



th
26 ANNUAL
REPORT 2015-2016

ROUTE MAP TO THE VENUE OF AGM

Location : Galaxy Bearigns Ltd, T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380009.



BOARD OF DIRECTORS

Mr. Vinodrai H. Kansagara	<i>Managing Director</i>
Mr. Bharatkumar K. Ghodasara	<i>Jt. Managing Director</i>
Mr. Navinchandra M. Patel	<i>Director</i>
Mr. Rashmikant V. Bhalodia	<i>Director</i>
Mrs. Jyotsnaben S. Vachhani	<i>Chairperson & Independent Director</i>
Mr. Jitendra V. Shah	<i>Independent Director</i>
Mr. Pradip C. Khatani	<i>Independent Director</i>
Mrs. Shetal Devang Gor	<i>Director</i>
Mrs. Tuhina Rimal Bera	<i>Director</i>

CHIEF FINANCIAL OFFICER

Mr. Dixit S. Patel

COMPANY SECRETARY

Mr. Nayan S. Patel

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 - 2754 6020

PLANT/FACTORY

Survey No. 253, N. H. No. 8B,
Village: Shaper, Ta: Kotda Sangani,
Dist.: Rajkot - 360 002.

CIN

L29120GJ1990PLC014385

REGISTRAR & SHARE 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

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NOTICE

NOTICE is hereby given that the **26th** Annual General Meeting of the members of **GALAXY BEARINGS LIMITED** (CIN: L29120GJ1990PLC014385) will be held on Friday, 30th September, 2016 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, 2016 and the Reports of Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Rashmikant V. Bhalodia (holding DIN: 00020098), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shetal D. Gor (holding DIN: 07056824), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **ordinary Resolution:-**

"**RESOLVED THAT** pursuant to the provision of Section 139 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, the re-appointment of M/s J. T. Shah and Company (Firm Reg. No. 109616W), Chartered Accountants as the Statutory Auditors of Company, be and is hereby ratified by the members of the Company for the Financial Year 2016-17 at such remuneration as may be determined by the Board of Directors of the Company in consultation with the Auditors plus reimbursement of service tax and out of pocket expenses on actual basis."

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

Date: 11th August, 2016
Registered Office:
T-18, Vikram Chambers,
Ashram Road, Ahmedabad - 380 009

Vinodrai H. Kansagara
(Managing Director)
DIN: 00015696

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as a 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.
2. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Share Transfer Agents or Depository Participant, as the case may be.
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. The duly filled Attendance Slip must be surrendered at the entrance of the Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/Registrar and Share Transfer Agents.

5. 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 Share Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
6. 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.
7. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar and Share Transfer Agents.
8. All documents referred to in the accompanying Notice 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 and public holidays, up to the Annual General Meeting of the Company.
9. 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 e-mail addresses so far, are requested to register their e-mail address with the Company/Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
10. Route Map showing directions to reach to the venue of the 26th AGM is attached to the Annual Report as per the requirement of the Secretarial Standards - 2 on "General Meeting."

11. 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 the Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and all the items of 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 27th September, 2016 and ends on at 05:00 P.M. on Thursday, the 29th September, 2016.** 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 23rd September, 2016**, 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
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. 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). <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> 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 evoting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
12. Mr. R. S. Sharma, Practicing Company Secretary (Membership No. A3126) has been appointed as the Scrutinizer to scrutinize the e-voting process as well as voting through ballot paper at the Meeting, in a fair and transparent manner.

DETAILS OF DIRECTORS SEEKING RE - APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO THE REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015):-

Name of the Director	Mr. Rashmikan V. Bhalodia	Mrs. Shetal Devang Gor
DIN	00020098	07056824
Date of Birth	16 th July, 1948	16 th February, 1971
Date of Appointment	19 th September, 1990	08 th January, 2015
Qualifications	Electrical Engineering	M. S. in Electrical Engineering (USA)
Experience & Expertise in specific functional areas	Mr. Rashmikan V. Bhalodia is having vast experience in the marketing and other areas in the industry.	Mrs. Shetal D. Gor is having an outstanding exposure in financial and other matters.
No. of Shares held in the Company	60,820	64,400
List of Listed Entity in which Directorship held as on 31.03.2016	N.A.	N.A.
List of Listed Entity in which membership of Committees of the board held as on 31.03.2016.	He is a member of Audit Committee and Risk Management Committee of our company.	N.A.
Relationships between directors inter-se	N.A.	Mrs. Shetal Devang Gor is a daughter of Mr. Vinodrai H. Kansagara, Managing Director of the company

DIRECTOR S' REPORT

To,

Dear Shareholder,

The Directors have pleasure in presenting the **26th Annual Report** of your Company together with the Audited Financial Statement for the financial year ended 31st March, 2016.

FINANCIAL SUMMARY

Particulars	(Rs. in lacs, except per equity share data)	
	For the Year ended	
	31.03.2016	31.03.2015
Total Revenue	3740.98	4389.09
Profit / (Loss) before Interest and Depreciation	548.48	744.20
Less: Finance Cost	175.34	192.40
Profit/(Loss) Before Depreciation	373.14	551.80
Less: Depreciation and Amortisation Expense	116.41	119.60
Profit / (Loss) Before Tax	256.73	432.20
Provision for taxation		
Less: Current Tax	80.00	161.00
Less: Short / (Excess) Provision of Income Tax of earlier years	(0.93)	3.45
Less: Deferred Tax Liability / (Assets)	18.07	(19.12)
Net Profit / (Loss) After Tax	159.59	286.88
Balance of Surplus brought forward from previous year	1385.36	1098.48
SURPLUS CARRIED TO BALANCE SHEET	1544.96	1385.36
GENERAL RESERVE	16.89	25.00
Less:- Amount of depreciation in respect of fixed assets whose useful life has expired on adoption to Schedule - II of the Companies Act-2013.	Nil	(12.01)
Add:- Amount of reversal of Deferred Tax Liability in respect of fixed assets whose useful life has expired on adoption of Schedule II to the Companies Act-2013.	Nil	3.90
TOTAL GENERAL RESERVE	16.89	16.89
TOTAL RESERVEES & SURPLUS	1561.85	1402.25
Paid up Share Capital	318.00	318.00
Net worth	1879.85	1720.25
Earnings per share (Basic & Diluted)	5.02	9.02

Footnote: Previous year figures have been regrouped/re-classified wherever required.

REVIEW OF OPERATIONS

On account of continuous subdued market condition, total revenue of the Company for the year 2015-16 has decreased to Rs. 3740.98 lacs as against Rs. 4389.09 lacs in the previous year and net profit of the company for the year has come down to Rs. 159.59 Lacs as compared to 286.88 Lacs for the previous year.

DIVIDEND

As a matter of sound accounting practice and management philosophy; your Directors are of the opinion to make sound economic base for the Company and in order to conserve the resources; do not recommend any dividend for the year under review.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was **`318.00 Lacs**. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

AMOUNTS TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserve of the company. The Company earned net profit of Rs. 159.59 Lacs which has been transferred to surplus in the statement of profit and loss account. Thus total reserve and surplus stood Rs. 1561.85 Lacs at the end of the year.

INDUSTRIAL RELATIONS

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

PUBLIC DEPOSITS

During the year under review your company has not accepted or nor renewed any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES

The Company does not have any subsidiary company during the year under review.

DIRECTORS

The Board consists of executive and non-executive directors including Independent directors who have wide and varied experience in different disciplines of corporate functioning.

Pursuant to section 152 of the Companies Act, 2013, Mr. Rashmikan V. Bhalodia (holding DIN: 00020098) and Mrs. Shetal D. Gor (holding DIN: 07056824), Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re - appointment. The Directors recommend their re - appointment.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the requirement of Section 149(7) of the Companies Act, 2013, the Independent Directors have submitted their declaration to the Board that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013.

BOARD AND COMMITTEE MEETINGS**A. Board Meetings**

During the year, **Seven (7)** meetings of the Board of Directors were convened and held on 11th May, 2015, 29th May, 2015, 12th August, 2015, 05th November, 2015, 31st December, 2015, 10th February, 2016 and 19th March, 2016. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Details of composition of the Board as on 31st March, 2016 and attendance of the Directors at the meetings during the year under review are given below:

Name of Directors	Category	No. of Meeting attended during the Year
Mrs. Jyotsnaben S. Vachhani (Chairperson)	NEID	6
Mr. Vinodrai H. Kansagara	ED	3
Mr. Bharatkumar K. Ghodasara	ED	6
Mr. Navinchandra M. Patel	NED	4
Mr. Rashmikan V. Bhalodia	NED	5
Mr. Jitendra V. Shah	NEID	6
Mr. Pradip C. Khatani	NEID	5
Mr. Shetal D. Gor	NED	1
Mr. Tuhina R. Bera	NED	1

ED - Executive Director, **NED** - Non Executive Director and **NEID** - Non-Executive Independent Director

B. Audit Committee Meetings

During the Financial Year 2015-16, **Five (5)** meetings of the Audit Committee were held on 11th May, 2015, 29th May, 2015, 12th August, 2015, 05th November, 2016 and 10th February, 2016.

Details of composition of the Committee and attendance of the members at the meetings are given below:

Name of Directors	Designation	Category	No. of Meeting attended during the Year
Mrs. Jyotsnaben S. Vachhani	Chairperson	NEID	5
Mr. Jitendra V. Shah	Member	NEID	5
Mr. Rashmikant V. Bhalodia	Member	NED	4

C. Stakeholders Relationship Committee

During the Financial Year 2015-16, **Four (4)** meetings of the Stakeholders Relationship Committee were held on 29th May, 2015, 12th August, 2015, 05th November, 2016 and 10th February, 2016. Details of composition of the Committee and attendance of the members at the meetings are given below:

Name of Directors	Designation	Category	No. of Meeting attended during the Year
Mr. Navinbhai M. Patel	Chairman	NED	3
Mr. Jitendra V. Shah	Member	NEID	4
Mr. Vinodrai H. Kansagara	Member	ED	2
Mr. Bharatkumar K. Ghodasara	Member	ED	4

D. Nomination And Remuneration Committee

There was no requirement to hold Nomination and Remuneration Committee meeting during the Financial Year 2015-16. Details of composition of the Nomination and Remuneration Committee are given below:

Name of Directors	Designation	Category
Mr. Jitendra V. Shah	Chairman	NEID
Mrs. Jyotsnaben S. Vachhani	Member	NEID
Mr. Navinbhai M. Patel	Member	NED

E. Risk Management Committee

There was no requirement to hold Risk Management Committee meeting during the Financial Year 2015-16. Details of composition of the Risk Management Committee are given below:

Name of Directors	Designation	Category
Mr. Bharatkumar K. Ghodasara	Chairman	ED
Mr. Navinbhai M. Patel	Member	NED
Mr. Rashmikant V. Bhalodia	Member	NED

F. Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 10th February, 2016, as required under the Companies Act, 2013 and Regulation 25(3) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

The Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a) In preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed herewith as '**Annexure - 1**'.

PARTICULARS OF EMPLOYEES

The particulars of employees in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is annexed herewith as '**Annexure - 2**' to this Board's Report.

The particulars of employees falling under the purview of Section 197 read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are NIL.

