

Rane Engine Valve Limited – 52nd Annual General Meeting – Transcript

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

Host (00:08): Good afternoon all. we are on live. Sir, you can start your proceedings please.

CS (00:28): Good afternoon all. I'm Siva Chandrasekaran, Group Company Secretary for Rane Engine Valve Limited. We welcome the members to this 52nd annual general meeting of Rane Engine Valve Limited, being conducted through video conferencing in compliance with companies like 2013 and circulars issued by MCA. Notice of this AGM and annual report for the financial year 2024 were sent by email to all members whose email ids are registered and also public notices have been issued in English and Tamil newspaper as per MCA & SEBI circulars. The transcript of the proceedings of the meeting would be made available on the website. 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 to three minutes per speaker in the interest of time. I request CDSL to confirm whether the quorum is present.

Host (01:39): Yes Sir. Currently 49 members have joined sir.

CS (01:43): Yeah, thank you, that forms the quorum. I confirm to the Chairman, that the members forming the requisite quorum, other Board members and the Auditors have also logged in. Now I handover the proceedings to the Chairman.

HL (02:15): Good Afternoon. I, L 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 now call the meeting to order. The authorizations in favour of the corporate representatives have been duly received. Prescribed statutory registers and necessary documents in connection with this AGM are available for inspection till the conclusion of the AGM. I now introduce my fellow members of the Board of Directors. First, Mr. N Ramesh Rajan, Chairman of Audit Committee, Mr. Pradip Kumar Bishnoi, Chairman of Nomination & Remuneration Committee, Mr. L Ganesh, Chairman of Stakeholders Relationship Committee, Mr. Vikram Taranath Hosangady, Non-Executive & Non-Independent Director, Ms. Vasudha Sundararaman, Independent Director is unable to join us due to personal exigencies.

I place on record the presence of representatives of our Statutory Auditors., Secretarial Auditors - Mr. Sriram & Ms. Sharanya Sriram, Internal Auditors - M/s. Capri Assurance and Advisory Services – Mr K V Sriram & Mr V Periyasamy and M/s. AK Jain & Associates, Practising Company Secretary, Scrutinizer – Mr. Balu Sridhar and Cost Auditors, Jayaram & Associates, Cost Accountants. On behalf of the Board, I once again welcome you all to this 52nd Annual General Meeting of your Company. Few remarks on the industry and the Company's performance before we turn to the business on the agenda.

HL (04:27): It is a pleasure to address this AGM as the chairman of the group for the 1st time. The group has been successfully built bit by bit over the past several decades. 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 the 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 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 economy witnessing a growth of 7.8 % in the financial year 2024.

Yeah, and witnessed strong growth led by resilient demand and improving supply chain conditions. While the industry continued to pivot towards electrification, traditional internal combustion engine vehicles witnessed a strong growth across all major geographies.

The Indian automobile industry recorded a satisfactory performance in FY 2024. Stabilization in commodity prices, improving chip availability, robust economic activity, and new model launches resulted in satisfactory growth across the industry.

Coming now to your company's performance in the financial year 2024, REVL enhanced its financial performance with the support of sales growth and favorable material prices. The company registered a turnover of 566.75 crores which was 14 % higher than the previous fiscal year. Export sales to OEM customers increased by 25 % compared to the previous year due to increase in offtake by the customers. The EBITDA increased to 50.3 crores in FY 24, compared to 36.22 growth in the previous year. The turnaround in sustenance plan started

Rane Engine Valve Limited 52nd Annual General Meeting

couple of years back is yielding results in operational efficiency, capacity realization, export growth, and better cost management.

The company has devised strategies to expand share in the domestic market with identified customers in automotive segment and focus on EV insulated sales, which includes the applications like power generation, stationary engines.

Marine engines, local motives etc. The company has revised its vision to enhance the product portfolio with Non ICE components which has similar manufacturing process. REVL continued to win various accolades from their customers.

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 9th February 2024, approved the proposed scheme of amalgamations of rane brake lining 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 for the company, 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 and changing customer preferences. However, the industry could face challenges from a range of issues, including logistics and supply chain disruptions, escalating energy costs, shortage and skill labour.

Complex economic and geopolitical landscape, sluggish consumer spending amidst 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. Thank you for your attention and I welcome you once again to this annual general meeting. With the permission of the members, the AGM notice be taken as read

In view of the unmodified reports issued by the Statutory Auditors and the Secretarial Auditors for the Financial Year 2023-24, 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 resolutions under special business are available in the explanatory statement annexed to the notice.

Under **Ordinary Business**, consideration and adoption of Audited Financial Statement of the Company for year ended March 31, 2024, together with reports of Board of Directors and the Auditor thereon. The 2nd item under Ordinary business is the Declaration of dividend on equity shares and the 3rd item is the appointment of director in the place of Mr. Ganesh Lakshman, who retires by rotation and being eligible, offers himself for re-appointment Under **Special Business**, we have one agenda item which is the ratification of remuneration of Cost Auditor for FY 2023-24.

