

**Transcript of 34th Annual General Meeting of Galaxy Bearings Limited held on Saturday, September 28, 2024 at 03:30 p.m. (IST) through Video Conferencing**

**Management:**

- a) Mr. Bharatkumar Ghodasara, Whole-Time Director
- b) Mr. Kartik Patel, Non-Executive Independent Director, Chairperson of the Company and Chairman of Audit Committee, Stakeholders Relationship Committee & CSR Committee
- c) Mrs. Deepa Shah, Non-Executive Independent Director and Chairman of Nomination and Remuneration Committee
- d) Mr. Devang Gor, Non-Executive Director
- e) Mrs. Shetal Gor, Non-Executive Director
- f) Mrs. Tuhina Bera, Non-Executive Director
- g) Ms. Mona Sharma, Company Secretary and Compliance officer
- h) Mr. Dixit Patel, Chief Financial Officer

**Ms. Mona Sharma:** A very Good afternoon to all. I, Mona Sharma, the Company Secretary & Compliance Officer of your company extend a warm welcome to all of you at our 34<sup>th</sup> Annual General Meeting. Your presence here today, is greatly appreciated and we value your continued support.

Dear members, before we start the main proceeding of this meeting, I request each of the board members to kindly introduce themselves to the members.

**Kartikkumar Patel:** Good afternoon all. I am Kartikkumar Patel, Chairperson and Independent Director of the company and Chairperson of Audit committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee. I am joining this meeting from Ahmedabad. Thank you.

**Bharatkumar Ghodasara :** Good afternoon all. I am Bharatkumar Ghodasara, Whole-time Director of the Company. I am joining this meeting from Ahmedabad. Thank you.

**Deepa Shah:** Good afternoon all. I am Deepa Shah, Independent Director of the Company and Chairperson of Nomination and Remuneration Committee. I am joining this meeting from Ahmedabad. Thank you.

**Shetal Gor:** Good afternoon all. I am Shetal Gor, Non-executive Director of the Company. I am joining this meeting from US. Thank you.

**Devang Gor:** Good afternoon all. I am Devang Gor, Non-executive Director of the Company. I am joining this meeting from Ahmedabad. Thank you.

**Tuhina Bera:** Good afternoon all. I am Tuhina Bera, Non-executive Director of the Company. I am joining this meeting from US. Thank you.

**Ms. Mona Sharma:** Thanks to all the Board Members for the introduction. Now I would like to welcome Mr. Dixit Patel, Chief Financial Officer of the company also we have with us our auditors present for this meeting, Mr. Alpesh Panchal, Partner, from Ms. J T Shah & Company, secretarial auditor of the company and scrutinizer, Mr Jignesh Katodiya, Practicing Company Secretary.

Dear members in accordance with the company's article of association, this meeting is being chaired by Mr. Kartik patel, the Chairperson of the company. Now, I request Mr. kartik Patel, Chairperson of the company to grant permission to carry out the proceeding of this meeting.

**Mr. Kartik patel:** Permission granted.

**Mona Sharma:** Thank you Sir. With the Chairperson's authorization, Dear Members, I hereby confirm the presence of required quorum via video conferencing for the meeting is in order.

This meeting has been convened and is being conducted through video conferencing mode in compliance with the circulars issued by Ministry of Corporate Affairs and Securities Exchange Board of India and other applicable circulars issued in this regard. The latest Circular dated September 25, 2023 issued by Ministry of Corporate Affairs allows the Companies to conduct their Annual General Meetings through Video-Conferencing and Other Audio-Visual Means until September 30, 2024.

Your Company has taken all steps to ensure that the shareholders are able to attend and vote at this AGM in a seamless manner. Your Company has availed the services from Link Intime India private limited through their platform - "Instavote" for remote e-voting for enabling the shareholders to participate in the AGM through video-conferencing facility and e-voting during the AGM.

I would now proceed with the agenda of the meeting.

The notice of the AGM, report of the Board of Directors and the financial statements for the financial year ending March 31, 2024 was circulated to all the members in compliance with the circulars of the Ministry of Corporate Affairs and I take them as read.

Since this AGM is conducted through Audio-Visual Means, the requirement for appointment of proxy compliances are not applicable. The Auditors Report on the Annual Financial Statements of the Company for the financial Year ended March 31, 2024 does not contain any Qualification or Observation which have any adverse effect on the functioning of the Company. Hence, reading the Audit Report qualifications and observations pursuant to section 145 of the Companies Act, 2013 is not required.

As per the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Your company had provided the facility for Remote E-voting to the members through Instavote platform; to enable members to cast their vote electronically.

The Remote E-voting facility was open from Monday, September 23, 2024, 09.00 a.m. onwards till 5.00 p.m. on Friday, September 27, 2024. The detailed procedure of E-voting is also mentioned on in the notice of the AGM. Those members who have not casted their vote through remote E-voting process have been provided with the facility to cast their vote during the AGM using the Instavote Platform.