AUDITORS

A. STATUTORY AUDITORS

M/s. J. T. Shah and Company (Firm Reg. No. 109616W), Chartered Accountants, have been appointed as statutory auditors of the company at the 24th Annual General Meeting for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought by the members of the Company at the ensuing AGM. The Company has received a certificate from them about their eligibility for re-appointment as Statutory Auditors in accordance with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 read with third proviso of Section 139 of the Companies Act, 2013.

B. SECRETARIAL AUDITORS

The Board, pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof, had appointed M/s. R. S. Sharma & Associates, Practising Company Secretary, as the Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for the year ended 31st March, 2016.

C. INTERNAL AUDITORS

The Company has appointed M/s. R. H. Bhimani & Associates, Chartered Accountants, as Internal Auditor of the company and their report is reviewed by the Audit Committee from time to time.

AUDITORS' REPORT

The Auditors' Report for the year ended 31st March, 2016 and the notes forming part of the accounts referred to in the Auditor's Report are self-explanatory and give complete information. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT REPORT

Secretarial Audit Report for the year ended 31st March, 2016 as per Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as '**Annexure - 3**'. The Secretarial Audit Report is self explanatory.

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return in Form No. MGT - 9 as per Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules, 2014 is annexed herewith as '**Annexure - 4**'.

NOMINATION AND REMUNERATION POLICY

The policy of the Company on Directors' appointment and remuneration under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is annexed herewith as '**Annexure - 5**'.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The company has established a Vigil Mechanism (Whistle Blower Policy) for Directors and Employees to report about unethical behavior, actual or suspected fraud. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism. In exceptional cases, Directors and employees have direct access to the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti sexual harassment policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company received no complaint of sexual harassment.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 various regulations related to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 do not applicable to the our company. The Management Discussion and Analysis report is made a part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any contract/arrangement/transaction with related parties.

RISK MANAGEMENT POLICY

The Board reviews the risks associated with the Company every year while considering the business plan. Considering the size of the Company and its activities, it is felt that the development and implementation of a Risk management policy is not relevant to the Company and in the opinion of the Board there are no risks which may threaten the existence of the Company

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control system to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

LISTINGS OF SHARES

The Equity shares of the Company are presently listed with the BSE, i.e. The Bombay Stock Exchange Ltd. The Company has paid annual listing fees for the year 2016-17 to BSE.

LISTING AGREEMENT

The Securities and Exchange Board of India, on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 which were effective from 1st December, 2015. According to the said regulation all listed entities were required to enter into the Listing Agreement within six months from the effective date. Accordingly the Company entered into Listing Agreement with Bombay Stock Exchange Ltd during January, 2016.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant/material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operations in future.

MATERIAL CHANGES

No material Changes have taken place since the closure of the financial accounts up to the date of the report, which may substantially affect the financial performance, or the statement of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to thank all the employees of the Company for their dedicated service during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from Shareholders, Investors, Dealers, Suppliers, Customers, Corporation, Government authorities, Bankers and other stakeholders.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

Date: 11th August, 2016
Place: Ahmedabad

Mr. Vinodrai H. Kansagara
(Managing Director)
DIN: 00015696

Mr. Rashmikanth V. Bhalodia
(Director)
DIN: 00020098

ANNEXURE- 1

Particulars of Conservation of energy, technology absorption and foreign exchange earnings and outgo, as per Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended 31st March, 2016.

A. CONSERVATION OF ENERGY :-

(i) the steps taken or impact on conservation of energy :-

In line with the Company's commitment towards conversion of energy, Company continue with their efforts aimed at improving energy efficiency practices by:-

- More usage of electricity purchased from PGVCL.
- Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by.
- Intensified vigil on wastage/leakage control.

(ii) the steps taken by the company for utilizing alternate sources of energy:- Not Applicable

(iii) the capital investment on energy conservation equipments:- Not Applicable

B. TECHNOLOGY ABSORPTION :-

(i) the efforts made towards technology absorption:-

- The technology is indigenous and Company has fully absorbed.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:-

- Not Applicable

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :-

Sr. No.	Details of technology Imported	Year of Import	Whether fully absorbed
1	GRINDING MACHINES - OROD, IRT, IRL, ORT, IRTSF, ORTSF, IRB(ROUGH), ORT(ROUGH), IRLSF - Used for bearing raceway grinding and super finish operation.	2015-16	Yes
2	POST PROCESS GAUGE - Used for bore checking after bore grinding online.	2015-16	Yes
3	AUTO LOADER, AUTO LINING MACHINE, CONNECTION LINE - Used as a part of conveyor for movement of materials.	2015-16	Yes
4	NOISE-VIBRATION TESTER - Used for testing of bearing noise and vibration.	2015-16	Yes

(iv) the expenditure incurred on Research and Development :-

- Specific expenditure of recurring or capital nature is not involved.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :-

Sr. No.	Particulars	2015-16 (RS. In Lacs)	2014-15 (RS. In Lacs)
1.	Foreign Exchange Earned	2011.25	2840.26
2.	Outgo of Foreign Exchange (Traveling Exp. And foreign Bank Charges)	34.42	14.52

ANNEXURE- 2**Annexure to the Directors' Report****Information as required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the F. Y. 2015-16.

Sr No.	Director's Name	Designation	Ratio to median remuneration
1	Mr. Vinodrai H. Kansagara	Managing Director	2.23
2	Mr. Bharatkumar K. Ghodasara	Jt. Managing Director	3.79
3	Mr. Navinchandra M. Patel	Director	Nil
4	Mr. Rashmikant V. Bhalodia	Director	Nil
5	Mrs. Jyotsnaben S. Vachhani	Director	Nil
6	Mr. Jitendra V. Shah	Director	Nil
7	Mr. Pradip C. Khatani	Director	Nil
8	Mr. Shetal D. Gor	Director	Nil
9	Mr. Tuhina R. Bera	Director	Nil

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary.

Sr No.	Director's Name	Designation	% increase in Remuneration
1	Mr. Vinodrai H. Kansagara	Managing Director	Nil
2	Mr. Bharatkumar K. Ghodasara	Jt. Managing Director	7.00
3	Mr. Navinchandra M. Patel	Director	Nil
4	Mr. Rashmikant V. Bhalodia	Director	Nil
5	Mrs. Jyotsnaben S. Vachhani	Director	Nil
6	Mr. Jitendra V. Shah	Director	Nil
7	Mr. Pradip C. Khatani	Director	Nil
8	Mr. Shetal D. Gor	Director	Nil
9	Mr. Tuhina R. Bera	Director	Nil
10	Mr. Dixit S. Patel	Chief Financial Officer	13.04
11	Mr. Nayan S. Patel	Company Secretary	Nil

- iii. The MRE excluding Key Managerial Personnel of the Company during the financial year 2015-16 increased by 7.03 % as compared to previous financial year. For computation of MRE, the details of employees serving the company below the period of twelve months has not been included.
- iv. There were 35 permanent employees on the rolls of the Company as on 31st March, 2016.
- v. The average remuneration increased by 6.10% for the said financial years. For computation of increase in remuneration, the details of employees serving the company below the period of twelve months has not been included. Average increase in the remuneration of employees is based on individual performance and criteria set out by the management.
- vi. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration policy of the Company.

ANNEXURE- 3
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
GALAXY BEARINGS LIMITED

T - 18, Vikram Chambers,
 Ashram Road, Ahmedabad - 380 009.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Galaxy Bearings Limited** having CIN: **L29120GJ1990PLC014385** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 Complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the company during the audit period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the company during the audit period)**;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2009 **(Not Applicable to the company during the audit period)**;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the company during the audit period)**;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the company during the audit period)**; and
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the company during the audit period)**;
- (vi) Other laws as applicable specifically to the Company broadly covering Product Laws, Pollution Laws, Manufacturing Laws, Safety Laws and other General and Commercial Laws including Industrial Laws & Labour Laws and :
 - (a) The Payment of Wages Act, 1936;

- (b) The Minimum Wages Act, 1948;
- (c) The Employee Provident Fund and Miscellaneous Provisions Act, 1952;
- (d) The Payment of Bonus Act, 1965;
- (e) The Payment of Gratuity Act, 1972;
- (f) The Contract Labour (Regulation and Abolition) Act, 1970;
- (g) The air (prevention and control of pollution) act, 1981

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India. **(effective from 1st July, 2015)**
- (b) The Listing Agreements entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, except when Board meetings were called by giving less than seven days notice in accordance with the provisions of Section 173 of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that, during the audit period the company has passed following special resolution under section 180 of the Companies Act, 2013:

- (a) Special Resolution for power to borrow money under section 180(1)(c) of the Act not exceeding Rs. 100 Crores.
- (b) Special Resolution for creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings power to borrow money under section 180(1)(a) of the Act not exceeding Rs. 100 Crores.

**For, R. S. Sharma & Associates
Company Secretaries**

Place: Ahmedabad
Date: 28th May, 2016

**(R. S. Sharma)
M. No. 3126; CP No. 2118**

This report is to be read with '**Annexure - I**' forms an integral part of this report.

'Annexure - I'

To,
The Members,
GALAXY BEARINGS LIMITED
T - 18, Vikram Chambers,
Ashram Road, Ahmedabad - 380 009

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, R. S. Sharma & Associates
Company Secretaries

Place: Ahmedabad
Date: 28th May, 2016

(R. S. Sharma)
M. No. 3126; CP No. 2118

ANNEXURE- 4
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L29120GJ1990PLC14385
ii.	Registration Date	19 th September, 1990
iii.	Name of the Company	Galaxy Bearings Limited
iv.	Category/Sub - Category of the Company	Public Company/ Limited by Shares
v.	Address of the Registered Office and Contact Details	T - 18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009. Phone : (079) 27546020 Fax : (079) 27546535 Email : share@galaxybearings.com
vi.	Whether Listed Company	Yes
vii.	Name and Address of Registrar & Transfer Agents	Link Intime India Private Limited 303, Shoppers Plaza - V, 3 rd Floor, Opp. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380 009. Phone : 079 - 26465179 Email : ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
I.	Ball & Roller Bearing	2814	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
I.	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER AND PROMOTER GROUP									
(1) Indian									
a) Individual/ HUF	76440	729240	805680	25.34	33000	597040	630040	19.81	(5.52)
b) Central Govt.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	76440	729240	805680	25.34	33000	597040	630040	19.81	(5.52)
(2) FOREIGN									
a) NRIs-Individual	-	-	-	-	392250	50000	442250	13.91	13.91
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	0.00	0.00	0.00	0.00	392250	50000	442250	13.91	13.91
Total shareholding of Promoter And Promoter Group (A) = (A)(1) + (A)(2)	76440	729240	805680	25.34	425250	647040	1072290	33.72	8.38
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	0.00	109800	109800	3.45	0.00	109800	109800	3.45	0.00
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual holding nominal share capital upto Rs. 1 lac	1900	1704810	1706710	53.67	75810	1575300	1651110	51.93	(1.74)
ii. Individual holding nominal share capital in excess of Rs 1 lac	0.00	549310	549310	17.27	76500	262300	338800	10.65	(6.62)
c) Others									
i. H.U.F.	-	8500	8500	0.27	-	8000	8000	0.25	(0.02)
Sub-total (B)(2):-	1900	2372420	2374320	74.66	152310	1955400	2107710	66.28	(8.38)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1900	2372420	2374320	74.66	152310	1955400	2107710	66.28	(8.38)
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	78340	3101660	3180000	100.00	577560	2602440	3180000	100.00	0.00

