



GALAXY BEARINGS LTD

**19th Annual Report
2008-2009**

GALAXY BEARINGS LIMITED

Board of Directors : **Shri V H Kansagara** *Chairman & Managing Director*
Shri B K Ghodasara *Vice Chairman &*
Jt. Managing Director
Shri N M Patel *Director*
Shri R V Bhalodia "
Shri R G Patel "

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

Banker : Bank of Baroda

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

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

NOTICE

NOTICE is hereby given that the NINETEENTH Annual General Meeting of members of the Company will be held on Friday, 25th September, 2009 at 11.30 a.m. at T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Profit and Loss Account for the year ended on 31st March, 2009 and Balance Sheet as on that date, together with reports of the Directors and Auditors thereon; and Compliance Certificate for the year ended on 31st March, 2009.
2. To appoint a Director in place of Shri R V Bhalodia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri N B Delvadia, who retires by rotation but does not offer himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as Special Resolutions.

"RESOLVED THAT pursuant to Section 198, 269, 309, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, Shri Bharat K Ghodasara, be and is hereby re-appointed as Vice-Chairman and Joint Managing Director of the Company for a further period of five years with effect from 1st April, 2009, on a Salary of Rs.35,000/- per month in the Scale of Rs.35000-2000-3000-5000-70000/- plus other perquisites as are allowed to the Senior Executives of the Company and upon the following major terms and conditions as mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to revise, vary, alter, amend or otherwise modify the terms and conditions including remuneration payable to Shri B K Ghodasara as Vice-Chairman and Joint Managing Director of the Company, so however that the remuneration so fixed shall not exceed the ceilings laid down in Schedule XIII to the Companies Act, 1956 and to do all such acts, deeds, matters and things as may be necessary for the purpose."

Regd Office:

T-18, Vikram Chambers
Ashram Road
Ahmedabad 380 009

By Order of the Board
For GALAXY BEARINGS LTD

B K Ghodasara
Vice Chairman & Jt. Mg Director

Date: 25-08-2009

GALAXY BEARINGS LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 22nd September, 2009 to Friday, 25th September, 2009 (both days inclusive).
3. In absence of willingness and offer of Shri N B Delvadia, the resultant casual vacancy is not proposed to be filled up.
4. A relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of special business at item No.5 and Information pursuant to the Clause 49 of the Listing Agreement are annexed herewith.
5. Members are requested to notify, change of addresses, if any, immediately to the registered Office of the Company.

EXPLANATORY STATEMENT pursuant to Section 173 of the Companies Act, 1956 and information pursuant to Clause 49 of the Listing Agreement:

Item No.2

Shri R V Bhalodia aged about 61 years is a Diploma Holder in Electrical Engineering. He has a vast experience in the marketing and other areas in the industry. He was appointed as a Director since incorporation of the Company. He has provided valuable services to the Company.

None of the Directors, except Shri R V Bhalodia is concerned or interested in the resolution.

Item No.3

Shri N B Delvadia aged about 77 years is BE (Civil). He has a vast experience in technical and other areas in the industry. He was appointed as a Director since incorporation of the Company. He has provided valuable services to the Company. However, he has not shown his willingness to provide services as Director and has not offered himself for his re-appointment. The resultant vacancy is not proposed to be filled up.

None of the Directors except Shri N B Delvadia is concerned or interested in the resolution.

Item No.5

The tenure of Shri B K Ghodasara as Vice Chairman and Joint Managing Director of the Company expired on 31st March, 2009 and the Board of Directors of the Company in their meeting held on 25th March, 2009, considered his experience and contribution given for the smooth functioning of the Company and re-appointed him as Vice-Chairman and Joint Managing Director of the Company for a further period of five years with effect from 1st April, 2009. The major terms and conditions of the appointment are as under:

- | | | |
|---------------------------|---|--|
| 1. Name of Appointee | : | Shri Bharat K Ghodasara |
| 2. Designation | : | Vice-Chairman and Joint Managing Director |
| 3. Remuneration | : | |
| 3.1 Salary | : | Rs.35000/- per month in scale of
Rs.35000-2000-3000-5000-70000/- |
| 3.2 Perquisites | : | (Subject to the overall ceiling limit of Rs.2,40,000/- per year) |
| I. Bonus | : | The appointee shall be entitled to bonus as per the rules of the Company. |
| II. Medical Reimbursement | : | The expenses incurred by the Managing Director and his family subject to a ceiling of One month's Salary in a year or three months salary in a block of three years. |

III. Leave Travel Concession : for self and family, once in a year.

IV. Personal Accident Insurance: The premium shall not exceed Rs.50000/- per year.

Company's contribution towards provident fund and pension/ superannuation fund as per the rules framed by the Company.

Gratuity not exceeding one half month's salary for each completed year of service.

Free use of car with driver for Company's business. Use of car for private purpose shall be charged for in accordance with the Rule of the Company.

