as probably this is the last AGM of the existing company in the same format, so I wish to place on record our heartfelt thanks to Ganesh for steering the company to great heights and I wish Mr. Harish Lakshman, all the very best for the future as he takes over the reins of the group. Just a few questions on the merger and if you can just share some thought. You know, is there any specific background that you can share to the timing of the amalgamation scheme, you know, while the logic has always been there that we should do it. So is there any more color in terms of why we're doing it now? That's is one. Second is with Rane NSK also becoming Hundred percent owned entity, does it enhance the shareholder value of the Rane Madras merged entity by probably merging that with the combined three companies? So is that something that the board may consider at all? And the last question isthen we kind of merge all these businesses, getting a technology's partnership, may become a little difficult, so does it's a message also that we are fully confident of technology, requirements on suspension steering gears, linkages, break linings . Is that the message that shareholders we should understand?

**CS(13:59):** Is there any other speaker shareholder registered?

## **Rane Brake Lining Limited**

### **19<sup>th</sup> Annual General Meeting**

**Host (14:08):** Sir, registered but the speaker has not joined sir.

**CS (14:25):** So we have no more speaker registrations now, for asking questions. I think we can proceed with the answering.

**HL (14:43):** Thank you Krishna Kumar for your kind words. With regards to the three questions that you have raised, as far as the timing of the merger, as, as you're probably aware who someone who's attended many of our investor calls, this has been under consideration for many years.

And we have been constantly getting feedback from, you know, many investors about the, you know, considering the merger of some of these entities. And, as again, you're aware in the past four, five years, both Rane Engine Valve and Rane Madras were struggling from a profitability standpoint. Rane Madras because of the overseas acquisition and Rane Engine Valve was in a turnaround mode. In fact Mr. Ganesh had multiple times communicated, that, you know, the priority was to first ensure all our businesses are profitable as and when before we look at any sort of restructuring. So we felt that it would be appropriate once the turnaround were achieved in these two businesses to consider the merger, so that was the reason for the timing. We just wanted to make sure all the businesses are profitable before such a move was considered.

The second question, of course this NSK development has happened in the recent past. For now, it will continue as a, as a wholly owned subsidiary of Rane Holdings. Of course, there is no clarity on what will be next, you know, as and when depending on the market situation, as well as when I say market also from our investor community, then we will keep looking at various options as we look to the future. But there is no plan at this point in time. As far as technology is concerned, first of all coming to Rane Brake Lining, as we had communicated in the past, we have had a very strong relationship with Nishinboo for more than 3 decades and that relationship will continue even post the merger. The license agreement that we have with Nishinboo will continue. Nishinboo will be continue to be a shareholder albeit the smaller percentage in the Rane (Madras) that will be formed post the merger, But the relationship will continue. As far as the other products are concerned in the merged entity, that is for both Rane Madras steering products as well as engine valves, we have been technologically independent for quite a while now and that will, that will continue and we will we continue to invest in in R and D towards the self-sufficiency.

As far as NSK is concerned, as explained in the announcement, the relationship that we have with NSK will continue as a technology partner. So all the licenses will continue. Of course, from a future growth standpoint, Rane is now also open to looking at other avenues for technology as and when something is finalized, we will share with our investors. So with that, I hope I've answered all the queries. So I'd like to now move on to the next item in the agenda.

**HL (18:22):** In compliance with the 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 Friday 19th July 2024 and ended on Sunday 21st July 2024 as scheduled. Those members who have not exercised their vote, by remote e voting can cast their vote during this AGM. The e voting facility shall be kept open up to the end of this meeting for 15 min and the meeting shall stand concluded thereafter.

**Rane Brake Lining Limited**  
**19<sup>th</sup> Annual General Meeting**

Mr. Balu Sridhar, practicing company secretary, appointed as scrutinizer for the remote e voting will also act as scrutinizer for the e voting for this AGM. The voting results will be made available on the website of the company. I confirm that the requisite quorum was present throughout the meeting. Thank you all for the participation. The meeting now stands closed at the end of the e voting process. I now hand over to Mr. Balur Sridhar for conducting e voting at the AGM. All the other panellists are free to log off from the meeting.

**Scrutinizer (19:42):** Thank you chairman. E-voting facility will remain open for further 15 min. The electronic facility will automatically be disconnected on the set period.

**Scrutinizer (34:31):** Time for e-voting has elapsed. Electronic facility can now be discontinued for the meeting.

**Host (35:00):** Thank you all for joining us.

**(14:35:00):** End of event.