B. Shareholding of Promoters and Promoters Group :-

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vinodrai H. Kansagara	105210	3.31	0.00	133510	4.20	0.00	0.89
2	Indiraben V. Kansagara	76440	2.40	0.00	76440	2.40	0.00	0.00
3	Sonal S. Patel	60000	1.89	0.00	80000	2.52	0.00	0.63
4	Shetal D. Gor	58100	1.83	0.00	64400	2.03	0.00	0.20
5	Tuhina R. Bera	57900	1.82	0.00	57900	1.82	0.00	0.00
6	Rimal Babubhai Bera	20000	0.63	0.00	20000	0.63	0.00	0.00
7	Sanatkumar D. Patel	20000	0.63	0.00	0.00	0.00	0.00	-0.63
8	Navinchandra M. Patel	40010	1.26	0.00	47610	1.50	0.00	0.24
9	Rashmibhai V. Patel	40010	1.26	0.00	60820	1.91	0.00	0.65
10	Rajesh G. Patel	40010	1.26	0.00	45210	1.42	0.00	0.16
11	Dudhiben G. Patel	0.00	0.00	0.00	70500	2.22	0.00	2.22
12	Govindlal J. Patel	0.00	0.00	0.00	30500	0.96	0.00	0.96
13	Hemkunverben Patel	0.00	0.00	0.00	5500	0.17	0.00	0.17
14	Valjibhai Patel	0.00	0.00	0.00	500	0.02	0.00	0.02
15	Mohanlal J. Patel	0.00	0.00	0.00	26000	0.82	0.00	0.82
16	Savitaben M. Patel	0.00	0.00	0.00	30500	0.96	0.00	0.96
17	Gautam N. Bhalodia	12000	0.38	0.00	32000	1.01	0.00	0.63
18	Kiran Valjibhai Patel	15000	0.47	0.00	35200	1.11	0.00	0.64
19	Nathabhai B. Delvadia	7500	0.24	0.00	11700	0.37	0.00	0.13
20	Atul Nathabhai Patel	18000	0.57	0.00	20100	0.63	0.00	0.07
21	Vanita Nathalal Patel	7500	0.24	0.00	12800	0.40	0.00	0.17
22	Bharatkumar K. Ghodasara	10000	0.31	0.00	15600	0.49	0.00	0.18
23	Janakkumar R. Bhalodia	2000	0.06	0.00	2000	0.06	0.00	0.00
24	Jaykumar R. Bhalodia	30000	0.94	0.00	30000	0.94	0.00	0.00
25	Ajitbhai Kiran Patel	30000	0.94	0.00	30000	0.94	0.00	0.00
26	Ankur Ramesh Kantesaria	5000	0.16	0.00	5000	0.16	0.00	0.00
27	Ashaben R. Patel	12000	0.38	0.00	12000	0.38	0.00	0.00
28	Dharmistaben R. Kantesaria	3000	0.09	0.00	3000	0.09	0.00	0.00
29	Dilip Keshavji Patel	7500	0.24	0.00	7500	0.24	0.00	0.00
30	Dinesh K. Ghodesara	5000	0.16	0.00	5000	0.16	0.00	0.00
31	Mukesh K. Patel	7500	0.24	0.00	7500	0.24	0.00	0.00
32	Jaiprakash J. Patel	6000	0.19	0.00	6000	0.19	0.00	0.00
33	Mona A. Patel	14000	0.44	0.00	14000	0.44	0.00	0.00
34	Rajnikant M. Bhalodia	20000	0.63	0.00	20000	0.63	0.00	0.00
35	Ramesh J. Kantesaria	7000	0.22	0.00	7000	0.22	0.00	0.00
36	Pushpaben R. Bhalodia	25000	0.79	0.00	25000	0.79	0.00	0.00
37	Rajeshkumar Patel HUF	0	0.00	0.00	500	0.02	0.00	0.02
38	Shobhna J. Patel	6000	0.19	0.00	6000	0.19	0.00	0.00
39	Suneeta Navin Patel	5000	0.16	0.00	5000	0.16	0.00	0.00
40	Kirtikank Hirji Kansagara	27000	0.85	0.00	0.00	0.00	0.00	-0.85
41	Chandrakant H. Kansagara	0.00	0.00	0.00	10000	0.31	0.00	0.31
Total		805680	25.34	0.00	1072290	33.72	0.00	8.38

C. Change in Promoters and Promoters Group's Shareholding (please specify, if there is no change) :-

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vinodrai H. Kansagara				
	At the beginning of the year	105210	3.31	105210	3.31
	Interse transfer	27900	0.88	133110	4.19
	Purchase on 31 st July, 2016	400	0.01	133510	4.20
	At the end of the year			133510	4.20
2	Indiraben V. Kansagara	There is no change in holding during the year			
3	Sonal S. Patel				
	At the beginning of the year	60000	1.89	60000	1.89
	Interse transfer	20000	0.85	80000	2.52
	At the end of the year			80000	2.52
4	Shetal D. Gor				
	At the beginning of the year	58100	1.83	58100	1.83
	Purchase on 09 th January, 2016	6300	0.20	64400	2.03
	At the end of the year			64400	2.03
5	Tuhina R. Bera	There is no change in holding during the year			
6	Rimal Babubhai Bera	There is no change in holding during the year			
7	Sanatkumar D. Patel				
	At the beginning of the year	20000	0.63	20000	0.63
	Interse transfer	(20000)	(0.63)	0.00	0.00
	At the end of the year			0.00	0.00
8	Navinchandra M. Patel				
	At the beginning of the year	40010	1.26	40010	1.26
	Purchase on 31 st August, 2016	5000	0.16	45010	1.42
	Reclassification from public category	2600	0.08	47610	1.50
	At the end of the year			47610	1.50
9	Rashmibhai V. Patel				
	At the beginning of the year	40010	1.26	40010	1.26
	Reclassification from public category	20810	0.65	60820	1.91
	At the end of the year			60820	1.91
10	Rajesh G. Patel				
	At the beginning of the year	40010	1.26	40010	1.26
	Reclassification from public category	5200	0.16	45210	1.42
	At the end of the year			45210	1.42
11	Dudhiben G. Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	70500	2.22	70500	2.22
	At the end of the year			70500	2.22
12	Govindlal J. Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	30500	0.96	30500	0.96
	At the end of the year			30500	0.96
13	Hemkuvarben V. Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	5500	0.17	5500	0.17
	At the end of the year			5500	0.17
14	Valjibhai Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	500	0.02	500	0.02
	At the end of the year			500	0.02

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
15	Mohanlal Jagjivanbhai Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	26000	0.82	26000	0.82
	At the end of the year			26000	0.82
16	Savitaben Mohanlal Patel				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	30500	0.96	30500	0.96
	At the end of the year			30500	0.96
17	Gautam N. Bhalodia				
	At the beginning of the year	20000	0.63	20000	0.63
	Reclassification from public category	12000	0.38	32000	1.01
	At the end of the year			32000	1.01
18	Kiran V. Patel				
	At the beginning of the year	15000	0.47	15000	0.47
	Reclassification from public category	20200	0.64	20200	0.64
	At the end of the year			35200	1.11
19	Nathabhai B. Delvadia				
	At the beginning of the year	7500	0.24	7500	0.24
	Reclassification from public category	4200	0.13	4200	0.13
	At the end of the year			11700	0.37
20	Atul Nathabhai Patel				
	At the beginning of the year	18000	0.57	18000	0.57
	Reclassification from public category	2100	0.07	20100	0.63
	At the end of the year			20100	0.63
21	Vanita Nathalal Patel				
	At the beginning of the year	7500	0.24	7500	0.24
	Reclassification from public category	5300	0.16	12800	0.40
	At the end of the year			12800	0.40
22	Bharatkumar K. Ghodasara				
	At the beginning of the year	10000	0.31	10000	0.31
	Reclassification from public category	5600	0.18	5600	0.18
	At the end of the year			15600	0.49
23	Janakkumar Rasmibhai Bhalodia		There is no change in holding during the year		
24	Jaykumar Rajeshbhai Bhalodia		There is no change in holding during the year		
25	Ajitbhai K. Patel		There is no change in holding during the year		
26	Ankur R. Kantesaria		There is no change in holding during the year		
27	Ashaben R. Patel		There is no change in holding during the year		
28	Dharmistaben R. Kantesaria		There is no change in holding during the year		
29	Dilip K. Patel		There is no change in holding during the year		
30	Dinesh K. Ghodesara		There is no change in holding during the year		
31	Mukesh K. Patel		There is no change in holding during the year		
32	Jaiprakash J. Patel		There is no change in holding during the year		
33	Mona A. Patel		There is no change in holding during the year		
34	Rajnikant M. Bhalodia		There is no change in holding during the year		
35	Ramesh J. Kantesaria		There is no change in holding during the year		
36	Pushpaben R. Bhalodia		There is no change in holding during the year		
37	Rajeshkumar Patel HUF				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	500	0.02	500	0.02
	At the end of the year			500	0.02

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
38	Shobhna Jaiprakash Patel	There is no change in holding during the year			
39	Suneeta Navin Patel	There is no change in holding during the year			
40	Kirtikank Hirji Kansagara				
	At the beginning of the year	27000	0.85	27000	0.85
	Interse transfer	(27000)	(0.85)	0.00	0.00
	At the end of the year			0.00	0.00
41	Chandrakant H. Kansagara				
	At the beginning of the year	0.00	0.00	0.00	0.00
	Reclassification from public category	10000	0.31	10000	0.31
	At the end of the year			10000	0.31

D. Shareholding Pattern of top ten Shareholders:-

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Rohit L. Bhuvra				
	At the beginning of the year	99800	3.14	99800	3.14
	At the end of the year			99800	3.14
2	Forge & Forge Ltd.				
	At the beginning of the year	82500	2.59	82500	2.59
	At the end of the year			82500	2.59
3	Damodarbhaj Jadavbhai Patel				
	At the beginning of the year	57800	1.82	57800	1.82
	At the end of the year			57800	1.82
4	Nimit Girdharlal Ukani				
	At the beginning of the year	25000	0.79	25000	0.79
	At the end of the year			25000	0.79
5	Babulal Gordhandas Govani				
	At the beginning of the year	19400	0.61	19400	0.61
	At the end of the year			19400	0.61
6	Shakuntlaben Ishwarlal Jagani				
	At the beginning of the year	18700	0.59	18700	0.59
	At the end of the year			18700	0.59
7	Jivanlal Jadavbhai Jagani				
	At the beginning of the year	18500	0.58	18500	0.58
	At the end of the year			18500	0.58
8	Avni Dealings Pvt. Ltd.				
	At the beginning of the year	15000	0.47	15000	0.47
	At the end of the year			15000	0.47
9	Nilesh Damodar Jagani				
	At the beginning of the year	14800	0.47	14800	0.47
	At the end of the year			14800	0.47
10	Pratik Rajendra Gandhi				
	At the beginning of the year	14500	0.46	14500	0.46
	At the end of the year			14500	0.46