One Month's earned leave on full pay and allowance for every 11 month of services.

Shri B K Ghodasara is entrusted with the powers being subject to the superintence, control and direction of the Board of Directors from time to time.

He shall not be entitled to sitting fees payable for attending the meetings of the Board of Directors and the Committees thereof.

A copy of the Board Resolution and other relevant papers are available at the Registered Office of the Company for inspection of any member and open between 11.00 a.m. to 1.00 p.m. on all working days.

This may be treated as an abstract under Section 302(2) of the Companies Act, 1956.

None of the Directors, except Shri B K Ghodasara is concerned or interested in the special resolution.

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

By Order of the Board
For **GALAXY BEARINGS LTD**

B K Ghodasara
Vice-Chairman & Jt Mg Director

Date: 25.08.2009

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this Nineteenth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2009.

Financial Results	31-03-2009	31-03-2008
Sales (Net)	201878324	255879870
Profit before Interest & Depreciation	18616770	19754935
Interest	9456311	8824536
Depreciation	5833509	6721037
Profit before Taxation	3326950	4209362
Short/Excess Provision W/off	(137504)	(62155)
Provision for Taxation	350000	950000
Provision for FBT	210000	300000
Deferred Tax	(633420)	580480
Profit for the Year	3262866	2316727

Operations

Your Directors have to report that the year under review was very turbulent with overall economy slowdown. There has been stiff competition in the industry coupled with hikes in raw material costs, electricity charges, employee costs and other overheads. The Company also installed some machinery for better results. The Company has maintained sales at Rs. 20,18,78,324/- which is 21% lower than the previous year's sales. The Company has executed export orders worth Rs. 6.44 Crores i.e. 23% lower than the previous years' export of Rs.8.37 Crores. There has been persistent inflation with heavy fluctuations in the foreign exchange rates, resulting into loss of Rs.91.63 lacs. This being unusual item, the Company decided to write off 1/3rd amount of such loss to the profit and loss account and the balance transferred to "Foreign Currency Monetary Item Transaction Difference Account" in loans and advances". The Company has received export incentives of Rs.39.32 Lacs. As a result, the Company has earned profit of Rs.32,62,866/- as against profit of Rs.23,16,727/- earned during the previous year after taxes. Your Directors expect better results in the years to come.

Deposits

The amount borrowed by the Company is exempted and is not a deposit within the meaning of Rule 2 (b) (xi) of the Companies (Acceptance of Deposits) Rules, 1975.

Particulars of Employees

There were no employees covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence particulars are not given.

Directors

Shri R V Bhalodia and Shri N B Delvadia are due to retire at the ensuing Annual General Meeting and eligible for re-appointments. Shri R V Bhalodia has offered himself for the re-appointment but Shri N B Delvadia has not offered himself for the re-appointment and the resultant vacancy is not proposed to be filled up. The Board hereby records and appreciates the services rendered to the Company by Shri N B Delvadia.

Responsibility Statement

The Directors confirm

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.

- b) that 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 of the Company for the year ended on 31st March, 2009.
- c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) that they have prepared the annual accounts on a going concern basis.

Listings

The shares are continued to be enlisted with the BSE, i.e. The Bombay Stock Exchange Ltd, Mumbai. The Company has paid annual listing fees to the BSE.

Auditors

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

The other observations of the Auditors read with Notes to the Accounts are self explanatory.

Corporate Governance

As required under the amended provisions of Clause 49 of the Listing Agreements, the Company has implemented the code of corporate governance for the year ended on 31st March, 2009. The CFO/CEO has reported necessary compliances. A separate report on corporate governance as well as a Management Discussion and Analysis Report of the Company form part of this Annual Report.

Conservation of Energy, Technology Absorption etc.

Particulars with respect to Conservation of Energy as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of this Report are given by way of an Annexure.

Acknowledgements

Your Directors place on record of its appreciation of the co-operation and assistance received from Bankers of the Company. Your Directors wish to thank valued customers and suppliers of the Company for their co-operation.

Your Directors also appreciate the services rendered by staff members with their sincere and dedicated services provided to the Company.

For and on behalf of the Board
For **GALAXY BEARINGS LTD**

Place: Ahmedabad
Date : 25.08.2009

B K Ghodasara
Vice-Chairman & Jt Mg Director

ANNEXURE TO THE DIRECTORS' REPORT

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

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

FORM A

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

A. Power & Fuel Consumption		
Electricity (Purchased)	31.03.2009	31.03.2008
Units consumed	469820	573106
Total Amount	2875564	3030699
Rate/Unit Rs.	6.12	5.29
B. Consumption per Unit of Production :		
Avg. electricity consumption per Bearing Rs.	2.65	1.59

II. FORM B

(Form for disclosure of particulars with respect to absorption)

Research and development (R & D)

