

**Rane (Madras) Limited –
21st Annual General Meeting – Transcript**

(16:00:00): Start of the event

Host (00:15): Good afternoon All. We are live now. You can start your proceedings.

S Subha Shree (00:20): We welcome the members to this 21st Annual General Meeting of Rane (Madras) Limited which is being conducted through video conferencing in compliance with the Companies Act, 2013 and circulars issued by MCA. The notice of this Annual General Meeting & Annual Report for the financial year 2024-25 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 the meeting would be made available on the website of the Company. 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 and not to exceed two to three minutes per speaker in the interest of time. I request CDSL to confirm whether the number of members who have joined the meeting.

Host (01:18): Madam, the required quorum present. You can continue with the proceedings.

S Subha Shree (01:32): Thank you. I confirm to the Chairman, that the members forming the requisite quorum, the other Board members and the Auditors have logged in. I now request the Chairman to conduct the meeting.

HL (01:42): Good afternoon, everyone. I, Harish Lakshman, welcome you all and confirm that the AGM has been duly convened and constituted with the present of requisite quorum of members. I call the meeting to order. The prescribed statutory registers and necessary documents in connection with this AGM are available for inspection till the conclusion of the AGM. I now would also like to inform the members that other members of the Board, Mr. N Ramesh Rajan, Chairman of Audit Committee & Nomination and Remuneration Committee, Mr. L Ganesh, Non-Executive Director & Non-Independent Director and Chairman of the Stakeholder Relationship Committee, Mr. Pradip Kumar Bishnoi, Independent Director, Mr. Vikram Taranath Independent Director, Ms. Vasudha Sundararaman, Independent Director.

I place on record the presence of representatives from our Statutory Auditors M/s. B S R & Co., LLP, Our Secretarial Auditors - M/s. B Chandra & Co., Internal Auditors – M/s. Deloitte Touche Tohmatsu India LLP, Scrutinizers – M/s. AK Jain & Associates, Practising Company Secretary.

Before we take up the business to be transacted at this AGM, I would like to make a few remarks on the state of the industry, your company's performance in FY2025 and near-term outlook.

The global economy experienced modest but steady growth of 3.3% in 2024. Despite the ongoing challenges from geopolitical tensions and shifting trade dynamics, inflationary pressures eased across most economies, supported by stabilizing commodities prices and balanced monetary policies. The Indian economy displayed resilience despite the uncertain global environment. The government's continued focus on infrastructure, supply chain localization and policy support contributed to this positive environment. The Global Automotive Industry, after navigating pandemic-related disruptions and supply chain constraints, is now adjusting to new challenges like rising costs, changing trade policies and evolving customer preferences. Although overall vehicle sales have improved in many parts of the world, the pace of growth remains uneven. The Indian automobile industry continued to be a pillar of the country's manufacturing momentum. Supported by rising consumer confidence and increased discretionary spending, the sector remained a significant driver of economy activity.

Now coming to your company's performance, the revenue from the sale of products decreased to Rs.3364.28 crores in FY25 from Rs.3412.49 crores in FY24. The EBITDA decreased to Rs.297.75 crores in FY 25 from 278.53 crores in FY 24.

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Coming to overall business performance, a significant milestone this year was the successful completion of the merger of Rane Engine Valve Limited and Rane Brake Lining Limited with Rane (Madras) Limited, effective April 7, 2025.

The merged entity will operate through five focused businesses, each aligned with specific product groups and customer segment which are namely the Steering & Linkages Business, the Light Metal Castings Business, the Engine Components Business, the Brake Components Business and Aftermarket Products Business.

Let me briefly highlight the performance of each business during FY25.

The Steering & Linkage Business faced challenges on market demand from domestic and export customers. In the domestic market, drop in passenger car volumes impact the sales and the drop in ATV business in North America, impacted exports sales.