E. Shareholding of Directors and Key Managerial Personnel:-

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	Vinodrai H. Kansagara (M.D.)				
	At the beginning of the year	105210	3.31	105210	3.31
	Interse transfer	27900	0.88	133110	4.19
	Purchase on 31 st July, 2016	400	0.01	133510	4.20
	At the end of the year			133510	4.20
2	Bharatkumar K. Ghodasara(Jt, M.D.				
	At the beginning of the year	10000	0.31	10000	0.31
	Reclassification from public category	5600	0.18	5600	0.18
	At the end of the year			15600	0.49
3	Navinchandra M. Patel				
	At the beginning of the year	40010	1.26	40010	1.26
	Purchase on 31 st August, 2016	5000	0.16	45010	1.42
	Reclassification from public category	2600	0.08	47610	1.50
	At the end of the year			47610	1.50
4	Rashmibhai V. Patel				
	At the beginning of the year	40010	1.26	40010	1.26
	Reclassification from public category	20810	0.65	60820	1.91
	At the end of the year			60820	1.91
5	Shetal D. Gor				
	At the beginning of the year	58100	1.83	58100	1.83
	Purchase on 09 th January, 2016	6300	0.20	64400	2.03
	At the end of the year			64400	2.03
6	Tuhina R. Bera				
	At the beginning of the year	57900	1.82	57900	1.82
	At the end of the year			57900	1.82
7	Jyotsnaben S. Vachhani (ID)				
	At the beginning of the year	12700	0.40	12700	0.40
	At the end of the year			12700	0.40
8	Jitendra V. Shah (ID)				
	At the beginning of the year	300	0.01	300	0.01
	At the end of the year			300	0.01
9	Pradip C. Khatani (ID)				
	At the beginning of the year	300	0.01	300	0.01
	At the end of the year			300	0.01
10	Dixit S. Patel (CFO - KMP)	0.00	0.00	0.00	0.00
11	Nayan S. Patel (CS - KMP)	0.00	0.00	0.00	0.00

V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	10,83,74,336	2,68,00,000	Nil	13,51,74,336
(ii) Interest due but not paid	Nil	88,505	Nil	88,505
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii + iii)	10,83,74,336	2,68,88,505	Nil	13,52,62,841

Change in Indebtedness during the financial year				
Addition	4,65,39,767	Nil	Nil	4,65,39,767
Reduction	(97,12,942)	(88,505)	Nil	(98,01,447)
Net Change	3,68,26,825	(88,505)	Nil	3,67,38,320
Indebtedness at the end of the financial year				
(i) Principal Amount	1,45,201,161	2,68,00,000	Nil	17,20,01,161
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	1,45,201,161	2,68,00,000	Nil	17,20,01,161

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Vinodrai H. Kansagara (Managing Director)	Mr. Bharatkumar K. Ghodasara (Jt. Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,55,000	6,23,791	11,46,980
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others	Nil	Nil	Nil
5	Others - Employer contribution to provident and other funds	50,400	68,189	1,18,589
	Total (A)	5,05,400	6,91,980	11,97,380
	Ceiling as per the Act	Remuneration paid is within the ceiling limits as prescribed under the Companies Act, 2013 and the rules framed there under.		

B. Remuneration to other directors:-

There is no remuneration being paid to any other directors during the F. Y. 2015-16.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Nayan S. Patel (CS)	Dixit S. Patel (CFO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	1,88,077	3,50,000	5,38,077
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.

3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	- others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others - Employer contribution to provident and other funds	N.A.	22,869	39,240	62,109
	Total	N.A.	2,10,946	3,89,240	6,00,186

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

- There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

ANNEXURE- 5

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 to pay equitable remuneration to the Directors, KMPs, SMPs and other employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

DEFINITIONS & INTERPRETATIONS:

"Board of Directors" or **"the Board"** means the Board of Directors of *Galaxy Bearings Limited*, as constituted from time to time.

"The Company" wherever occur in the policy shall mean *Galaxy Bearings Limited*.

"Director" means Director of the Company.

"Key Managerial Personnel" in relation to a Company means

- i. the Chief Executive Officer, or the Managing Director or the Manager ;
- ii. the Company Secretary;
- iii. the Whole -time director;
- iv. Chief Financial Officer; and
- v. such other officer as may be prescribed under the Companies Act, 2013

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013 and rules framed thereunder.

"Senior Management Personnel" means personnel of the company who are members of its core management team excluding the Board of Directors but including Functional Heads

"The Committee" means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and/or regulations.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee of the Board. The Board has authority to reconstitute the committee from time to time.

ROLE OF THE COMMITTEE

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Make recommendations regarding the composition of the Board, identify independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Devise a policy on Board Diversity.
- Provide guidance and direction in developing and implementing the reward philosophy of the Company.

- Evaluate and approve the appointment and remuneration of senior executives, including the key managerial personnel, the Company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the Company, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.
- Review progress on the Company leadership development programmes, including for promotion to the Board, employee engagement initiatives and employee surveys.
- Review and recommend to the Board the remuneration and commission to the managing and executive Directors and define the principles, guidelines and process for determining the payment of commission to non-executive Directors of the Company.

REMUNERATION FOR MANAGING DIRECTOR ('MD')/ EXECUTIVE DIRECTORS ('ED')/ KEY MANAGERIAL PERSONNEL ('KMP')

- The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders, if required.
- The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components: Basic Pay, Perquisites and Allowances, Stock Options, Commission (Applicable in case of Executive Directors), Retire benefits, Annual Performance Bonus.
- The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

REMUNERATION FOR INDEPENDENT DIRECTORS AND NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

- Independent Directors and non-independent non-executive Directors may be paid sitting fees for attending the Meetings of the Board and of Committees of which they may be members, as recommended by the Nomination and Remuneration Committee and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company; taking into consideration the challenges faced by the Company and its future growth imperatives. Remuneration paid should be reflective of the size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the Nomination and Remuneration Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.

TO OTHER EMPLOYEES

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The Company provides retirement benefits as applicable.
- The Company may provide performance linked bonus to the rest of the employees. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

APPOINTMENT CRITERIA

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

REMOVAL CRITERIA

- Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT CRITERIA

- The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY REVIEW

- The Board of Directors on its own and /or as per recommendations of Nomination and Remuneration Committee can amend this policy, as when deemed fit.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMIC OUTLOOK

The World Bank has retained its India growth forecast for 2016-17 saying it will continue to grow, but the catch is the acceleration year-on-year will be gradual. "The latest India Development Update expects India's economic growth to be at 7.5% in 2015-16, followed by a further acceleration to 7.8% in 2016-17 and 7.9% in 2017-18," the multilateral lending agency said in their report released. "However, acceleration in growth is conditional on the growth rate of investment picking up to 8.8% during FY 2016-17 to FY 2017-18".

OVERVIEW/ INDUSTRY STRUCTURE

During the last few years, there has been a general slow down in the industrial activity, leading to a slow down in the automotive segment as well. Bearing is the backbone of the automotive and other sectors and largely used by the OEM and replacement markets. The slowdown in industrial growth and in particular the manufacturing sector, is largely attributed to sluggish growth of investment, lower margin, slowdown in growth of credit flows and a fragile global economy.

Rapid industrialization and economic growth is expected to result in increasing demand for personal transportation and also increase of demand for other automotive and engineering products. The market advancements in automotive segments will lead to demand for higher technology components. Revival of manufacturing, mining and other key infrastructure segments, expansion of public transport systems, establishment of efficient supply chains between point production and consumption and farm mechanization will drive the demand for commercial vehicles, tractors etc.

PROSPECTS

The Indian economy is expected to grow over medium to long term horizon on the back of a strong demographic dividend, high savings rate, a large and emerging middle class and growing internal consumption. The demand for bearings depends on the automotive and other engineering products. With rapid industrialization, Indian bearing industry will doubled over the five years and registered annual gains well above both the regional and global averages. The prospects of the bearing industry are directly linked to the performance of two key sectors, viz automotive and infrastructure facilities - roads, ports and airports. The demand for bearings and other products will also increase. The prospects of the Indian bearing industry are bright.

OPPORTUNITIES AND THREATS

Opportunities:

The Company has a fair name in the Indian bearing industry and has strategic plans for marketing keeping in view the industry demand in domestic and international market. The Commercial Vehicles, Two Wheelers and Three Wheelers Vehicles and the Tractor Industry segments are operating well below full utilization levels. With the Government clearing many infrastructure and mining projects, it is likely that the economy will pick up in the latter part of the year. The "Make in India" movement, approval of GST, simplifying tax regime and making business easier in India is sending positive signals to the investors and if it results in GDP growth as expected by the Government, industry will be the direct benefactor.

- > Though the after - market is currently sluggish, opportunities lie to sell bearings and other automotive components in the rural areas where branded products are still not available. Large efforts are needed and being put in by the Company to develop Distributor and Dealer network to penetrate rural India to achieve sustained growth.
- > The Company is keen to enter new markets to spread its base of customers as the domestic user industry is not showing any sign of pick up in demand. In order to do this, the Company has embarked on various projects to increase exports. However, the nature of our industry is such that the gestation period for an enquiry to mature to order/supply stage is rather long as it requires time consuming approval procedures a must for all OEM customers.

Threats:

- > Large scale imports of low priced components and bearings from abroad, especially China are not only hurting the industry but also hampering the "Make in India" ideology. Manufacturers are reluctant to put new investments in their plants as the market share is being lost to imported products.

- The negative predictions issued by meteorology department for monsoon to be below normal level will not encourage industrial activity and capacity utilisation of the auto industry and its ancillaries will continue to be lower than optimum.
- As the Demand falls, the cash flow of companies are getting affected and may result in delay of payments to vendors and repayment of loan instalments to the banks.

SEGMENT-WISE PERFORMANCE

The Company has only one segment of activity namely 'Bearings' as defined by AS-17 specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

INTERNAL CONTROL SYSTEMS

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

FINANCIAL PERFORMANCE

Net Worth:

The total net worth of the Company as on 31st March, 2015 was Rs. 1720.25 Lacs which is Rs. 1879.84 Lacs as on 31st March, 2016 indicating increase of 9.28 % in the net worth.

Earnings per Share:

Basic and Diluted EPS after extraordinary items of the Company as on 31st March, 2015 was Rs. 9.02 both of which stands to Rs. 5.02 as on 31st March, 2016.

EBITDA and PBT:

During the year 2015-16 the Company has earnings before interest, depreciation and tax amounting to Rs. 548.48 Lacs. after providing for interest of Rs. 175.34 Lacs and depreciation of Rs. 116.41 Lacs, Profit before tax comes to Rs. 256.73 Lacs which was Rs. 432.20 Lacs during the year 2014-15.

HUMAN RESOURCES

Employees are our vital and most valuable assets. Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The relations between the employees and the Management have remained cordial.

CAUTIONARY STATEMENT

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, exceptions or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and exceptions of future events. Actual results could however differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT

To,
The Members of
GALAXY BEARINGS LIMITED
Ahmedabad

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GALAXY BEARINGS LIMITED ("the Company")**, which comprise the Balance Sheet as at **31st March, 2016**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- ii. In the case of the Profit and Loss Account, of the profit for the period ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

5. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure - A" on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate Report in "Annexure - B"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 24).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.