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Specific areas in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D. 3. Future plan of action 4. Expenditure on R & D : | <p>The Company has no sepearte R & D Department and Developmental activities are carried out with the Company's own team of experts. Hence,expenses incurred are not seperately worked out.</p> |
|--|---|

Technology absorption, adoption and innovation

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Efforts,in brief,made towards technology absorption, adoption and innovation. 2. Benefits derived as a result of the above efforts. 3. In case of imported technology (imported during last 5 yrs reckoned from the beginning of the financial year), following information may be furnished : <ol style="list-style-type: none"> (a) Technology imported (b) Year of import (c) Has Technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action. | <p>The technology is indigenous and the Company has fully absorbed.</p> <p>N.A.</p> <p>N.A.</p> |
|--|---|

III. Foreign Exchange Earnings and Outgo :

Earnings on account of Export	:	Rs.6,43,59,916/-
Outgo		
Travelling	:	Rs.4,43,190/-
Capital Expenditure	:	Rs.34,77,118/-
Foreign Bank Charges	:	Rs.60,610/-

For and on behalf of the Board
For **GALAXY BEARINGS LTD**

B K Ghodasara
Vice-Chairman & Jt Mg Director

Place: Ahmedabad

Date : 25.08.2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

Bearing is the backbone of the automotive and other sectors and largely used by the OEM and replacement markets. Galaxy Bearings Limited (GBL) was promoted by Shri Vinodrai H Kansagara, Chairman & Managing Director and his group. The Company is engaged in manufacturing and marketing of qualitative Ball and Roller Bearings. The Factory is located at Village Shaper, Ta. Kotada Sagnani in the State of Gujarat

Industry Structure

After clocking an average growth of 8.9 % over the last five years (2003-2008), India registered a cyclical downturn in 2008-2009. Manufacturing sector witnessed overall slowdown. The automobile industry also witnessed effects of economy slowdown which ultimately affected the ancilliary industries. However, the product has to be competitive and qualitative to get good market opportunities and profit margins.

Prospects

With the frequent changes in bank rates and other measures taken by the Government of India for revival of the economy, the Industrial Sector will gradually record growth. The demand for bearings and other products will also increase. The prospects of the Indian bearing industry are bright. The Company has been quality conscious.

Opportunities, Threats, Risks and concerns

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. With the working capital facilities availed from bankers, the Company is set to achieve the higher production to meet with the industry demand. New bearings are also used for replacement of old, worn out bearings. Liberalization in industrial policy, WTO driven reductions in duty structure, export market, entry of multinationals and increasing demand for industrial products have resulted in an increase in demand for bearings. However, the global economy has remained slowdown which also affected export opportunities. There have been heavy fluctuations in the foreign exchange rates. The Company's product has been qualitative and competitive. The Company has strengthened its marketing strategy. Further, the Company believes satisfaction of the customers and maintaining long term relationship with them, which will ultimately provide better opportunity to grow.

Internal Control Systems

The Company has adequate internal control systems in respect of efficiency of operation, financial reporting, compliance with laws etc. Exercises for safeguarding assets and protection against unauthorized use are undertaken. The Management reviews internal control system from time to time.

Review of Financial Performance

The financial performance during the year ended 31st March, 2009, has been satisfactory looking into the present industry trend and scenario. The Company expects better performance in the years to come, in view of the increasing demand of the Company's products and action taken to expedite expansion on hand.

Human Resources

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.

REPORT ON CORPORATE GOVERNANCE

1. **A brief statement on Company's philosophy on code of conduct**

The Company believes in fair business and transparent corporate practices while dealing with the shareholders, employees, lenders, customers, creditors, and others. The Company is prompt in discharging its statutory obligations and duties. The philosophy encompasses the serving of long term interest of all its stake holders.

2. **Board of Directors**

a) **Composition:**

The Board of Directors presently comprises of Six Directors, four of whom are independent and non executive Directors. The Board is headed by Shri Vinodbhai H Kansagara, Chairman and Managing Director and is composed of eminent persons with wide experience in various fields.

None of the non-executive Directors has material pecuniary relationship or transactions with the Company.

During the year, six Board Meetings were held on 30.4.2008, 31.7.2008, 25.8.2008, 31.10.2008, 31.1.2009 and 25.03.2009. The time gap between two Board Meetings did not exceed four months. The composition of the Board of Directors and other particulars are as under:

Name of Director	Category	No of Board Meetings attended	Attendance at the last AGM (Y/N)	Directorship in other public Companies	No of committees in which chairman/member in other public Co
V H Kansagara	CMD	3	Y	Nil	Nil
N M Patel	NED	4	Y	Nil	Nil
N B Delvadia	NED	3	N	Nil	Nil
R V Bhalodia	NED	6	Y	Nil	Nil
R G Patel	NED	6	Y	Nil	Nil
B K Ghodasara	CMD	6	Y	Nil	Nil

- Note : 1. CMD - Chairman and Managing Director including Vice-Chairman and Joint Managing Director. The appointment is contractual.
2. NED - Non Executive Director and Independent Director

b) **Board Procedure :**

The Board of Directors meet with detailed agenda for discussion and decision. The Directors actively take part in the discussion. All the decisions are taken unanimously. The terms of reference will, inter alia, include the items covered under Clause 49 of the Listing Agreements.

