



GALAXY BEARINGS LTD.

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	~	SHI	✓
YE	✓	~		✓

**8th Annual Report
1997-98**

GALAXY BEARINGS LIMITED

Board of Directors : **Shri V. J. Patel** *Chairman*
Shri V. H. Kansagara *Vice-Chairman & Managing Director*
Shri N. M. Patel *Director*
Shri P. D. Kantesaria "
Shri N. B. Delvadia "
Shri R. V. Bhalodia "
Shri R. G. Patel "
Shri B. K. Ghodasara "

Auditors : **M/s. J. T. Shah & Company**
Chartered Accountants
Ahmedabad



Banker : **Bank of Baroda**

Registered Office : T-18, Vikram Chambers,
Ashram Road,
Ahmedabad - 380 009

Factory : Survey No. 253,
National Highway No. 8B,
Village : Shapar,
Ta. Kotada Sagnani,
Dist. Rajkot - 360 002

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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on Wednesday, 30th September, 1998 at 11.30 a.m. at T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009, to transact the following business:

1. To receive, consider and adopt audited accounts for the year ended 31st March, 1998, together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri P D Kantesaria, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N M Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B K Ghodasara, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and authorise Board to fix their remuneration.

Regd Office:
T-18, Vikram Chambers
Ashram Road
Ahmedabad 380 009
20-08-1998

By Order of the Board
For **Galaxy Bearings Ltd**

V H Kansagara
Vice Chairman & Mg. Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 26th September, 1998 to Wednesday, 30th September, 1998 (both days inclusive).
3. Members are requested to notify, change of addresses, if any, immediately to the registered Office of the Company.

GALAXY BEARINGS LIMITED**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting this Eighth Annual Report together with the audited accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS :*Amount (Rs)*

	1997-98	1996-97
Turnover	57013576	61795737
Profit before Depreciation & Interest	9760440	4715392
Depreciation	10514202	1830443
Interest	4697218	9257136
Loss for the year	(5450980)	(6372187)
Less : Excess provision written back	8858056	Nil
Loss of previous years	(10667683)	(4295496)
Balance carried to Balance Sheet	(7260607)	(10667683)

OPERATIONS :

The year under review was a turbulent year. The Company has achieved a turnover of Rs.5,70,13,576 as against Rs. 6,17,95,737 for the previous year. There was an overall depressionary market conditions and stiff competition more particularly in the Automobile Industry. Moreover, labour charges, and other expenses were increased. During the year under review, the Company's performance was excellent and thus earned a profit of Rs.97,60,440 i.e. an increase of about 107% over the previous year profit of Rs.47,15,392 before depreciation and interests. The interest burden was reduced to Rs.46,97,218. However, in view of repaid technological advancements in respect of plant and machineries, the Company has changed a method of providing depreciation from the Straight Line Method to the Written Down Value Basis for the same since July 1993 and as a result, there is an additional charge of Rs.85,85,554 including Rs.8,56,451 for the year. Thus, the Company suffered a loss of Rs.54,50,980 as against loss of Rs.63,72,187 for the previous year.

Your Company has achieved a sales of Rs.153.65 Lacs during the first quarter in the current year.

Further, your Directors are pleased to inform that the Company has repaid its term loan alongwith unpaid interest in full and final settlement to the GIC Ltd as One Time Settlement, and therefore, excess provision of interest of Rs.88,58,056 has been written back.

DEPOSITS :

Your Company has no overdue deposits and it has complied with the provisions of Section 58 A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 framed thereunder.

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PARTICULARS OF EMPLOYEES :

The particulars under Section 217 (2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given as there was no such employee.

DIRECTORS :

Shri P D Kantesaria, Shri N M Patel and Shri B K Ghodasara, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointments.

Your Directors regret the sad demise of late Shri Hirjibhai M Patel, Director of the Company, on 7.6.98. The Directors hereby record appreciation of his services rendered and valuable guidance provided to the Company during his tenure.

During the year under review, the nomination of Shri M R Vyas on the Board of the Company was withdrawn w.e.f. 7th March, 1998, by the Gujarat Industrial Investment Corporation Ltd due to repayment of its term loan in full as a One Time Settlement. Shri Vyas has provided valuable guidance to the Company as and when needed and the Board hereby records the same with appreciation.

AUDITORS :

M/s J T Shah & Co., Chartered Accountants, retire as Auditors of the Company at the ensuing Annual General Meeting, and being eligible , offer themselves for their re-appointment.

The Auditors observations read with the notes to the Accounts are self explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. :

Particulars with respect to Conservation of Energy as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988, and forming part of this Report for the year ended 31st March, 1998 are annexed vide Annexure A.

ACKNOWLEDGEMENTS :

Your Directors place on record of its appreciation of the co-operation and assistance received from GILC Ltd, and Bankers of the Company. Your Directors also appreciate the services rendered by the staff members with their sincere and untired efforts.

For and on behalf of the Board
For Galaxy Bearings Ltd

Place : Ahmedabad
Date : 20-08-1998

V H Kansagara
Vice-Chairman & Mg. Director

GALAXY BEARINGS LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of Directors' Report:

I. Conservation of Energy :

The Company is conscious to save energy and has adopted various measures including improvement in manufacturing process, for competitive products. The Company has not made any additional investment. The other information is given as per Form A.

FORM A

(Form for Disclosure of Particulars with respect to Conservation of Energy)

A. Power & Fuel Consumption :

	<u>1997-98</u>	<u>1996-97</u>
Electricity (Purchased)		
Units consumed	268457	341525
Total Amount	1017560	1379040
Rate/Unit Rs.	3.79	4.03

B. Consumption per Unit of Production :

Avg. Electricity per Bearing	2.77	3.06
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II. Technology Absorption : As per Form B**FORM B**

(Form for disclosure of particulars with respect to absorption)

Research and development (R & D)

- | | |
|--|---|
| 1. Specific areas in which R & D carried out by the Company. | The Company has no separate R & D Department and Developmental activities are carried out with the Company's own team of experts. Hence, expenses incurred are not separately worked out. |
| 2. Benefits derived as a result of the above R & D. | |
| 3. Future plan of action | |
| 4. Expenditure on R & D: | |

Technology absorption, adaptation and Innovation

- | | |
|---|---|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | The technology is indigeneous and the Company has fully absorbed. |
| 2. Benefits derived as a result of the above efforts. | N.A. |
| 3. In case of imported technology (imported during last 5 yrs reckoned from the beginning of the financial year), following information may be furnished: | N.A. |
| (a) Technology imported. | — |
| (b) Year of import | — |
| (c) Has Technology been fully absorbed? | — |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. | — |

III. Foreign Exchange Earnings and Outgo :

Earnings	: Nil
Outgo (CIF)	: Nil

For and on behalf of the Board
For Galaxy Bearings Ltd

Place : Ahmedabad

Date : 20-08-1998

V H Kansagara
Vice-Chairman & Mg. Director

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AUDITORS' REPORT

To,
The Members of
Galaxy Bearings Limited
Ahmedabad.

We have audited the attached Balance Sheet of GALAXY BEARINGS LIMITED as at 31st March, 1998 and Profit and Loss Account for the year ended on that date annexed thereto and report that :-

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
3. The Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts subject to and read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; AND
 - (b) In the case of Profit and Loss Account, of the "Loss" for the year ended 31st March, 1998.
5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4 A) of the Companies Act, 1956 and on the basis of such checks as we consider appropriate, we further state that :-
 1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
 2. None of the fixed assets have been revalued during the year.
 3. As explained to us, the stock of finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.