

 **GALAXY**
BEARINGS LIMITED



25th ANNUAL
REPORT 2014 -15



CIN	: L29120GJ1990PLC014385	
BOARD OF DIRECTORS	: Mr. Vinodrai H. Kansagara [DIN: 00015696]	Managing Director
	Mr. Bharatkumar K. Ghodasara [DIN: 00032054]	Jt. Managing Director
	Mr. Navinchandra M. Patel [DIN: 00016860]	Director
	Mr. Rashmikant V. Bhalodia [DIN: 00020098]	Director
	Mrs. Jyotsnaben S. Vachhani [DIN: 00535817]	Chairman & Independent Director
	Mr. Jitendra V. Shah [DIN: 01028713]	Independent Director
	Mr. Pradip C. Khatani [DIN: 01786030]	Independent Director
	Mrs. Shetal Devang Gor [DIN: 07056824]	Director
	Mrs. Tuhina Rimal Bera [DIN: 07063420]	Director
KEY MANAGERIAL PERSONNEL	: Mr. Vinodrai H. Kansagara (DIN:00015696)	Managing Director
	Mr. Bharatkumar K. Ghodasara (DIN:00032054)	Jt. Managing Director
	Mr. Dixit S. Patel	Chief Financial Officer
	Mr. Nayan S. Patel	Company Secretary
BANKER	: State Bank of India Bank of Baroda HDFC Bank Ltd.	
STATUTORY AUDITORS	: M/s. J. T. Shah & Company, Chartered Accountants	
REGISTERED OFFICE	: T-18, Vikram Chambers Ashram Road, Ahmedabad - 380 009 Email : share@galaxybearings.com Website : www.galaxybearings.com Tel. No. : 079-27546020	
PLANT/FACTORY	: Survey No.253, N.H. No.8B Village Shaper, Ta: Kotda Sangani Dist. Rajkot - 360 002	
REGISTRAR & TRANSFER AGENTS	: M/s. Link Intime India Private Limited 303, Shoppers Plaza - V, 3rd Floor, Opp. Municipal Market, Off C G Road, Navrangpura, Ahmedabad - 380 009	

CONTENTS	PAGE NO.
Notice	2
Directors' Report	10
Secretarial Audit Report	17
Management Discussion & Analysis	26
Corporate Governance Report	28
Independent Auditors' Report	39
Balance Sheet	43
Statement of Profit and Loss	44
Cash Flow Statement	45
Notes to Financial Statements	49
Proxy Form	63

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of members of the Company will be held on Friday, 25th September, 2015 at 12:00 noon at T - 18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 including Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on 31st March, 2015 and the Report of Board of Directors and the Independent Auditor's report thereon.
2. To appoint a Director in place of Mr. Navinchandra Mohanlal Patel (holding DIN: 00016860), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Vinodrai H. Kansagara (holding DIN: 00015696), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ordinary Resolution**:-

"RESOLVED THAT pursuant to provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with the Companies (Audit and Auditors) Rules, 2014, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 27th September, 2014, the appointment of M/s J. T. Shah and Company (Firm Reg. No. 109616W), Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of 27th AGM, be and are hereby ratified by the members for the financial year 2015 - 16 at such remuneration as may be determined by the Board of Directors of the Company plus reimbursement of service tax and out of pocket expenses on actual basis."

SPECIAL BUSINESS:-

5. REGULARISATION OF MRS. SHETAL DEVANG GOR AS DIRECTOR:-

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 160 & 161 of the Companies Act, 2013 and other applicable provisions (including any modification or reenactment thereof), if any, of the Companies Act, 2013, Mrs. Shetal Devang Gor (holding DIN: 07056824) who was appointed as an Additional Director in the meeting of the Board of Directors held on 08th January, 2015 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as director of the Company."

6. REGULARISATION OF MRS. TUHINA RIMAL BERA AS DIRECTOR:-

To consider and, if thought fit, to pass with or without modifications, the following resolution as an **ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 160 & 161 of the Companies Act, 2013 and other applicable provisions (including any modification or reenactment thereof), if any, of the Companies Act, 2013, Mrs. Tuhina Rimal Bera (holding DIN: 07063420) who was appointed as an Additional Director in the meeting of the Board of Directors held on 08th January, 2015 and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as director of the Company."

7. TO AUTHORIZE THE BOARD OF DIRECTORS TO BORROW IN EXCESS OF THE PAID UP CAPITAL AND FREE RESERVES OF THE COMPANY:-

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:-

"RESOLVED THAT pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made there under (including any statutory modification or re-enactment thereof for time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee thereof), to borrow from time to time such sum or sums of money(ies) as it may deem requisite for the purposes of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the

money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceed the aggregate of the Company's paid up capital and free reserves, provided that the aggregate of the money(ies) so borrowed shall not exceed Rs. 100.00 Crores (Rupees One Hundred Crores only) over and above the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) at any time and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties, doubts that may arise in respect of the borrowing aforesaid and to sign and execute all the necessary documents, papers, deeds and writings as may be necessary, proper, desirable or expedient and to give effect to this resolution.

8. TO AUTHORIZE THE BOARD OF DIRECTORS TO CREATE CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY:-

To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:-

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) at any one point of time from Financial Institutions/Banks and other Persons, Firms, Bodies Corporate with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties, doubts that may arise in respect of the Charges aforesaid and to sign and execute all the necessary documents, papers, deeds and writings as may be necessary, proper, desirable or expedient and to give effect to this resolution.

9. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY:-

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard."

By Order the Board of Directors
For, **GALAXY BEARINGS LIMITED**

Bharatkumar K. Ghodasara
(**Jt. Managing Director**)
DIN: 00032054

Date: 29th May, 2015
Registered Office:
T-18, Vikram Chambers,
Ashram Road, Ahmedabad - 380 009

NOTES :-

1. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, 19th September, 2015 to Friday, 25th September, 2015 (both days inclusive)**.
2. The explanatory statement pursuant to section 102 of the Companies Act 2013, which sets out details relating to special business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc., must be supported by an appropriate resolution/authority as applicable.
4. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. The duly filled in Attendance Slip must be surrendered at the counter before attending the Meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in Securities Market. The members are requested to submit PAN details to the Company. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents.
8. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH - 13 and for cancellation / variation in nomination in the prescribed Form SH - 14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
9. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
10. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Transfer Agents.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 12.00 A.M. and 2.00 P.M. except Sundays, up to and including the date of the Annual General Meeting of the Company.
12. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/document including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses with the Company.
13. **Voting through Electronic means :-**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide Members with a facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-Voting) Services.

The instructions for shareholders voting electronically are as under :-

- (i) The voting period begins on at 09.00 A.M. on Tuesday, the 22nd September, 2015 and ends on at 05:00 P.M. on Thursday, the 24th September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, the 18th September, 2015, may cast their vote electronically. The e - voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha - numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip/ Address Sticker indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **GALAXY BEARINGS LIMITED** on which you choose to vote.

- (xii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on **"Click here to print"** option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
- (xviii) **Note for Non - Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

14. Mr. R. S. Sharma, Practicing Company Secretary (Membership No. A3126) of M/s. R. S. Sharma & Associates has been appointed by the Board of Directors of the Company as Scrutinizer for scrutinizing the e-voting process as well as voting through post and through ballot paper at the Meeting, in a fair and transparent manner.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5:-

Mrs. Shetal Devang Gor was appointed as an Additional Director w.e.f. 08th January, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mrs. Shetal Devang Gor candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mrs. Shetal Devang Gor on the Board is desirable and would be beneficial to the company.

Except Mr. Vinodrai Hirji Kansagara, Mrs. Shetal D. Gor and Mrs. Tuhina R. Bera no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends resolutions under Item No. 5 of the Notice to be passed as an ordinary resolution.

ITEM NO. 6:-

Mrs. Tuhina R. Bera was appointed as an Additional Director w.e.f. 08th January, 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mrs. Tuhina R. Bera candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mrs. Tuhina R. Bera on the Board is desirable and would be beneficial to the company.

Except Mr. Vinodrai Hirji Kansagara, Mrs. Shetal D. Gor and Mrs. Tuhina R. Bera no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

The Board recommends resolutions under Item No. 6 of the Notice to be passed as an ordinary resolution.

ITEM NO. 7:-

Section 180(1)(c) of the Companies Act, 2013 inter alia provides that, the Board of Directors of the company shall not, except with the consent of the members by way of special resolution, borrow in excess of the aggregate of the paid up capital of the Company and its free reserves apart from the temporary loans, obtained or to be obtained from its bankers/financial institutions in the ordinary course of business.

It is anticipated that the money(s) already borrowed by the company together with the money(s) to be borrowed by the company may exceed its paid up share capital and free reserves.

The consent of the shareholders by way of special resolution is therefore, sought in terms of provisions of section 180(1)(c) of the companies Act, 2013 to enable the Board of Directors to borrow monies.

The above proposals are in the interest of the Company and the Directors recommend the Item No. 7 of the Notice for consent and approval by the shareholders.

None of the Promoters, Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 7.

ITEM NO. 8:-

Section 180(1)(a) of the Companies Act, requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 7, the Company may have to create further charges/mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs. 100 Crores (Rupees One Hundred Crores only) at any point of time is proposed.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of this Notice, to enable to the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

ITEM NO. 9:-

The Articles of Association (the 'AOA') of the Company as currently in force was originally adopted under the Companies Act, 1956 and thereafter amended from time to time, over the past several years. The several regulations in the existing AOA contain references to the specific sections of the Companies Act, 1956 that may no longer be in conformity with the Companies Act, 2013. The Board of Directors considered this matter at its meeting held on 29.05.2015 and decided to adopt a new set of Articles of Association and to replace the existing Articles of Association in conformity with the Companies Act, 2013. A copy of draft Articles is available at the registered office of the Company for inspection of the members.

As per section 14 of the Companies Act, 2013, approval of the shareholders of the Company by way of a special resolution is required for alteration of Articles of Association of the Company.

The above proposals are in the interest of the Company and the Directors recommend the Item No. 9 of the Notice for consent and approval by the shareholders.

None of the Directors, Key Managerial Personnel or their relatives is in any way, concerned or interested, financially or otherwise, in this resolution.

By Order the Board of Directors
For, **GALAXY BEARINGS LIMITED**

Place: Ahmedabad
Date: 29th May, 2015

Bharatkumar K. Ghodasara
(Jt. Managing Director)
DIN: 00032054