3. **Audit Committee**

a) **Terms of Reference:**

The Company has constituted an Audit Committee with effect from February, 2003 whose terms of reference include the matters covered under Clause 49 of the Listing Agreements. The Committee is to review internal audit and control systems, meet statutory auditors and discuss their findings, suggestions and other related matters.

b) **Composition:**

The Audit Committee, presently comprises of three Non Executive Directors, i.e. (1) Shri N M Patel, (2) Shri R V Bhalodia and (3) Shri R G Patel, all of whom are independent. Shri R. V. Bhalodia was appointed Chairman of the Committee.

GALAXY BEARINGS LIMITED

c) **Audit Committee Meetings:**

During the year four meetings of the Audit Committee were held on 30.04.2008, 25.08.2008, 31.10.2008 and 25.03.2009; and the members have attended the meeting.

4. Remuneration Committee

The Company has not set up separate remuneration Committee. However, Audit Committee was entrusted with the power of fixing remuneration payable to the working Directors of the Company. Non Executive Directors are not paid remuneration. Remuneration of other employees largely consists of base remuneration, perquisites, bonus, exgratia, etc. The components of the total remuneration vary for different cadres and are governed by the industry pattern, qualifications, experience and other relevant factors of the employees.

5. Remuneration of Directors

Details of remuneration paid to the Directors for the year 2008-2009.

Name of Director	Remuneration Rs.	Perquisites Rs.
Shri V H Kansagara Chairman & Managing Director	2,40,000	20,000
Shri B K Ghodasara Vice-Chairman & Joint Managing Director	3,60,000	40,536

6. Shareholders Grievance Committee

The complaints relating to the split, issue of duplicate share certificate and complaints relating to non receipt of share certificates, non receipt of Annual Reports etc and other investors' grievances incidental thereto have been entrusted with the Shareholders/ Investors Grievance Committee, comprising of Shri Vinodbhai H Kansagara, Chairman & Mg Director and two other non executive Directors namely (1) Shri N M Patel and (2) Shri R V Bhalodia. Shri N M Patel is the Chairman of the Committee. The Committee is to meet as and when need arises. There is no share transfer pending as on 31.3.2009. Shri Dixit S Patel has been appointed as Compliance Officer. The details of complaints received and solved to the satisfaction of shareholders are as under:

Nature of complaints	Received	Cleared
Non receipt of Annual Report	2	2
Dividend/Misc	3	3
Total	5	5

7. General Body Meetings

The details of the location and time for last three Annual General Meetings are given as under :

Year	Location/Venue	Date	Time
2005-2006	T-18, Vikram Chambers Ashram Road, Ahmedabad-9	30.9.2006	11.30 a.m.
2006-2007	T-18, Vikram Chambers Ashram Road, Ahmedabad-9	30.9.2007	11.30 a.m.
2007-2008	T-18, Vikram Chambers Ashram Road, Ahmedabad-9	30.9.2008	11.30 a.m.

No Special Resolution was put through postal ballot last year. However, special resolution is proposed for re-appointment of Shri B K Ghodasara as Vice-Chairman and Joint Managing Director at the ensuing Annual General Meeting.

8. Disclosures

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any matter related to capital markets, during the last three years.

9. Means of Communication

Half yearly Results are not sent to each shareholder. Quarterly Results are sent to the Stock Exchanges for information of shareholders. The results are normally published in Western Times. The Management Discussion and Analysis (MD&A) is a part of the Annual Report.

10. General Shareholder Information

a) Annual General Meeting :

The 19th Annual General Meeting will be held on Friday, 25th September, 2009 at 11.30 a.m. at T-18, Vikram Chambers, Ashram Road, Ahmedabad 380009.

b) Book Closure :

The Share Transfer Books and the Registrar of Members shall remain closed from Tuesday 22nd September, 2009 to Friday, 25th September, 2009 (Both days inclusive).

c) Financial Calender for the year 2009-2010 (Provisional)

Results for the	By the end of
quarter ending 30th June, 2009	July, 2009
quarter ending 30th September, 2009	October, 2009
quarter ending 31st December, 2009	January, 2010
quarter ending 31st March, 2010	April, 2010

d) Share Transfer System :

The Company's shares are not dematerialised and are only in physical form. The Company's Share transfers etc is handled by the In House Share Transfer Department. The Company had constituted Share Transfer Committee since 1993, to approve share transfers etc. At present, approval of the Share Transfers, Transmission, Transposition etc are delegated to Shri Vinodbhai H Kansagara, Chairman and Managing Director of the Company. The Share Transfers are normally approved and returned within 15-20 days provided the documents received are valid in all respects.