**For, J. T. Shah & Co.
Chartered Accountants,
[FRN No. 109616W]**

**Place: Ahmedabad
Date: 28th May' 2016**

**(J. T. Shah)
Partner
[M. No. 3983]**

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 5 (i) of our Report of even date to the Members of **GALAXY BEARINGS LIMITED** for the year ended **31st March, 2016**.

1. In respect of Fixed Assets :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- (b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
- (c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.

2. In respect of its Inventories :

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.

3. In respect of Loans and Advances granted during the year:

As regards the loans, the company has not granted any loans, secured or unsecured during the year under audit, to the companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013 and therefore, the clauses (iii) (a) to (c) of the companies (Auditor's Report) Order, 2016 are not applicable.

4. Loans, Investments and guarantees:

According to the information and explanation given to us, the company had neither given any loan, guarantee or security, nor made any investments during the year. Hence the provisions of section 185 and 186 are not applicable. Therefore clauses (iv) of companies (Auditor's Report) Order, 2016 is not applicable.

5. During the year, the company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. Therefore clauses (v) of companies (Auditor's Report) Order, 2016 is not applicable.**6. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records as per the provisions of Companies (Cost Records and Audit) Rules, 2014, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.****7. In respect of Statutory Dues :**

- (a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities applicable to it except there is few delay in payment of Tax deducted at Source. According to the information and explanations given to us, there is no such arrears in respect statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, there are no dues of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of dispute.
8. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a Financial Institutions, Banks or debenture holders.
9. According to the information and explanations given to us, the company had not raised any money by way of public issue during the year. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, in our opinion, the term loans taken during the year were applied for the purpose for which they were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by it's officer or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the company had paid managerial remuneration which is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of The Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the company. Hence, clause (xii) of the Company's (Auditor's Report) Order, 2016 is not applicable.
13. In our opinion and according to the information and explanations given to us, there is no such transactions were entered by the company as covered under the provisions of section 177 and 188 of The Companies Act, 2013 with related parties during the year and hence, clause (xiii) of the Company's (Auditor's Report) Order, 2016 is not applicable.
14. In our opinion and according to the information and explanation given to us, no preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, clause (xiv) of the Company's (Auditor's Report) Order, 2016 is not applicable.
15. The company had not entered in to any non-cash transactions with the directors or persons connected with him during the year, and hence clause (xv) of Company's (Auditor's Report) Order, 2016 is not applicable.
16. In our opinion and according to the information and explanation given to us the company is not registered under section 45-IA of Reserve Bank of India Act, 1934, hence clause (xvi) of Company's (Auditor's Report) Order, 2016 is not applicable.

For, J. T. Shah & Co.
Chartered Accountants,
[FRN No. 109616W]

Place: Ahmedabad
Date: 28th May' 2016

(J. T. Shah)
Partner
[M. No. 3983]

ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 5(ii)(f) of our Report of even date to the Members of **GALAXY BEARING LIMITED** for the year ended **31st March, 2016**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **GALAXY BEARING LIMITED** as of **31st March 2016**, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, J. T. Shah & Co.
Chartered Accountants,
[FRN No. 109616W]**

**Place: Ahmedabad
Date: 28th May' 2016**

**(J. T. Shah)
Partner
[M. No. 3983]**

BALANCE SHEET AS ON 31.03.2016

Particulars	Note No.	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>[1] Shareholders' Funds :</u>			
[a] Share Capital	1	3 18 00 000	3 18 00 000
[b] Reserves & Surplus	2	15 61 84 631	14 02 25 433
		18 79 84 631	17 20 25 433
<u>[2] Non-Current Liabilities :</u>			
[a] Long Term Borrowings	3	4 44 26 793	3 00 30 458
[b] Deferred Tax Liabilities (Net)	4	23 47 021	5 39 867
		4 67 73 814	3 05 70 325
<u>[3] Current Liabilities</u>			
[a] Short-Term Borrowings	5	11 76 64 079	9 58 32 387
[b] Trade Payables			
(i) Total Outstanding dues to micro enterprises and small enterprises	6	-	-
(ii) Total Outstanding dues to other than micro enterprises and small enterprises	6	3 88 87 348	7 16 56 450
[c] Other Current Liabilities	7	2 64 62 918	2 42 09 869
[d] Short Term Provisions	8	1 64 323	36 39 385
		18 31 78 668	19 53 38 091
Total		41 79 37 113	39 79 33 849
<u>ASSETS :</u>			
<u>[1] Non-Current Assets</u>			
<u>[a] Fixed Assets :</u>			
[i] Tangible Assets	9	9 04 43 290	4 72 04 108
[ii] Intangible Assets	9	2 79 650	3 86 511
[iii] Capital Work In Progress		-	2 47 987
		9 07 22 940	4 78 38 605
[b] Long Term Loans and Advances	10	31 48 312	96 95 408
[c] Other Non-Current assets	11	1 86 257	-
		9 40 57 509	5 75 34 014
<u>[2] Current Assets</u>			
[a] Short Term Loans and Advances	10	2 01 81 962	2 82 72 242
[b] Inventories	12	15 37 71 238	16 94 26 616
[c] Trade Receivables	13	12 87 61 748	14 11 91 670
[d] Cash & Bank Balances	14	2 11 64 656	15 09 307
		32 38 79 604	34 03 99 835
Total		41 79 37 113	39 79 33 849
Significant Accounting Policies & Notes on Financial Statements	1 to 37		
As per our report of even date attached herewith			
For, J.T. Shah & Company		For, Galaxy Bearings Ltd	
Chartered Accountants			
[FRN No. 109616W]			
[J. T. Shah]		(B. K. Ghodasara)	(R V Bhalodia)
Partner		Jt. Mg. Director	Director
[M.No.3983]		(DIN-00032054)	(DIN 00020098)
Place : Ahmedabad		(Dixit S Patel)	(Nayan S Patel)
Date: 28 th May' 2016		Chief Financial Officer	Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

SCHEDULE	Note No.	Current Year 31/03/2016	Previous Year 31/03/2015
INCOME			
Revenue from Operations	15	38 86 95 824	45 74 88 429
Less : Excise Duty		2 17 55 086	2 44 96 656
		36 69 40 738	43 29 91 773
Other Income	16	71 56 996	59 17 054
Total Revenue		37 40 97 734	43 89 08 827
EXPENDITURE			
Cost of materials consumed	17	16 75 03 658	20 37 35 094
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	18	1 13 33 110	(1 27 65 274)
Employee Benefits Expense	19	2 33 88 745	2 72 56 957
Finance Cost	20	1 75 33 867	1 92 39 741
Depreciation and Amortisation expense	21	1 16 40 788	1 19 60 414
Other Expenses	22	11 70 24 705	14 62 61 469
Total Expenses		34 84 24 873	39 56 88 401
Profit before Tax		2 56 72 861	4 32 20 426
Less : Tax Expense:			
- Current Tax		80 00 000	1 61 00 000
- Short / (Excess) Provision of Income Tax of earlier years		(93 491)	3 44 667
- Deferred Tax Liability / (Assets)	23	18 07 154	(19 12 496)
Profit for the year		1 59 59 198	2 86 88 255
Basic & Diluted earnings per share of Rs. 10 each	28	5.02	9.02
Significant Accounting Policies & Notes on Financial Statement	1 to 37		
As per our report of even date attached herewith		For, Galaxy Bearings Ltd	
For, J.T. Shah & Company			
Chartered Accountants			
[FRN No. 109616W]		(B. K. Ghodasara)	(R V Bhalodia)
[J. T. Shah]		Jt. Mg. Director	Director
Partner		(DIN-00032054)	(DIN 00020098)
[M.No.3983]			
Place : Ahmedabad		(Dixit S Patel)	(Nayan S Patel)
Date: 28th May' 2016		Chief Financial Officer	Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2015

PARTICULARS	2015-16		2014-15	
	Rs.	Rs.	Rs.	Rs.
A : Cash from Operating Activities :				
Net Profit before Taxation and Adjustment For :		25,672,861		43,220,426
Depreciation	11,640,788		11,960,414	
(Profit)/Loss on Sale of Fixed Assets	82,135		(64,209)	
Interest on Shortfall of Advance Tax	-		510,001	
Interest Income	(73,436)		(184,525)	
Interest Paid	17,533,867		18,729,741	
		29,183,354		30,951,421
Operating Profit Before Working Capital Changes :		54,856,215		74,171,847
Adjustment For :				
Increase/(decrease) in long-term Provision	-		-	
Increase/(decrease) in short-term Provision	-		-	
Increase/(decrease) in other current liability	1,742,756		811,169	
Increase/(decrease) in Trade Payable	(32,769,102)		(16,712,248)	
Decrease/(increase) in Trade Receivable	12,429,922		7,729,532	
Decrease/(increase) in inventories	15,655,378		2,272,502	
Decrease/(increase) in long term loans and advances	6,399,520		(6,369,718)	
Decrease/(increase) in short term loans and advances	8,090,279		11,240,469	
Decrease/(increase) in other non-current assets	(186,257)		29,337	
		11,362,497		(5,543,961)
Cash generated from operations		66,218,712		68,627,886
Income Tax Paid	11,381,571		(15,896,265)	
Interest Paid	(17,533,867)		(18,601,658)	
		(28,915,438)		(34,497,923)
Net Cash From Operating Activities (A)		37,303,274		34,129,964
B: Cash Flow From Investment Activities :				
Purchase of Fixed Assets	(55,290,758)		(15,379,614)	
Sale of Fixed Assets	683,500		82,300	
Net Cash from Investment Activities (B)		(54,607,258)		(15,297,314)
C: Cash Flow From Financing Activities :				
Interest Received during the year	221,012		311,622	
Repayments of Long Term Borrowings	-		-	
Proceeds From Long Term Borrowings	14,906,628		13,406,412	
Proceeds From Short Term Borrowings	21,831,692		(34,165,255)	
Net Cash from Financing Activities (C)		36,959,332		(20,447,221)
Net Increase in Cash & Cash Equivalents		19,655,349		(1,614,570)
Cash & Cash Equivalents at the Beginning		1,509,307		3,123,877
Cash & Cash Equivalents at the End		21,164,656		1,509,307
As per our report of even date attached.				

Notes :

(1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard - 3 issued by Companies (Accounting Standard) Rules, 2008

FOR, J. T. SHAH & COMPANY
CHARTERED ACCOUNTANTS
[FRN No. 109616W]

FOR, GALAXY BEARINGS LIMITED

(B. K. Ghodasara)
 Jt. Mg. Director
 (DIN-00032054)
 (Dixit S Patel)
 Chief Financial Officer

(R. V. Bhalodia)
 Director
 (DIN 00020098)
 (Nayan S Patel)
 Company Secretary

(J T SHAH)
 PARTNER
 [M. No. 3983]
 Place : Ahmedabad
 Date : 28th May, 2016

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2016 :

a) **Basis of preparation**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) **Use of estimates**

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) **Fixed Assets and Depreciation:**

Fixed Assets:

Fixed Assets is stated at cost of acquisition (net of CENVAT, wherever applicable) as reduced by accumulated depreciation. All costs including financial cost till commencement of commercial production are capitalized for qualifying assets.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

Depreciation:

Depreciation is provided on Straight Line Method except on Plant & Machinery which is on Written Down Value Method on the basis of useful life of assets as specified under Schedule II of the Companies Act, 2013.