The Light Metal Castings Business recorded a flat overall sale in FY25 compared to FY24. Domestic sales were affected by end-of-production for certain programs and strategic decisions to prioritise on profitability over the growth. However, the growth in exports was supported by steady demand and successful project launches in engine and transmission components.

Coming to the Engine Component Business, erstwhile Rane Engine Valve Limited registered a 6% increase in the domestic market and witnessed buoyancy across major business in the OEM sales. Export sales declined by 12.9% due to reduced off-take, although ICE powertrain components continue to witness traction globally.

For the Brake Components Business reported a 12.5% sales growth driven by increase in volumes across all major businesses and entry into new models in Passenger Vehicle and Two-wheeler businesses and strong demand from exports. The Company continues the initiatives taken to sustain the organic sales and to enhance the export turnover through the overseas distribution network by entering into new geographies in US, Africa and Middle East countries.

During the year on the Aftermarket Products Business across products was brought under one business to help create synergy. Aftermarket remains a priority area for Rane (Madras) Limited and efforts are channelised to enhance synergy amongst the sales team and cross-leverage product and market strength across the aftermarket portfolio.

As part of the restructuring, we are also in the process of exploring monetisation options of surplus non-core land parcels to reduce debt and liabilities. We have also received shareholder's approval for this. We also recently announced on the deal of the one of the properties in Velachery Land.

Coming to the outlook, the Indian automotive industry remains optimistic and is poised for significant growth supported by policy stability, improving income levels and increased infrastructure activity.

On the global front, ongoing trade tensions and tariff realignments, particularly between the US and China are likely to open up new avenues for Indian manufacturers.

However, the industry will need to adapt to evolving regulatory frameworks, global trade dynamics and shifting consumer behaviour to maintain sustainable and inclusive growth.

Thank you for your attention, and I will now proceed with the business to be transacted at the AGM.

Now 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 24-25, the reports are not being read.

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

Under Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2025, together with reports of the Board of Directors and the Auditor thereon.

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2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. Harish Lakshman (DIN:00012602), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. B S R & Co. LLP., Chartered Accountants as Statutory Auditors of the Company.

Under Special Business:

5. To appoint Mr. Vikram Taranath Hosangady (DIN: 09757469) as an Independent Director.
6. To appoint M/s. B Chandra & Associates, Practising Company Secretary, as Secretarial Auditors of the Company.
7. To ratify remuneration of Cost Auditor for FY 2024-25.

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

Host (11:08): Thank you Sir. First speaker will be Mr.Sunil Kothari. Mr.Sunil Kothari you can unmute and speak.

Sunil Kothari (11:23): Thank you Sir for the opportunity. I hope you are getting my voice.

Host (11:26): Yes Sir, please proceed.

Sunil Kothari (11:30): Thank you to see you, at the your right hand Mr. Ganesh. I hope everybody is fine. So by basically I know you know me, we are a long term investor and I'm trying to understand. I think we have taken a really very challenging and very tough decision during last some years. Means mainly having of our US subsidiaries, we are now boldly taking listen off hiving of non-core assets, we have merged our group other companies. So this is a very, very bold steps we have taken of our writing historical journey of maybe 30-40 years and with you, with you, I think, Mr. Aditya, joining as a team member of Mr. Ganesh very experienced team leader, I think we can do lot as a Rane group, that is what we as an investor are hoping or maybe expecting. So with this background I just wanted to understand is what is the synergy cost benefit which will give us some quantitative benefits maybe over two or three years because anything qualitative is always good but quantitative landmark or maybe goal drive the organization to achieve something. So if you can explain the benefits on cost, benefit on maybe processes or margin and everything, that will be really helpful. That has taken us a little, I mean stop by not allowing us to do some bigger things maybe for during last three, five years, which we already know were coming. So we already taken permission for three land parcel one we boldly taken a design of Velachery Plant. So, what's the plan for current year and by when you feel we'll be reducing debt by at least 500 Crores? That is my second question. But we are a very recognized supplier to top tier one global auto component manufacturers like next year or this like Minda or ZF. We have good relationship with ZF and looking at the global realignment of supply chain this many countries are not now wanted to manufacture so many mechanical parts and all and with this your long relationship and your task. Just how you see this relationship giving us a real big global opportunity and outcome with you also taking little bit bigger bet on investing and doing something more of for those global companies? And sir, my last question is on this I think we are, we have given some 14 Crore professional fees to Rane Holding and we are giving some 17 crore trademark fee to Rane Holding. What will this continue and what type of these services we are taking if you can explain. These are only some questions. I'm not expecting any particular numbers, but if you can give us some thoughts or a little bit longer period what we want to achieve now. That's all. Thank you very much and wish you all the best.