e) Listings :

The Company's shares are listed with the Stock Exchanges at Mumbai. The Company has paid listing fees. No market price is available as there is no trading in the Company's shares except casual trading.

f) Stock Code :

Mumbai : 526073

GALAXY BEARINGS LIMITED

- g) Distribution of Shareholdings as on 31.3.2009
Authorised Share Capital : Rs. 5,00,00,000/-
Issued, Subscribed & Paid Up Share Capital : Rs. 3,18,00,000/-
Listed Share Capital : Rs. 3,18,00,000/-

Shareholdings		No of Folio	%	Shares Amount Rs.	%
From	To				
Below	5000	7496	95.01	10816700	34.01
5001	10000	159	2.02	1354300	4.26
10001	20000	44	0.56	611000	1.92
20001	30000	53	0.67	1355000	4.26
30001	40000	10	0.13	363000	1.14
40001	50000	44	0.56	2156000	6.78
50001	100000	37	0.47	2898000	9.11
100001	AND ABOVE	47	0.58	12246000	38.52
Total		7890	100.00	31800000	100.00

- h) Shareholding pattern as on 31.3.2009

Category	No of holders	No of shares	% of holding
Promoters	115	1136000	35.72
Body Corporates	10	110200	3.47
Indian Public	7765	1933800	60.81
Total	7890	3180000	100.00

- i) Plant Location
Shaper Unit : Survey No.253
National Highway No.8B
Village: Shapar
Ta: Kotada Sagnani
Dist. Rajkot- 360 002 Gujarat
- j) Address for correspondence : T-18, Vikram Chambers, Ashram Road,
Ahmedabad 380 009. Gujarat

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

To
The Members of
Galaxy Bearings Ltd
Ahmedabad.

We have reviewed the implementation of Corporate Governance procedures by Galaxy Bearings Limited (the Company) during the year 2008-2009, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respects by the Company

For **J T Shah & Company**
Chartered Accountants

Place : Ahmedabad
Date : 25.08.2009

J T Shah
Partner
[M.No.3983]

The Members
GALAXY BEARINGS LTD
Ahmedabad

L29120GJ1990PLC014385

I have examined the registers, records, books and papers of GALAXY BEARINGS LTD (hereinafter referred to as the 'Company') as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009** (the year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents and subject to the observations made by the Auditors of the Company in their Report of even date, I certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as per Annexure 'A'.
2. The Company has filed all the forms and returns as stated in Annexure 'B', with the Registrar of Companies, Gujarat.
3. The Company being a public limited Company, comments are not given as to the minimum prescribed paid up capital and its maximum number of members during the year.
4. The Board of Directors met 6 times on 30.4.2008, 31.7.2008, 25.8.2008, 31.10.2008, 31.1.2009 and 25.3.2009; and the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 25th September, 2008 to 30th September, 2008, in compliance of Section 154 of the Act.
6. The annual general meeting for the financial year ended on 31.3.2008 was held on 30.9.2008 and the resolutions passed thereat were recorded in the Books maintained for the purpose.
7. No extra ordinary general meeting was held during the year.
8. As informed to me, the Company has not advanced loans to its Directors and other persons referred to under Section 295 of the Act, except advances given in earlier years as per Annexure 'C'.
9. As informed to me, there were no instances falling within the purview of Section 297 of the Act, during the year.
10. The Company has made entries in the register maintained under Section 301 of the Act.
11. The Company has not obtained approvals from the shareholders or Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not approved issue of duplicate share certificates, during the year.
13. The Company has delivered all certificates on lodgement thereof for transfer or transmission and has not declared dividend for the year.
14. The Board of Directors of the Company comprises of 6 Directors. There was no appointment of additional or alternate Directors during the year.
15. The Company has appointed Shri B K Ghodasara, as Vice- Chairman and Joint Managing Director w.e.f. 1st April, 2009 in compliance with the provisions of Section 269 of the Act.

16. The Company has not appointed sole-selling agent during the year.
17. No approval of the Central Government, Company Law Board, Regional Director or Registrar of Companies(ROC) was taken during the year,
18. The Directors have disclosed their interest in other firms / companies during the year.
19. The Company has not issued shares or debentures during the year.
20. The Company has not bought back any shares during the year.
21. The Company has not redeemed preference shares.
22. The Company is not required to keep in abeyance rights to dividend, rights shares and bonus shares during the year.
23. The Company has not invited deposits within the meaning of Section 58A of the Act and the Rules made thereunder, except acceptance of unsecured loans as per stipulation of the bank.
24. The amount borrowed by the Company, during the year, is within the borrowing limits of the Company under Section 293 (1) (d) of the Act.
25. The Company has not made any loans, advances or given guarantees or provided securities to other bodies corporate during the year.
26. The Company has not altered or shifted its registered Office during the year.
27. The Company has not altered the Objects Clause of the Memorandum during the year.
28. The Company has not altered name Clause of the Memorandum during the year.
29. The Company has not altered share capital Clause of the Memorandum during the year.
30. The Company has not altered its Articles of Association during the year.
31. No prosecution was initiated against nor show cause notice received by the Company and pending for alleged offences under the Act during the year.
32. No security amount was received from its employees during the year.
33. The Company has not set up its separate Provident Fund Scheme under Section 418 of the Act during the year.