The Scrutinizer will submit the Consolidated Result on E-voting process within three days from the conclusion of this Annual General Meeting and the result would be intimated to the stock exchange and will be duly uploaded on the Company's website.

Members who have joined this meeting are by default placed on mute to avoid disturbance arising from any background noise and to ensure smooth and seamless conduct of the meeting. Once the Question-and-Answer session starts the names of the shareholders who have registered as the speaker shareholders will be announced one by one. Once your name is announced you will be connected through video mode and a request to unmute your microphone will be received by you. You are requested to unmute the same and speak.

Members are requested to refer to the Instructions provided in the notes of the notice of this AGM for an intact participation through video conference. During the AGM, if any shareholder other than the speaker shareholder faces any technical issue, please contact the helpline numbers mentioned in the notice of the AGM.

Now, I handover the proceedings to the Mr. Kartik Patel - Chairperson of the Company.

**Mr. Kartik Patel:** Thank You, Ms. Mona! I extend my heartfelt gratitude to all the participants, including our members, esteemed colleagues on the Board, auditors, and the dedicated management team for joining us in this virtual meeting.

As we proceed with the agenda, please feel free to actively participate and share your valuable insights. Your input is invaluable, and together, we can make informed decisions for the betterment of our organization.

I'm pleased to announce that our company has achieved an impressive 10 % growth in revenue. This is a testament to the hard work and dedication of our team, as well as the sound strategies and decisions made by our management.

Now, I invite Mr. Devang Gor, to provide you with a detailed briefing on the financial position and remarkable growth of our company.

**Mr. Devang Gor:** Thank You, Chairperson!

Dear Shareholders,

I offer a heartfelt welcome to each one of you at this 34<sup>th</sup> Annual General Meeting of Galaxy Bearings Limited. As we gather virtually once again, it brings me great joy and honor to be your host today. I express my gratitude to each one of you for your commitment to attending this meeting and for your unwavering support and trust, which are indispensable for the prosperity of our company. Presently, the bearing industry is experiencing growth on both domestic and international fronts, with substantial expansion anticipated. The surge in the manufacturing sector, driven by robust demand from various industries is significantly propelling the advancement of India's bearing industry.

Our commitment extends to forging deeper relationships with our clients, fostering trust, and consistently enhancing the value they derive from our services. This unwavering dedication to customer satisfaction is integral to our company's ethos and mission.

I now avail this opportunity to highlight the remarkable financial growth achieved by our Company, as well as to shed light on the key initiatives that we have undertaken. During the financial year under

review, Revenue from operations has increased to Rs. 12711.60 lakhs bifurcated into Export and Domestic Sales of Rs. 9499.26 Lakhs (74.73%) and Rs. 3212.34 lakhs (25.27%) respectively as against Revenue of Rs. 11868.01 lakhs in the previous year consisting of Export and Domestic Sales of Rs. 8706.18 Lakhs (73.36%) and Rs. 3161.83 lakhs (26.64%) respectively. The net profit of the company for the year under review increased to Rs. 1884.42 Lakhs as compared to Rs. 1594.61 Lakhs in the previous year.

It gives me immense pleasure to inform you all that your Company has taken steps forward towards its "Capacity Building" and "Capital Expenditure". Speaking precisely, your Company has spent of Rs. 1751.77 Lakh towards the extension of its Factory Building and Rs. 807.68 Lakh towards purchasing and upgrading its Plants and Machineries.

On behalf of the Board and the Management Team of Galaxy Bearings Limited, I extend our heartfelt gratitude to each and every one of you for being a valued partner in this ongoing journey. Your support and collaboration have been instrumental in our progress, and we look forward to continuing to grow together.

Let me now turn to the official business of the meeting by requesting Ms. Mona Sharma to give a brief of the resolutions forming part of the notice of this meeting.

**Ms. Mona Sharma:** Thank You, Sir!

There are in total 4 resolutions proposed to be passed at this AGM. Since the notice have already been circulated to the members and the resolutions have been put to vote through remote E-Voting, I am taking the resolutions; as read.

Before briefing the resolutions, I would like to inform you that the Company's Financial Statements for the year ended March 31, 2024, along with the Notice, Directors' and Auditors' Report had been sent to all the members; in due time. And I take the same as read. The resolutions are not required to be proposed and seconded.

Now, I will now provide a brief of the resolutions proposed to be passed at this AGM.

Item No. 01 and 02 of the Notice pertains to "Ordinary Business".

Resolution No. 01 of the Notice pertains to considering and adopting the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 and the Report of Board of Directors and Auditor's thereon;

Resolution No. 02 is with respect to appointment a director in place of Mrs. Shetal Gor (DIN: 07056824), who retires by rotation and being eligible, offers his candidature for re-appointment as director of the Company.

Resolution No. 03 and 04 are special businesses:

Resolution No. 03 relates to approve increment in the Remuneration of Mr. Bhartkumar Keshavji Ghodasara, Whole-time Director of the Company.

Resolution No. 04 pertains to Ratification of Cost Auditor's Remuneration.