When assets are disposed or retired, their accumulated depreciation is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

d) **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs in respect of qualifying assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortization period and the amortization method are reviewed at least at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year of disposal.

Amortization:

Intangible assets are amortized on a straight - line basis over a period of five years.

e) **Inventories:**

Inventories are valued at "Lower of cost or net realizable value". Cost in respect of Raw Materials is computed on FIFO basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale.

Cost in respect of process and finished goods are computed on weighted average basis method. Finished goods and process stock includes cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

f) Revenue Recognition:

- i) Sales of goods are net off trade discounts, return and inclusive of Excise Duty but excluded sales tax and state value added tax. Revenue is recognised when practically all risk and rights connected with ownership have been transferred to the buyer. This usually occurs upon dispatch, after the price has been determined and collection of the sales proceeds is reasonable certain.

Expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses.

- ii) **Interest Income**

Interest Income is recognized on accrual basis.

- iii) **Export Incentives**

Export entitlements under Duty Drawback Scheme are recognized in the Statement of Profit & Loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made.

g) Foreign Currency Transactions / Exchange Fluctuation

- i) Transactions in foreign currencies are recorded in Indian rupees using the rates of exchange prevailing on the date of the transactions. At each balance sheet date, monetary balances are reported in Indian Rupees at the rates of exchange prevailing at the Balance Sheet date. All realized or unrealized exchange adjustment gains or losses are dealt with in the Statement of Profit and Loss.
- ii) Exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the report period and the corresponding foreign currency amount translated at the later of the dates of inception of the forward exchange contract and the last reporting date. Such exchange difference rate recognised in the Statement of profit and loss in the reporting period in which the exchange rates change.
- iii) Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

h) Employee Benefits

- i) The Employee and Company make monthly fixed Contribution to Government of India Employee's Provident Fund equal to a specified percentage of the Covered employee's salary, Provision for the same is made in the year in which services are rendered by the employee.
- ii) The Liability for Gratuity to employees, which is a defined benefit plan. The Company's Scheme is administered by LIC. The liability is determined by based on Projected Unit Credit method. Actuarial gain / loss in respect of the same are charged to the Statement of profit and loss.
- iii) The Company does not allow carry forward of unavailed leave and hence unavailed leaves are encashed in the current year itself.
- iv) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

i) Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is

recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.

j) Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost such assets, whenever applicable. Till the assets are ready for their intended use. A qualifying asset is one which necessary takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue accounts. Capitalization of borrowing cost is suspended when active development is interrupted.

k) Impairment

The management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.

l) Earning per Share

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares outstanding during the year. For the purpose of calculating Diluted Equity per share, the net profit or loss for the period attributable to Equity Shareholders (after adjustment for Diluted earnings) and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity.

m) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources.

Contingent Assets are neither recognized nor disclosed in the financial statements.

n) Excise Duty, VAT & CENVAT:

CENVAT / VAT credit on materials purchased for production / service availed for production / input service are taken into account at the time of purchase and CENVAT / VAT credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired.

The CENVAT credits so taken are utilized for payment of excise duty on goods manufactured. The unutilized CENVAT credit is carried forward in the books. The VAT credits so taken are utilized for payment of sales tax on goods sold. The unutilized VAT credit is carried forward in the books.

o) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

Notes on Financial Statements for the year ended on 31 st March' 2016					
1	Share Capital	As at 31/03/2016 Rs.		As at 31/03/2015 Rs.	
	[a] Authorised : 50,00,000 (Previous Year 50,00,000) Equity Shares at par value of Rs. 10/- each	5 00 00 000		5 00 00 000	
	[b] Issued, Subscribed & Paid-up Capital : 31,80,000 (Previous Year 31,80,000) Equity Shares at par value of Rs. 10/- each fully paid	3 18 00 000		3 18 00 000	
	Total ..	3 18 00 000		3 18 00 000	
1.1	The company has only one class of shares referred to as Equity Shares having face value of Rs. 10/- . Each Holder of Equity Share is entitled to 1 vote per share.				
1.2	In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the company , after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity shares held by the shareholder.				
1.3	There is no Equity Shareholder holding more than 5% shares in the Company.				
1.4	The reconciliation of the number of shares outstanding and the amount of share capital is set out below :				
	Particulars	As at 31.3.2016		As at 31.3.2015	
	Equity Shares	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
	Shares at the beginning	31 80 000	31 80 000	31 80 000	3 18 00 000
	Addition During the year	-	-	-	-
	Deletion During the year	-	-	-	-
	Shares at the end	31 80 000	31 80 000	31 80 000	3 18 00 000
2	Reserves & Surplus	As at 31/03/2016 Rs.		As at 31/03/2015 Rs.	
	General Reserve				
	Balance as per last year Balance Sheet	16 88 987		25 00 000	
	Less : Amount of depreciation in respect of fixed assets whose useful life has expired on adoption to Schedule - II of the Companies Act-2013	-		(12 00 612)	
	Add : Amount of reversal of Deferred Tax Liability in respect of fixed assets whose useful life has expired on adoption of Schedule II to the Companies Act-2013	-		3 89 599	
		16 88 987		16 88 987	
	Surplus in the Statement of Profit and Loss				
	Balance as per last financial Statement	13 85 36 446		10 98 48 191	
	Add : Profit for the year	1 59 59 198		2 86 88 255	
		15 44 95 644		13 85 36 446	
	Total	15 61 84 631		14 02 25 433	

3	Long Term Borrowings	As at 31.03.2016 Rs.		As at 31.03.2015 Rs.	
		Non Current	Current	Non Current	Current
	Secured Term Loan - From Banks	1 76 26 793	99 10 289	31 41 953	93 99 996
	Unsecured Loans & Advances from Directors	68 00 000	-	68 88 505	-
	Loans & Advances from Corporate Bodies	2 00 00 000	-	2 00 00 000	-
	Total ..	4 44 26 793	99 10 289	3 00 30 458	93 99 996
	Less : Amount disclosed under head Other Current Liabilities (Note 7)	-	99 10 289	-	93 99 996
	Total ..	4 44 26 793		3 00 30 458	
3.1	Secured Loan				
	Name of Borrower	Securities Details		Interest Rate	Terms of Repayment
	State Bank of India, Rajkot Term Loan	Primery Security against Hypothecation of Stocks, Receivables & all other current assets & Collateral Security against E.M. of existing factory Land and Plant & Machinery at Plot No. 253/p N.H. 8B, Village Shapar, Dist. Rajkot.		Base rate + 2.90 %	59 Monthly Instalments
	HDFC Bank- Toyota Car Loan	Secured against specific Assets		9.40%	60 Monthly Instalments
3.2	Unsecured Loan from directors carry interest rate at 12.50 % p.a. and loans are repayable in 2020-21.				
3.3	Unsecured Loan from Corporates Bodies carry interest rate at 12 % and loans are repayble in 2020-21.				
4	Net Deffered Tax Liabilities			As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	Deferred Tax Assets arising out of timing difference relating to :				
	Provision for Bonus			2 40 240	2 45 357
	Total Deferred Tax Assets			2 40 240	2 45 357
	Deferred Tax Liability arising out of timing difference relating to :				
	Difference of Depreciation as per Tax Provision and Company Law			25 87 261	7 85 224
	Total Deferred Tax Liability			25 87 261	7 85 224
	Net Deferred Tax Liability			23 47 021	5 39 867
5	Short-Term Borrowings			Current	
				As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
	Working Capital Loans from Banks -Secured			11 76 64 079	9 58 32 387
	Total ..			11 76 64 079	9 58 32 387

5.1	Working Capital	Securities		
	State Bank of India	Primery Security against Hypothecation of Stocks, Receivables & all other current assets & Collateral Security against E.M. of existing factory Land and Plant & Machinery at Plot No. 253/p N.H. 8B, Village Shapar, Dist. Rajkot.		
6	Trade Payables	Current		
		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.	
	Trade Payables	3 88 87 348	7 16 56 450	
	Total ..	3 88 87 348	7 16 56 450	
6.1	The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at year end together with interest paid / payable under this Act have not been given.			
7	Other Current Liabilities	Current		
		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.	
	Current maturity of long term borrowings (Note 3)	99 10 289	93 99 996	
	Other Statutory dues	1 20 40 028	1 23 09 896	
	TDS Payable	1 82 352	3 75 030	
	Bonus Payable	7 26 612	7 56 107	
	Unpaid Expenses	36 03 636	13 68 840	
	Total ..	2 64 62 918	2 42 09 869	
8	Provisions	Short Term		
		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.	
	Provision for Taxation	3 85 10 000	4 14 35 000	
	Less: :Advance Tax & TDS	(3 83 45 677)	(3 77 95 615)	
		1 64 323	36 39 385	
	Total ..	1 64 323	36 39 385	
10	Loans and Advances (Unsecured, Considered Good)	As at 31.03.2016 Rs.		As at 31.03.2015 Rs.
		Non Current	Current	Non Current
	Capital Advance	20 61 240	-	87 50 499
	Security Deposit	10 87 072	-	9 44 909
	Loan & Advance to Related Parties	-	-	-
	Balance with government Authority	-	96 31 191	-
	Gratuity Fund (Net)	-	9 27 833	-
	Prepaid Expenses	-	9 44 619	-
	Other Loans & Advances	-	62 73 086	-
	Advance to Suppliers	-	24 05 233	-
	Total ..	31 48 312	2 01 81 962	96 95 408
				2 82 72 242

Note No - 9 Fixed Asset As at 31.03.2016											
Cost of Valuation	Land	Building	Tubewell	Plant & Machinery	Furniture & Fixture	Vehicle	Electrical Installation	Computer	Total	Intangible Assets	
										Computer Software	Computer Software
01.04.2014	22 11 188	1 42 89 384	6 39 097	7 39 29 509	11 16 034	53 14 150	32 69 848	33 04 746	10 40 73 956	4 67 937	4 67 937
Addition	-	1 32 91 206	-	52 45 492	34 914	-	5 20 819	49 350	1 91 41 781	4 42 806	4 42 806
Disposal	-	-	-	1 61 240	-	-	-	-	1 61 240	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
At 31.03.2015	22 11 188	2 75 80 590	6 39 097	7 90 13 761	11 50 948	53 14 150	37 90 667	33 54 096	12 30 54 497	9 10 743	9 10 743
Addition	-	78 03 984	-	4 55 06 657	-	17 79 413	3 58 175	90 516	5 55 38 745	-	-
Disposal	-	-	-	11 80 952	-	11 57 513	-	-	23 38 465	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-
At 31.03.2016	22,11,188	3,53,84,574	6,39,097	12,33,39,466	11,50,948	59,36,050	41,48,842	34,44,612	17,62,54,777	9,10,743	9,10,743
Depreciation	Land	Building	Tubewell	Plant & Machinery	Furniture & Fixture	Vehicle	Electrical Installation	Computer	Total	Computer Software	Computer Software
01.04.2014	-	70 66 979	3 49 582	4 68 00 025	7 95 532	26 30 250	24 83 068	28 26 885	6 29 52 321	4 04 423	4 04 423
Charge / Amortisation for the year	-	6 85 867	25 756	1 05 06 842	829	6 04 548	14 164	2 597	1 18 40 604	1 19 810	1 19 810
Disposal	-	-	-	1 43 149	-	-	-	-	1 43 149	-	-
Other Adjustment (Transfer To General Reserve)	-	-	-	-	2 64 700	-	6 23 288	3 12 624	12 00 612	-	-
At 31.03.2015	-	77 52 847	3 75 338	5 71 63 719	10 61 061	32 34 798	31 20 519	31 42 107	7 58 50 389	5 24 232	5 24 232
Charge / Amortisation for the year	-	6 35 752	8 577	1 00 65 767	3 238	7 45 359	54 069	21 167	1 15 33 928	1 06 860	1 06 860
Disposal	-	-	-	9 06 608	-	6 66 222	-	-	15 72 830	-	-
Other Adjustment (Transfer To General Reserve)	-	-	-	-	-	-	-	-	-	-	-
At 31.03.2016	-	83 88 599	3 83 915	6 63 22 877	10 64 299	33 13 935	31 74 588	31 63 274	8 58 11 487	6 31 092	6 31 092
Net Block											
AS AT 31.3.2015	22 11 188	1 98 27 743	2 63 759	2 18 50 042	89 887	20 79 352	6 70 148	2 11 989	4 72 04 108	3 86 511	3 86 511
AS AT 31.3.2016	22 11 188	2 69 95 975	2 55 182	5 70 16 589	86 649	26 22 115	9 74 254	2 81 338	9 04 43 290	2 79 650	2 79 650