Place: Ahmedabad
Date : 25.08.2009

NARENDRA B SHAH
Company Secretary
CP No. 2168

Registers maintained during the year:

1. Register of Members
2. Minutes Book of Board Meetings
3. Minutes Book of General Meetings
4. Minutes Book of Committee Meetings
5. Register of Contracts etc
6. Register of Directors
7. Register of Directors' shareholdings
8. Register of Charges
9. Register of Share Transfers etc
10. Register of Issue of Duplicate Share Certificates

ANNEXURE 'B'

Forms and Returns as stated to have been filed by the Company with the Registrar of companies, Gujarat during the financial year ending on 31st March, 2009

1. E Form 20B with Annual Return as on 30.9.2008 filed u/s 159 on 20.11.2008 (SRN P26218079 for Rs.500/-)
2. E Form 23AC, 23ACA with Annual Accounts for the year ending 31.3.2008 filed u/s 220 on 20.11.2008 (SRN P26415893 for Rs.1000/-)

ANNEXURE 'C'

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

Sr No.	Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Associates	Total Rs.
1.	Unsecured Loan				
	Loan taken during the year	Nil (Nil)	300000 (Nil)	Nil (Nil)	300000 (Nil)
	Loan repaid during the year	Nil (Nil)	606343 (Nil)	(Nil) (Nil)	606343 (Nil)
	Closing Balance	Nil (Nil)	2890910 (3197253)	Nil (Nil)	2890910 (3197253)
2.	Advance given				
	Advance given during the year	Nil (50000)	Nil (Nil)	Nil (Nil)	Nil (50000)
	Advance settled during the year	Nil (50000)	Nil (Nil)	Nil (Nil)	Nil (50000)
	Closing Balance	Nil (Nil)	Nil (Nil)	922454 (922454)	922454 (922454)
3.	Expenses				
	Directors Remuneration	660536 (631748)	Nil (Nil)	Nil (Nil)	660536 (631748)
	Payment made to a firm for travelling	Nil (Nil)	Nil (Nil)	Nil (147291)	Nil (147291)
	Interest Paid	Nil (Nil)	328669 (359780)	Nil (Nil)	328669 (359780)

Auditors' Report

To,
The Members of
GALAXY BEARINGS LIMITED

1. We have audited the attached Balance Sheet of **GALAXY BEARINGS LIMITED** as at 31st March 2009, Profit & Loss Account and Cash Flow Statement of the company for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in term of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in para 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - a) *Foreign currency difference arising on Short Term Foreign Currency Monetary items are deferred and shown as "Foreign Currency Monetary Item Transaction Difference Account" in loans and advances, which is not in accordance with the AS-11 "The Effects of Changes in Foreign Exchange Rates", and as a result profit as well as loans and advances are overstated by Rs. 61.09 Lacs. (Pl. Refer Para 5 (e)(ii) of Schedule 16).*
 - b) *The Company has made provision of Gratuity Liability on the basis of contribution to fund managed by Life Insurance Corporation of India which is not in compliance with the Revised AS-15" Employee benefits "which requires the actuarial valuation for the same .Further, the company has also not complied with the disclosure requirements of the AS-15" Employee Benefits". In absence of the requisite information we are unable to comment its impact on the profit for the year.(Pl. Refer Para 5 (f) of Schedule 16)*

- c) *The Company has not made provision of Leave Encashment which is not in accordance with Accounting Standards 15 "Employee Benefits", the company has also not complied with the disclosure requirements of the AS-15" Employee Benefits". In absence of the requisite information we are unable to comment its impact on the profit for the year. (Pl. Refer Para 5 (f) of Schedule 16).*
- (v) On the basis of written representations received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
- (vi) *We further report that, without considering items mentioned at para (iv)(b) & (c) , above the effect of which could not be determined, had the observations made by us in para (iv)(a), above been considered, the loss for the year would have been Rs. 28.46 Lacs (as against the reported profit of Rs 32.63 Lacs), Loan & Advances would have been Rs.109.18 Lacs (as against the reported figure of Rs. 170.27 Lacs) and Credit Balance in Profit & Loss Account would have been Rs. 111.24 Lacs (as against the reported figure of Rs. 172.33 Lacs).*
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to and read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- (b) in the case of the Profit and Loss Account, of the **Profit** of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For, **J T Shah & Company**
Chartered Accountants

Place : Ahmedabad
Date : 25-08-2009

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

ANNEXURE

Referred to in paragraph 3 of our report of even date for the year ended 31st March 2009.