HL (14:59): Thank you, thank you Sunil. Any other questions? Speaker.

Host (15:07): Yeah, we have our next speaker is Mr. Manoj Kumar Gupta. Mr. Manoj Kumar Gupta you can unmute and speak.

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Manoj Kumar Gupta (15:21): Hello. Good afternoon to Mr. Chairman, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta, I joined this meeting from Calcutta. Thanks for your Dividend and thanks when you will be in position to reward the investors and what's your future plan? And have you any plan to install the renewable energy in the rooftop of all your factories and other places to save the energy cost? And how much our export will it like take of Make in India by Rane to fulfil the vision of our Prime Minister and we see meetings should continue, and Sir, how much is our ESG rating and the new vehicles are coming, new companies are coming in the country. So how you are ready to supply the materials to the new companies and the new vehicles and convey our best wishes to Sri L Ganesh Sir a great admirer of Mr. Ganesh. So I wish to God for his healthy and prosperous safe long life. Thank you.

HL (16:29): Thank you Mr. Manoj Gupta.

Host (16:36): And our next speaker will be Mr. P Jaichand.

Host (17:00): Mr. P Jaichand.

Jaichand (17:03): Am I audible Sir.

Host (17:03): Yeah, you're audible Please go ahead.

Host (17:06): Yes, Good Afternoon respected Chairman, Board of directors, Secretary and his team, and the fellow shareholder. I congratulate the management on the eve of this AGM. So I and my family members are proud shareholder of the Company from the date of public issue. The only grievance of the shareholder is expecting the better dividend and appreciation of share price Sir, because most of the shareholders, especially the senior citizens are dependent on this dividends Sir. I also request the management to consider issuing the bonus share sir. If not the right issue, it's the right time to reward the shareholders Sir, and make them happy who have stood behind the thick and thin, I request the management not to take away the major part of profit into reserves. I request the management to reduce the expenditure wherever possible. I wish our company better prosperity and will touch sky heights. I also request the management to kindly consider the hospitality part of the shareholders, especially the speaker shareholder. I thank the management for giving me the opportunity Sir. Thank you very much Sir.

Host (18:29): Thank you Mr.Jaichand.

HL (18:33): Thank you.

Host (18:35): Our last speaker maybe Mr. J Abhishek. Mr. Abhishek, you can ask your questions, please.

J. Abhishek (18:43): Hello? So can you hear me. So first of all, I hope all is well with you and your family in this challenging situation aspect than the current market after completing more than a decade of successful operations, profitability and becoming one of the strongest brand in the respective segment. So in the company, what are the steps being taken by the management? To reduce the expenses, legal professional charges, and I would like to know you sir, myself and my team are running a legal firm in Chennai. So I would request the management to kindly enrol the firm in the empanelment of the company and we'll be glad to extend our services. So then what is the policy relating to dividend in our company I would like to know from you Sir and what are the steps being taken by the management to improve the EPS and the return on equity I would like to know from you Sir, and some of my questions are sent via email itself and I should not repeat the same questions again in the interest of time and I would request the management to mainly consider hybrid areas in the years to come as most of the senior citizens are not able to join because of the digital challenges in this virtual platform so if you can consider hybrid agents to come lower number of shareholders can get their valuable points, suggestions for the management to empower in the coming future. So kindly trying to consider hybrid in the years to come Sir and kindly try to arrange for a planned visit for the investor and I wish the company and the Board of Directors a great success and prosperity in the coming future. Thank you for giving the opportunity. Hope to see you in the hybrid AGM next year. Thank you very much Sir.