11	Other Non-Current Assets	Short Term			
		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.		
	Margin Deposits with Original maturity for more than 12 months (Note - 14)	1 86 257	-		
	Total ..	1 86 257	-		
12	Inventories	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.		
	Raw Materials	2 24 04 947	2 62 41 643		
	Work-in-Progress	1 52 92 459	2 39 84 271		
	Finished Stocks	10 54 57 864	10 80 99 162		
	Stores & Spare parts	52 41 042	82 66 337		
	Packing Materials	53 74 926	28 35 203		
	Total ..	15 37 71 238	16 94 26 616		
13	Trade Receivables	Current			
		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.		
A	<u>Outstanding for a period exceeding Six Months from the date they are due for Payment</u>				
	Unsecured, considered good	2 27 88 459	2 26 80 495		
	Unsecured, considered doubtful	-	-		
		2 27 88 459	2 26 80 495		
B	<u>Other Trade receivables</u>				
	Unsecured, considered good	10 59 73 289	11 85 11 176		
	Unsecured, considered doubtful	-	-		
		10 59 73 289	11 85 11 176		
	Total ..	12 87 61 748	14 11 91 670		
14	Cash and Bank Balance	As at 31.03.2016 Rs.		As at 31.03.2015 Rs.	
		Non Current	Current	Non Current	Current
A	Cash and cash equivalents				
	Cash on Hand	-	3 56 748	-	5 78 807
	Balance With Banks	-	2 02 75 181	-	6 30 836
	Total	-	2 06 31 929	-	12 09 643
B	Other Bank Balance				
	Margin Deposits with Original maturity for more than 12 months	1 86 257	532 727	-	2 99 664
		1 86 257	2 11 64 656	-	15 09 307
	Less Amount disclosed Under Non Current Assets (Note 11)	1 86 257			
	Total ..	-	2 11 64 656	-	15 09 307

(Amounts in Rs.)				
15	Revenue from operation	Year ended 31/03/2016		Year ended 31/03/2015
	<u>Sale of Product</u>			
	Finished Goods	38 81 12 033		45 65 79 679
	Less : Excise Duty	2 17 55 086		2 44 96 656
		36 63 56 947		43 20 83 023
	<u>Other Operating Revenue</u>			
	Scrap Sales	5 83 791		9 08 750
	Total ..	36 69 40 738		43 29 91 773
	<u>Detail of Finished Products Sold :</u>			
	Ball & Roller Bearing	36 63 56 947		43 20 83 023
	Others	-		-
	Total	36 63 56 947		43 20 83 023
16	Other Income	Year ended 31/03/2016		Year ended 31/03/2015
	Interest Income	73 436		1 84 525
	Export Incentive	41 66 792		56 68 320
	Foreign Exchange Gain (Net)	29 16 768		-
	Profit on Sale of Asset	-		64 209
	Total ..	71 56 996		59 17 054
17	Cost of Raw Materials Consumed	Year ended 31/03/2016		Year ended 31/03/2015
	Inventory at the beginning of the year	2 62 41 643		3 64 24 278
	Add : Purchases (Net)	16 36 66 962		19 35 52 459
		18 99 08 605		22 99 76 737
	Inventory at the end of the year	2 24 04 947		2 62 41 643
	Cost of Raw Materials consumed	16 75 03 658		20 37 35 094
	<u>Details of Raw Materials Consumed :</u>			
	Alloy Steel Bar	7 16 47 322		9 97 89 636
	Cages	1 57 69 792		1 96 50 442
	Rollers	4 17 58 264		5 64 30 134
	Semi Finished Bearings	3 26 08 078		2 31 80 968
	Others	57 20 201		46 83 914
	Total	16 75 03 658		20 37 35 094
	<u>Details of Inventories :</u>			
	Cages	54 83 373		53 15 803
	Roller	65 76 495		81 26 838
	Alloy Steel Bar	1 03 45 079		1 27 99 002
	Total	2 24 04 947		2 62 41 643
17.1	Details of Raw Material Consumption	2015-16	% age	2014-15
	Indegenious	16 75 03 658	100%	20 37 35 094
	Imported	-	-	-
	Total Consumption	16 75 03 658	100%	20 37 35 094

18	Change In Inventories Of Finished Goods, Work In Progress and Stock-In-Trade	Year ended 31/03/2016	Year ended 31/03/2015
	Inventory at the beginning of the year		
	Work-in-Progress	2 39 84 271	2 35 18 105
	Finished Stock (Including Goods in Transit)	10 80 99 162	9 58 00 054
		13 20 83 433	11 93 18 159
	Inventory at the end of the year		
	Work-in-Progress	1 52 92 459	2 39 84 271
	Finished Stock (Including Goods in Transit)	10 54 57 864	10 80 99 162
		12 07 50 323	13 20 83 433
	Decretion / (Accretion) to Stock	1 13 33 110	(1 27 65 274)
	<u>Details of Inventory (WIP)</u>		
	Taper Roller Bearing Ring (OR)	72 23 028	1 21 04 167
	Taper Roller Bearing Ring (IR)	80 69 430	1 18 80 104
		1 52 92 459	2 39 84 271
	<u>Details of Inventory (FG)</u>		
	Taper Roller Bearings	10 54 57 864	10 80 99 162
		10 54 57 864	10 80 99 162
19	Employee Benefit Expenses	Year ended 31/03/2016	Year ended 31/03/2015
	Salary, Wages & Bonus	2 07 84 239	2 48 78 804
	Contribution to Provident Fund & Other Funds	23 37 270	16 14 406
	Welfare Expenses	2 67 236	7 63 747
	Total ..	2 33 88 745	2 72 56 957
	The disclosure in respect of Employee Benefit as defined in the Accounting Standard 15 is given below :		
	1. Assumption		
	Particulars	2015-16 Rs.	2014-15 Rs.
	Discount Rate	8%	8%
	Salary Escalation	7%	7%
	2. Table Showing Changes in Present Value of Obligation :		
	Particulars	Gratuity Defined Benefit Obligation 2015-16 Rs.	Gratuity Defined benefit obligation 2014-15 Rs.
	Present Value of obligation as at beginning of year	28 14 199	32 30 997
	Interest Cost	2 25 136	2 58 480
	Service Cost	5 08 662	5 29 345
	Benefit Paid	(11 98 370)	(6 65 529)
	Acturual (gain) / loss on obligations	3 44 605	(5 39 094)
	Present Value of obligation as at end of year	26 94 232	28 14 199

3. Table Showing Changes in the fair value of Plan Asset :		
Particulars	Gratuity Defined Benefit Obligation	Gratuity Defined benefit obligation
	2015-16 Rs.	2014-15 Rs.
Opening fair value of plan assets	39 80 425	37 20 284
Expected return	2 71 806	3 19 376
Contributions	5 68 204	6 06 294
Benefits paid	(11 98 370)	(6 65 529)
Actuarial gain (loss) on plan assets	-	-
Fair Value of plan assets at the end of year	36 22 065	39 80 425
4. Table Showing fair value of Plan Asset :		
Particulars	Gratuity Defined Benefit Obligation	Gratuity Defined benefit obligation
	2015-16 Rs.	2014-15 Rs.
Opening Fair Value of Plan Assets	39 80 425	37 20 284
Actuarial Return on Plan Assets	2 71 806	3 19 376
Contributions	5 68 204	6 06 294
Benefits paid	(11 98 370)	(6 65 529)
Fair Value of Plan Assets as at the end of the year	36 22 065	39 80 425
Funded Status	9 27 833	11 66 226
Excess of Actual Over estimated return on plan assets	-	-
5. Actuarial Gain / Loss		
Particulars	2015-16 Rs.	2014-15 Rs.
Actuarial (gain) / loss on Obligations	(3 44 605)	5 39 094
Actuarial (gain) / loss for the year - plan assets	-	-
Actuarial (gain) / loss on Obligations	3 44 605	(5 39 094)
Actuarial (gain) / loss on recognized in the year	3 44 605	(5 39 094)
6. The Amounts to be recognized in the Balance Sheet and Statements of profit and loss.		
Particulars	Gratuity Defined Benefit Obligation	Gratuity Defined Benefit Obligation
	2015-16 Rs.	2014-15 Rs.
Present value of Obligations as at end of year	26 94 232	28 14 199
Fair value of plan assets	36 22 065	39 80 425
Fund Status	9 27 833	11 66 226
Net asset (liability)	9 27 833	11 66 226

7.Expenses recognized In The Statement of Profit And Loss Account					
Particulars			Gratuity Defined Benefit Obligation		Gratuity Defined benefit obligation
			2015-16 Rs.		2014-15 Rs.
Current service cost			5 08 662		5 29 345
Interest on obligation			2 25 136		2 58 480
Expected return on plan assets			(2 71 806)		(3 19 376)
Net actuarial losses (gains) recognized in year			3 44 605		(5 39 094)
Total, included in 'employee benefit expense'			8 06 597		(70 645)
Experience adjustment in plan assets- Gratuity					
Particulars	31.3.2016	31.3.2015	31.3.2014	31.3.2013	31.3.2012
Defined Benefit Obligation	26 94 232	28 14 199	32 30 997	27 17 988	16 25 334
Plan Assets	36 22 065	39 80 425	37 20 284	37 57 588	24 36 742
Unrecognised past service Cst	-	-	-	-	-
Deficit	-	-	-	-	-
Experience adjustments on plan liabilities	-	-	-	-	8 11 408
Experience adjustments on plan assets	9 27 833	11 66 226	4 89 287	10 39 600	-
Contribution expects to be paid during the year ending March,31, 2017 Rs. 4,50,000/-.					
20	Finance Cost		Year ended 31/03/2016		Year ended 31/03/2015
	Interest on Term Loans		12 81 459		11 05 163
	Interest on Working Capital Loans		1 33 07 370		1 41 21 771
	Interest to Others		22 13 787		28 66 108
	Other Borrowing Cost		7 31 250		11 46 700
	Total ..		1 75 33 866		1 92 39 741
21	Depreciation And Amortisation Expense		Year ended 31/03/2016		Year ended 31/03/2015
	Depreciation of Tangible Assets		1 15 33 928		1 18 40 604
	Depreciation of Intangible Assets		1 06 860		1 19 810
	Total ..		1 16 40 788		1 19 60 414
22	Other Costs		Year ended 31/03/2016		Year ended 31/03/2015
	Stores & Spares consumed		2 05 50 019		2 63 47 152
	Packing material consumed		1 01 93 995		1 55 21 175
	Electricity & Fuel charges		60 59 121		61 33 686
	Labour Charges		5 25 69 113		6 35 56 892
	REPAIRS TO:				
	Building		20 36 300		5 01 938
	Others		3 96 416		5 28 965
	Sub Total		24 32 716		10 30 903
	Insurance		13 87 120		15 63 993
	Stationery & Printing		4 06 754		4 70 380
	Advertisement Exps.		1 99 257		4 34 038
	Communication		5 13 558		7 99 585
	Traveling & Conveyance Exps.		68 15 578		72 97 213