1. In respect of Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As per the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off any major/ substantial part of the plant and machinery so as to affect the going concern assumption.

2. In respect of its Inventories:

- a. As explained to us, physical verification of the inventory was carried out at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management, are reasonable and adequate in relation to the size of the Company and nature of its business.
- c. In our opinion, and according to the information and explanation given to us, the Company has maintained proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.

3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

- a. The Company has granted loans to one party covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance is amounting to Rs. 9.22 Lacs and the maximum amount involved during the year was Rs. 9.22 Lacs.
- b. In our opinion and according to the information and explanations given to us, in case of loans given, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- c. The company has granted interest free loans therefore the clauses (iii)(b), (iii)(c) and (iii)(d) of The Companies (Auditor's Report) Order, 2003 are not applicable.
- d. The Company has taken loan from Companies and parties covered in the register maintained under section 301 of the Companies Act, 1956. There are three parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loans. The maximum amount involved during the year was Rs. 38.22 Lacs and the year end balance of loans taken from such parties was Rs. 28.90 Lacs.
- e. In our opinion and according to the information and explanation given to us, in case of loans taken during the year, the rates of interest and other terms and conditions are prime facie not prejudicial to the interest of the Company.

GALAXY BEARINGS LIMITED

- f. There are no stipulated terms of repayment of loans taken by the company from the companies/firms/parties listed in the register maintained under section 301 of the Companies Act, 1956, hence there is no question of repayment of loans.
 4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
 5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by management, we are of the opinion that the contracts or arrangements that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 in respect of any parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable.
 7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 8. 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 under Section 209 (1) (d) of the Companies Act, 1956 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.
 9. In respect of Statutory Dues:
 - a. *According to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues applicable to it except there were delay in few cases of TDS, TCS and Professional Tax.*
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty and excise duty were outstanding, as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - c. *According to the records of the Company, there are no dues of sales tax, income tax, wealth-tax, service tax, custom duty, excise duty, cess which have not been deposited on account of disputes.*
 10. The company has no accumulated losses. The Company has not incurred any cash losses during the year under review and also not incurred any cash losses in immediately preceding financial year.
-

11. *Based on the audit procedures and on the information and explanation given by the management, we are of the opinion that there were delay of few days in some cases in repayment of dues for Term Loans to banks.*
12. *Based on our examination of documents and records and information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.*
13. *In our opinion, the company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Societies. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.*
14. *In our opinion, the company is dealing in or trading in shares, securities, debentures and other investments and the company is maintaining proper records of such transaction.*
15. *In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.*
16. *In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they have been acquired.*
17. *On the basis of an overall examination of the balance sheet and cash flow statement of the company, in our opinion and according to the information and explanations given to us, no funds raised on a short term basis are applied for long-term purpose.*
18. *In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.*
19. *During the year covered by our audit report, the company has not issued any debentures.*
20. *During the year covered by our audit report, the company has not raised any money by way of Public issues.*
21. *Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.*

For, J T Shah & Company
Chartered Accountants

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

Place : Ahmedabad
Date : 25-08-2009

GALAXY BEARINGS LIMITED
BALANCE SHEET AS AT 31ST, MARCH, 2009

Particulars	Sche. No.	Rupees	As on	As on
			31-03-2009 Rs.	31-03-2008 Rs.
SOURCES OF FUND				
[1] Shareholders' Funds :				
(a) Share Capital	1	31800000		31800000
(b) Reserves and Surplus	2	<u>19733092</u>		<u>16470226</u>
			51533092	48270226
[2] Loan Funds				
(a) Secured Loans	3	63255449		63023245
(b) Unsecured Loans	4	<u>17722684</u>		<u>17546921</u>
			80978133	80570166
[3] Deffered Tax Liability (Net)			4299855	4933275
	Total....		<u>136811080</u>	<u>133773667</u>
APPLICATION OF FUNDS				
[1] Fixed Assets				
(a) Gross Block	5	79256986		92980698
(b) Less : Depreciation		<u>40327855</u>		<u>42479191</u>
Net Block			38929131	50501507
[2] Investments			NIL	NIL
[3] Current Assets, Loans & Advances				
(a) Inventories	6	58630831		73062893
(b) Sundry Debtors	7	58699869		117775386
(c) Cash & Bank Balances	8	4474303		1533541
(d) Loans & Advances	9	<u>17027052</u>		<u>15801827</u>
Sub-Total [A]		138832055		208173647
[4] Less: Current Liabilities & Provisions				
(a) Current Liabilities	10	40390106		123651487
(b) Provisions	11	<u>560000</u>		<u>1250000</u>
Sub-Total [B]		40950106		124901487
Net Current Assets			97881949	83272160
[5] Miscellaneous Expenditure (To The extent not W/off or Adjusted)			Nil	Nil
	Total....		<u>136811080</u>	<u>133773667</u>
Notes on Accounts	16			