Before we put these resolutions to vote, I would like to invite questions from members who have pre-registered.

CS (10:26): The host may unmute the speaker, shareholders one by one. Speakers are requested to state their name and portfolio number for identification. Thank you.

Host (10:32): Yes sir. The 1st speaker is Mr. Krishna Kumar.

Krishna Kumar (10:34): Yeah, good afternoon sir, respected chairman, Mr. Harish Lakshman and Mr. L Ganesh, first of all, please do record the heartfelt thanks for engineering a strong turnaround engine walls. I know it has taken a lot of effort and time from your side to do that. Best wishes for that if you could just give a small perspective on how do we support engine walls and components that we make for hydrogen engines, , we talk about hydrogen as a fuel used in IC engine Are we technically ready for that or do we need to develop, products or are we in talks with any OEM for any prototyping? If you can just share some thoughts on that technology and our interest there, would be great sir. Second point is you know since we had some losses in the previous years, is it right to assume that we have about Rs.50-60 crores of carry forward tax losses, that we can take the benefit of in the future. Is that a broadly right understanding if the CFO can clarify, it will be great. Forth thirdly, in terms of time frame for the amalgamation. what is the expectation sir? What are, what is the indication you are getting sir, from various interactions? If you could give some colors. Thank you very much again and wish you all the best sir.

Host (12:21): So our next speaker is Mr. Aspie Visania.

Aspie (12:34): Can you hear me?

HL (12:40): Yes, we can hear you.

Rane Engine Valve Limited

52nd Annual General Meeting

Aspie (12:40): So I'm asking from Bombay. Thanks for giving me an opportunity to speak.

Congrats on good results for the year, but what are the reasons for excellent profit in Q4 last year? And is this the last AGM? And sir, please ask the secretary to give the speaker number because there's three meetings at 03:00 now. So I'm attending another meeting also. So thank you very much and all the best for the future.

Host (13.20): That's all sir.

HL (13:31): Okay. Thank you. If there are no further questions, I will attempt to answer the questions. So one is, yeah, so from thank you for, you know, your compliments on the performance of yes it is very heartening for the management of the company to, you know, consistently start generating profits and as the other shareholder, as we mentioned, this perhaps being the last AGM, we thought it fit for REVL to also declare a dividend from this from the profits given the difficult times the company has gone through over the over the last ten years. In terms of specific questions on hydrogen engine and the valves for it, yes, hydrogen engine, R and D work and prototypes are being done by many of the medium and heavy commercial vehicle customers and Rane engine has developed samples and we have the technological capability to supply valves for hydrogen engine. There are some technological challenge, not challenges is not the right word, but issues to overcome which the Company is confident of overcoming things like hydrogen embrittlement and things like that, but we are very confident of having the capability and this is all still in early stages of testing with our customers. With regard to the losses, yes, we will have carry forward losses, which can be used for setting off and perhaps this will also come into effect with the once the merger is completed because the effective date of the merger once approved will be 1st April 2024. However, the amount of 50 crores has come down because our REVL has also generated profit during this the financial year that just got over, so it is lesser than 50 crores.

In terms of the time frame for, for the merger, as you would have seen in the results of both yesterday and today we have received the approvals. and No objection certificate from both the stock exchanges through SEBI. So now the NCLT process will get initiated and of course we have to call for the shareholders meeting etc. While it is very difficult to give an exact time frame, we are hopeful that before March 2025, all the formalities will be completed. With regard to the comments by the shareholder, we again thank you for your compliments on the performance of the company. The management is committed to continuing to improve the performance in the coming years. And we have noted your comment on the timing of the AGM. We will keep reviewing this as we go forward. Thank you very much.

HL (16:41): 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 Saturday, July 20, 2024 and ended on Monday, July 22 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 will be kept open upto the end of this meeting for 15 minutes and the meeting shall stand concluded thereafter.

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. Voting results will be available on the website of the Company.

I confirm that the requisite quorum was present throughout the meeting.

I Thank you all for your participation.

The meeting stands closed at the end of the e-voting process.

I now handover to Mr. Balu Sridhar, Scrutinizer for conducting the evoting at the AGM. The Other Panelists may logoff from the meeting. Thank you very much.

Scrutinizer (31:40): Thank you Chairman, e-voting facility will remain open for further 15 minutes. Electronic facility will automatically be disconnected after the said period.

LG (32:00): The electronic facility can now be disconnected for the meeting. Thank you.

Scrutinizer (33:00): Thank you sir. So thank you all for joining.

(14:33:00): End of event.