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Host (20:58): Thank you, Mr. Abhishek. Chairman, we have completed with the speaker shareholders, whoever has joined and the rest of the speaker shareholders who have registered have not joined, so you may continue our proceeding, please.

HL (21:12): So thank you everyone. I will now try to answer the questions to the best of my ability. I will start with Mr. Sunil Kothari. I'd like to thank all the positive comments he, he had made about both the company. In terms of specific questions regarding the merger synergy benefit, as I have explained, you know, we, we are hoping to see a good amount of benefit happening in the next two years. The different areas can be categorized under one is you know optimization of finance costs, you know, the merger. Enables us to have funds fungibility across all divisions and which will also help optimize the existing debt as well as reduce the finance cost. We have also reduced the compliance and insurance costs and because of the merger, the compliance costs straight away come down and because of the increase size we've been able to renegotiate costs like insurance costs. We have also streamlined our procurement and process, you know, centralizing the support services for receivables, payables and common material, you know, especially indirect material procurement will lead to further optimization of procurement costs through better pricing volume discounts and reduction in other costs. We are also centralized the treasury operations. This centralized treasury function will enable sourcing of funds at a very competitive rate, optimizing various bank charges, as well as improve our forex hedging across the various divisions. Then the optimization of logistics, we are expecting to optimize both inward and outward logistic costs, and improved working capital. Now utilizing GST balances across all the divisions will further ease the working capital blockage leading to reduction in borrowings and interest cost. All these synergy benefits that I just mentioned are expected to materialize over the next 18 months. Many of them, some of them have already been realized. Once fully realized, these benefits are projected to enhance RML profitability by approximately 1% from the current levels. And as I've explained, some of the further synergy costs in terms of organization and manpower rationalization will happen from a two to four year time frame.

Coming to the debt, yes, there is a definitely a very clear roadmap for reduction. As you're all aware, the company recently agreed to sell a portion of its a significant portion of the Velachery land and is exploring the possibility of selling another land parcel during the coming financial year FY 2025-26. So if everything fructifies, we expect to receive approximately 250 crores during this financial year towards the sale of these lands and these sale proceeds will be mainly used to reduce the debt. The company's consolidated debt equity ratio as on March 31, 2025 was 1.13. This ratio will then reduce to around .75 by end of 31st March 2026.

Regarding your question on margin, following the merger of RML, our teams have collectively engaged in several key cost reduction initiatives aimed at enhancing our margins. These initiatives include logistics cost optimization, procurement consolidation, which includes, you know, in purchasing of key raw materials, standard bought auto parts packing materials, stores and consumable etc., process optimization and sub-contractors premises. They're working with subcontractors to improve their processes as well as reduce their costs and of course insurance and compliance costs that had already talked about. We are confident that these cost drivers will collectively lead to RML achieving hopefully a double digit EBITDA in the coming years. As of course the caveat as I've always mentioned is the growth rates that we have assumed for the passenger car segment as well as the commercial vehicle and of course the farm tractor segment.

With regard to your question on the nature of the 14 crores professional fee paid to RHL and the trademark of 17 crores paid to RHL, the professional fees paid primarily includes the following. One is the management consultancy fees of 7.48 crores, business support fees of 3.52 crores and Rane Business Services of 3.11 crores. Rane Holdings Limited, as you may all be aware provides centralized services to group companies, including RML in the areas of management consultancy in mainly information technology, business development support as well as hiring and training of manpower especially senior levels and management stuff. All these services fees that I mentioned are paid to RHL by RML on an arms' length basis. As far as the trademark fees is concerned, RML pays a .5% on sales for using the Rane brand in the products manufactured and sold by the company.