I now handover the proceedings of the meeting, back to Mr. Devang Gor.

**Mr. Devang Gor:** Thank You, Ms. Mona! I now invite those members who would like to offer their comments, make observations, seek clarifications, if any, on the Report and Accounts.

A list of speakers who have registered themselves has already been placed before me. I will therefore call out the name of the members as per the order in this list.

I will respond to all the questions and comments after all the speaker shareholders have spoken.

The first speaker will be Mr. Sivaprakash Manikandaprabu. Could we have Mr. Sivaprakash Manikandaprabu, please.

(Mr. Sivaprakash Manikandaprabu will ask his question)

**Mr. Devang Gor:**

Thank you, Mr. Shivprakash! May we now have Mr. Mustafa Mazahir Khedwala.

(Mr. Mustafa Mazahir Khedwala will ask his questions)

**Mr. Devang Gor:**

Thank you, Mr. Khedwala! May we now have Mr. Shashwat Desai.

(Mr. Shashwat Desai will ask his questions)

**Mr. Devang Gor:**

Thank you, Mr. Desai! May we now have Mr. S P Mittal.

(Mr. S P Mittal will ask his questions)

**Mr. Devang Gor:**

Thank you, Mr. Mittal!

Hello everyone and welcome back. Before addressing your questions, I would like to express my sincere gratitude to each and every one of you. Thank you for your insightful questions, valuable comments, and thoughtful suggestions. I have made an effort to document nearly all the questions you've posed and I'll be addressing briefly, to the majority of them.

I apologize in advance for any potential misunderstandings due to audio quality issues that may have caused me to miss the precise essence of your questions at times. If you find that some of your questions were not addressed by the end of this session, please understand that it was not intentional but rather an oversight. You are encouraged to forward those unanswered questions to our team, and we will endeavor to provide you with timely responses.

Now, having carefully considered all the questions, I propose that I group together some common inquiries and provide comprehensive responses to them. To begin with; let me apprise you that:

Your company has presence in almost 25+ countries. The projected growth for FY25 is around 11% and Revenue guidance for FY25 and FY26 is \$19 Mn. And \$22 Mn. respectively. The domestic and export revenue split up remain the same to 25:75. The demand for automotive components presently is subdued globally. The industry experts predict it to remain the same for 2025. We hope the markets to revive soon.

Our capacity as on today is still 2.5 Mn. Bearings p.a. with 70% utilization. With the next expansion plan, we will be able to add another 7.2 Mn bearings p.a. Post Covid there has been a drift of demand towards Indian manufacturers, and seeing the opportunity to grow further with the global market potential and the share we have here with Indian manufacturers, the board decided to expand the facility and take a small share of the market shift towards Indian manufacturers. We definitely expect to ramp up our capacity which will be planned against business commitments and we really expect the market demand to revive for the current lows. Further, we are little delay with the readiness of the machines. Revised plan to come to commercial production is by mid of Q4 FY 2025.

If we talk about the revenue growth for the FY 2023-2024 which is quite low compared to previous year, the reason is the CV industry, both domestically and in exports is growing at a very slow pace with a lot of disturbances in various countries, be it political, be it logistically, etc .

There is many market segment most of the bearings manufactured by us go for wheel end applications. Be it engine driven or EVs, so nothing new in that segment for us as on today. The bearing industry is still dominated by the 5-6 large players. But there is still potential in the markets for players like us. We have a balanced share of business with the OEs and the aftermarket. The bifurcation is Automotive – 60%, Earth movers – 10%, Agri axles and implements – 15%, Industrial – 15%.

The Inventory increase reason is that our share of business with the after-market players needs us to stock certain items against anticipated sales. So the stock levels during the closing might be a situation when the goods came from production to stock. It is the demand of the market segments where we are, to have certain items in stock for opportunity sales.

The timeline to get customer approval of products is generally varying with customer to customer. But averagely, it would take around 6-9 months for customer approval for new products.

**Vote of thanks: (To be continued by Mr. Devang Gor)**

In conclusion, I want to convey to each and every one of you that I have made a concerted effort to address the majority of the questions you've posed. If, during this process, I inadvertently missed something, I sincerely apologize as it was never intentional. If you happen to come across an unanswered question that you believe to be important, please don't hesitate to reach out to us. Your feedback and input are invaluable, and we are here to assist you.



With that, I now handover the E-voting process to the scrutinizer. For those shareholders who have yet not casted their vote, the E-voting facility will remain open at the Instavote's website for the next 15 minutes to enable shareholders to cast their votes electronically.

The Combined results of the remote E-voting and the E-voting during the meeting will be announced and made available on the Company's Website, Instavote's website and also on the website of the Stock Exchange.

Once again, I extend my gratitude to all the shareholders for their cooperation in ensuring the seamless conduct of this meeting through audio-visual means. My thanks also go out to all my fellow directors and members of the management committee team who have participated in this meeting.

With that, I would like to announce that this meeting will officially conclude in 15 minutes from now. Thank you all for your active participation and valuable contributions.

Thank you!