	Professional Fees	5 66 783	6 66 367
	Freight & Delivery Charges	67 18 991	73 77 295
	Rent, Rate & Taxes	1 37 140	7 51 568
	Excise Duty difference on closing and op. stock	(2 93 478)	14 72 671
	AUDITOR'S REMUNERATION:		
	Audit Fees	2 57 625	2 52 810
	For Tax Audit	28 625	28 090
	For Certification	17 670	45 847
	Sub Total	3 03 920	3 26 747
	Directors Remuneration & Perquisite Charges	10 78 791	12 04 810
	Sales Promotion Exps.	36 68 548	65 68 447
	Bank Charges	8 95 800	7 34 786
	Loss on Sale of Assets	82,135	-
	Donation	-	25 000
	Exchange Difference	-	5 25 837
	General Charges	27 38 843	34 52 924
	(including License Fees, Office & Misc.Expenses Admn. Charges, Service and water charges services)		
	Total ..	11 70 24 705	14 62 61 469
23	Deferred Tax Liabilities / (Assets)	Year ended 31/03/2016	Year ended 31/03/2015
	Opening balance of deffered Tax Liability / (Assets)	5 39 867	28 41 962
	Less: Amount of reversal of Deferred Tax Liability in respect of fixed assets whose useful life has expired on adoption of Schedule II to the Companies Act-2013	-	3 89 599
	Adjusted Opening balance of deffered Tax Liability / (Assets)	5 39 867	24 52 363
	Closing balance of deffered Tax Liability / (Assets)	23 47 021	5 39 867
	Deferred Tax Liabilities / (Assets) for the year	18 07 154	(19 12 496)

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

24. The contingent liability is Rs. Nil (P.Y. Rs. Nil).

25. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosure relating to amounts unpaid as at year end together with interest paid / payable under this Act has not been given.

26. Segment Information:

In the opinion of management the Co. is primarily engaged in the business of Ball & Roller Bearings. All other activities of the Co. revolve around the main business and as such there is no separate reportable business segment.

The operations of the company are confined to India as well as outside India with export contributing to 64.40 % (P.Y. 61.80 %) of annual turnover. Hence in view of the management India and exports market represents different geographical segment.

Secondary segment information for the year ended 31st March, 2016.

Particulars	India	Outside India	Total Rs.
Revenue by Geographical Market	13,06,40,233 (16,53,91,618)	23,63,00,505 (26,76,00,155)	36,69,40,738 (43,29,91,773)
Carrying Amount of Segment Assets	17,28,53,588 (16,56,63,671)	6,20,69,179 (4,68,29,514)	23,49,22,767 (21,24,93,185)
Addition to Fixed Assets	5,55,38,745 (1,91,41,781)	Nil (Nil)	5,55,38,745 (1,91,41,781)

27. Related Party Disclosure

List of related parties with whom transactions have taken place during the year and details of transactions is as follows.

a. Key Management Personnel

- Vinodbhai H. Kansagara
- Bharatbhai K. Ghodasara

b. Directors:

- Tuhina Rimal Bera
- Shetal D Gor

c. Relative of key management personnel and their enterprises

<u>Name of Person</u>	<u>Related Party Relation</u>
- Kirtikant H Kansagara	Brother of Key Management Personnel
- Arohi Ghodasara	Relative of Director
- Avani Ghodasara	Relative of Director
- Nayana Ghodasara	Relative of Director

d. List of Other Related Parties with whom transactions have taken place during the period:

Details of Transaction:-

Sr. No.	Nature of Transaction	Key Management Personnel	Directors and Relative of Key Management Personnel	Total Rs.
1.	Unsecured Loan			
	Loan taken during the year	Nil (68,00,000)	Nil (Nil)	Nil (68,00,000)
	Loan and interest repaid during the Year	5,53,771 (1,67,661)	12,39,392 (37,13,356)	17,93,163 (38,81,017)
	Closing Balance	21,00,000 (68,88,505)	47,00,000 (Nil)	68,00,000 (68,88,505)
2.	Expenses			
	Directors Remuneration	10,78,791 (12,04,810)	Nil (Nil)	10,78,791 (12,04,810)
	Interest Paid	2,63,219 (1,28,083)	5,89,110 (2,99,178)	8,52,329 (4,27,261)
	Job Work	Nil (Nil)	Nil (4,80,000)	Nil (4,80,000)

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under:

Particulars	2015-16	2014-15
Unsecured Loan		
Repayment		
Kirtikant Hirjibhai Kansagara	Nil	34,14,178
Vinod H Kansagara	2,90,552	Nil
Tuhina Rimal Bera	3,25,141	Nil
Shetal D Gor	3,25,141	Nil
Taken		
Vinod H Kansagara	Nil	21,00,000
Tuhina Rimal Bera	Nil	23,50,000
Shetal D Gor	Nil	23,50,000
Expenses		
Directors Remuneration		
Vinodbhai Kansagara	4,55,000	4,55,000
Bharatbhai Ghodasara	6,23,791	7,49,810
Interest Paid		
Kirtikant Hirjibhai Kansagara	Nil	2,99,178
Vinodbhai Kansagara	2,63,219	39,555
Tuhina Rimal Bera	2,94,555	44,264
Shetal D Gor	2,94,555	44,264
Job Work		
Arohi Ghodasara	Nil	1,66,500
Avani Ghodasara	Nil	1,66,500
Nayanaben Ghodasara	Nil	1,47,000

28. Earning per Shares

Particular	Unit	31.03.16	31.03.15
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	1,59,59,198	2,86,88,255
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	31,80,000	31,80,000
Nominal Value of Share	Rs.	10	10
Basic and Diluted Earning per Share	Rs.	5.02	9.02

29. Additional Information pursuant to provision of paragraphs 5 of part II of Schedule III to the Companies Act, 2013. (As certified by Director):

a) CIF Value of Imports:

Sr. No.	Particulars	Amounts (Rs.)
1	Raw Materials	Nil
		(Nil)

2	Components & Spare Parts	Nil
		(Nil)
3	Capital Goods	3,96,24,220
		(Nil)

b) Expenditure in Foreign Exchange:

1	Traveling Expenses	30,11,715 (11,37,183)
2	Foreign Bank Charges	4,29,993 (3,15,066)

c) FOB Value of Export :

1	F.O.B. Value to Export	21,85,10,610 (24,61,44,485)
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d) Earning in Foreign Exchange:

1	Earning in Foreign Currency	20,11,25,193 (28,40,25,680)
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30. Balances are subject to confirmation.
31. Paise are rounded up to the nearest rupee.
32. Balances of Debtors, Creditors, Advances and Liabilities have been taken as per books, are subject to reconciliation / confirmation and consequential adjustments, if any.
33. The Company is Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.
34. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. 16,61,659/- (P. Y. Rs. Nil) has been Capitalized.
35. The difference between excise duty on opening and closing stock of finished goods is recognized separately in the Statement of Profit & Loss.
36. During the year, the company has impaired the assets to the tune of Rs. Nil (P.Y. Rs. Nil).
37. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

Signature to notes "1" to "37"

As Per Our Report of Even Date attached herewith

For, J T Shah & Company

For, Galaxy Bearings Ltd.

Chartered Accountants

[FRN No. 109616W]

[J. T. Shah]
Partner
[M.No. 3983]

[B. K. Ghodasara]
Jt. Mg. Director
[DIN-00032054]

[R. V. Bhalodia]
Director
[DIN 00020098]

Place : Ahmedabad
Date : 28th May' 2016

[Dixit S Patel]
Chief Financial Officer

[Nayan S Patel]
Company Secretary

Galaxy Bearings Limited

[CIN: L29120GJ1990PLC014385]

Regd. Office: T-18, Vikram Chambers, Ashram Road, Ahmedabad – 380 009.

Tel. (079) 27546020 Email: share@galaxybearings.com Website: www.galaxybearings.com

FORM MGT – 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

Name of the Member (s):	
Registered Address:	
E-mail Id:	
Folio/DP ID – Client ID No.	

I/We being a Member(s) of _____ shares of the Company, hereby appoint

1. **Name :** _____

Address : _____

E-mail id: _____

Signature: _____ of failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 26th Annual General Meeting of the Company to be held on **Friday, 30th September, 2016 at 12:00 Noon** at the T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof such resolutions as are indicated below:

Resol- ution No.	Resolutions	Vote (Optional see Note 3) (Please mention no. of shares)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 st March, 2016 and the Reports of Board of Directors and Auditor's thereon.		
2.	To appoint a Director in place of Mr. Rashmikant V. Bhalodia (holding DIN: 00020098), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Mrs. Shetal D. Gor (holding DIN: 07056824), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Ratification of appointment of Statutory Auditors of the Company.		

Signed thisday of2016.

Signature of Shareholder:

Signature of Proxy holder(s):

Affix
Revenue
Stamp

NOTE :

1. The Proxy Form signed across revenue stamp should reach at the Company's Registered Office at T- 18, Vikram Chambers, Ashram Road, Ahmedabad – 380 009
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. The Proxy need not to be a Member of the Company.
5. Please fill in full particulars.
6. Company reserves the right to ask for identification of the proxy.

Galaxy Bearings Limited

[CIN: L29120GJ1990PLC014385]

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

Tel. (079) 27546020 **Email:** share@galaxybearings.com **Website:** www.galaxybearings.com

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the Meeting.

I/We hereby record my presence at the 26th Annual General Meeting of the Company held on **Friday, 30th September, 2016 at 12:00 Noon** at the T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009.

DP ID		FOLIO NO	
Client ID		NO OF SHARES	

Name of the Shareholder (In Block Letters)	
Signature of Shareholder	
Name of the proxy (In Block Letters)	
Signature of the Proxy	

NOTE: (1) This attendance is valid only in case shares are held on the date of this Annual General Meeting

(2) You are requested to sign and hand over this slip at the entrance.

BOOK-POST

To,

If Undelivered, Please Return To:

Galaxy Bearings Limited

[CIN: L29120GJ1990PLC014385]

Regd. Office: T-18, Vikram Chambers, Ashram Road, Ahmedabad – 380 009.

Tel. (079) 27546020 **Email:** share@galaxybearings.com **Website:** www.galaxybearings.com