Hence both these expenses are recurring in nature and will continue for the merged entity as well. Regarding your question on the relationship of with our multinationals especially our joint venture partners that ZF. As I've articulated in some of our past investor calls, we have an extremely good

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relationship with not only ZF who's a valuable partner, but also many global customers like Bosch, Nexteer etc. So we are continuing to build our relationship with all of these companies globally. We are also building a global organization as you may have seen in some social media announcements. Strengthening our US office as well as our Europe office, and in future we will also be opening up one more office in the eastern part of the world. So with all these additional infrastructures that we are adding and manpower that we are adding, we are confident of further enhancing the relationships with these global companies.

With regards to the questions by Manoj Kumar, you know, in terms of when will we reward investors? I mean the intent is to continue to pay our dividends. You know, we Rane group and Rane (Madras) we have a policy that 40% will be our dividends that we pay out from our profits. We will continue to do that with regards to other forms of equity, whether it is a bonus or rights issue, the Board will consider this from time to time and the appropriate time decisions will be taken.

With regards to renewable energy, I'm happy to note that the company already currently, uses 51% of the total energy is through renewable sources and we will continue to enhance this in the coming years.

With regard to your question on exports, 19% of the company's sales are already exports and we are aspiring in the short term to enhance that to about 25% of sales.

With regard to ESG, the company is very committed to all our sustainability initiatives. We are taking all measures in accordance with the principles laid down in the national guidelines and we propose to pursue ratings in the future years. But in the meantime I'm happy to share that during last year, two of our plant locations, one the prestigious green Co award instituted by CII.

Coming to the questions raised by Mr.Jaichand. Again, we, we noted your comments on better dividend and appreciation of share value as well as your bonus shares as I explained you know, we will continue our policy of 40% dividend policy on the profits and regarding other forms of equity like bonus and rights, we will, the board will consider from time to time.

With regards to the hospitality for speaker shareholder, we would like to maintain parity for all the shareholders and definitely would extend as and when we move to the hybrid and physical mode.

With regard to questions by Abhishek. Again, thank you Mr.Abhishek for all the comments and observations that you had made. We will continue to focus on reducing the expenses. I think a lot of hard work goes in throughout the year by all the employees in the company and across all locations especially our plant operations to review every small expense and see how we can eliminate unnecessary expenses and also reduce costs through various initiatives. We also noted your request about the hybrid meeting. We will review this at the Board and at the appropriate time if there is justification for having a hybrid meeting, we will, we will definitely consider that. We also noted your request that for the plant visit, you know, we request all the shareholders who are interested in you know, in a plant visit to register their interest with our investor services team and the Company Secretarial team and once we have enough interest shown by many shareholders, we will, you know, we can consider organizing a, a plant visit.

I think with this hopefully I've answered all the questions raised by the shareholders, as again to reiterate, you know, the Company and the management and all the employees will continue to do their best to maximize the value to the shareholder, as I explained in my opening comments, this coming year has gotten many more challenges and uncertainties, but despite all of that, we are hopeful of a better performance during the year and if the market does even better, I'm sure, you know, we can try and exceed the expectations of that shareholder. So with these words, I'd like to close the Q & A session. That's it, right? Is there any more?

Okay. So now we will go back to the remaining items in the agenda. So 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, August 02, 2025 and ended on Monday, August 04, 2025 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 for about 15 minutes the end of this meeting and the meeting

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shall stand concluded thereafter. Mr. Balu Sridhar, Practicing Company Secretary, is 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 within the prescribed timelines. I confirm that 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 now handover to Mr. Balu Sridhar, Scrutinizer for overseeing the e-voting process at the AGM. The other panellists and respected Directors may log-off from the meeting at their convenience.

Scrutinizer (35:00): Thank you Chairman. E-voting facility will remain open for further 15 minutes. The electronic facility will automatically be disconnected after the said period.

Scrutinizer (51:00): The time for e-voting has elapsed. Electronic facility can now be disconnected for the meeting. Thank you.