As per our report of even date attached herewith

For **J T SHAH & Company**
Chartered Accountants

For **GALAXY BEARINGS LTD.**

J T Shah
(Partner)

B K Ghodasara
Vice Chairman & Jt. Mg. Director

R V Bhalodia
Director

Place : Ahmedabad

Date : 25.08.2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Sche. No.	Rupees	Year Ended	Year Ended
			31-03-2009 Rs.	31-03-2008 Rs.
INCOME				
[1] Gross Sales		215502447		276062221
Less : Excise Duty		<u>13624123</u>		<u>20182351</u>
Sales (Net)			201878324	255879870
[2] Other Income	12		8753090	6677811
[3] Variation in Stock	13		(7047749)	10505134
			<u>203583665</u>	<u>273062815</u>
EXPENDITURE				
[1] Manufacturing & Other Expenses	14	184966895		253307880
[2] Depreciation	5	5833509		6721037
[3] Interest	15	<u>9456311</u>		<u>8824536</u>
			200256715	268853453
Profit Before Taxation			3326950	4209362
Less : Short Provision of Income Tax of earlier years			(137504)	(62155)
			<u>3189446</u>	<u>4147207</u>
Less : Provision for Taxation				
Current Year			350000	950000
Deferred Tax (Asset) / Liability			(633420)	580480
Fringe Benefit Tax			210000	300000
			<u>3262866</u>	<u>2316727</u>
Add : Profit B/f from previous year			13970226	11653499
Balance carried over to Balance Sheet			<u>17233092</u>	<u>13970226</u>
Basic and Diluted Earning per Shares			1.03	0.73
Notes on Accounts	16			

As per our report of even date attached herewith

For **J T SHAH & Company**

Chartered Accountants

For **GALAXY BEARINGS LTD.**J T Shah
(Partner)B K Ghodasara
Vice Chairman & Jt. Mg. DirectorR V Bhalodia
Director

Place : Ahmedabad

Date : 25.08.2009

GALAXY BEARINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	2008- 2009		2007 - 2008	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) before Tax and Extraordinary Items		3189446		4147207
Adjustment for:				
Depreciation	5833509		6721037	
Interest Paid	9456311		8824536	
Income Tax	137504		62155	
Loss/ Profit on Sale of Assets	(2303952)		(614272)	
Bad Debts W/off	122863		5861	
		13246235		14999317
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		16435681		19146524
Adjustment for:				
Trade and Other Receivables	57228605		(70803978)	
Inventories	14432062		(7011432)	
Trade Payable	(83261381)		52070129	
Income Tax	(137504)		(62155)	
Bad Debts W/off	(122863)		(5861)	
		(11861081)		(25813297)
CASH GENERATED FROM OPERATIONS		4574599		(6666773)
Income Tax Paid	(628313)	(628313)	(2981077)	(1196293)
NET CASH FROM OPERATING ACTIVITIES (A)		3946286		(7863066)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(4126396)		(6002044)
Sale of Fixed Assets		12169215		1148616
NET CASH USED IN INVESTING ACTIVITIES (B)		8042819		(4853428)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Unsecured Loan		175763		603351
Proceeds from Long Term Borrowings		(1646338)		12398309
Proceeds from Short Term Borrowings		1878542		9520669
Interest		(9456311)		(8824536)
NET CASH USED IN FINANCING ACTIVITIES (C)		(9048344)		13697793
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		2940762		981300
Cash and Cash Equivalents as at the beginning of the year		1533541		552241
Cash and Cash Equivalents as at the end of the year		4474303		1533541

As per our report of even date attached herewith

For **J T SHAH & Company**

Chartered Accountants

For **GALAXY BEARINGS LTD.**

J T Shah
(Partner)

B K Ghodasara
Vice Chairman & Jt. Mg. Director

R V Bhalodia
Director

Place : Ahmedabad

Date : 25.08.2009

**SCHEDULES "1 TO 16" FORMING THE PART OF BALANCE SHEET AND PROFIT & LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

Particulars	As on 31-03-2009 Rs.	As on 31-03-2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
(a) Authorised 5000000 Equity Shares of Rs. 10/- each	<u>5000000</u>	<u>5000000</u>
(b) Issued, Subscribed & Paid up 3180000 equity shares of Rs.10/- each fully paid up.	<u>3180000</u>	<u>3180000</u>
Total....	<u>3180000</u>	<u>3180000</u>
SCHEDULE - 2		
RESERVE & SURPLUS		
(a) General Reserve Balance as per last year	2500000	2500000
(b) Profit & Loss Account Add : Profit for the year	13970226 <u>3262866</u>	11653499 <u>2316727</u>
Total....	<u>17233092</u>	<u>13970226</u>
SCHEDULE - 3		
SECURED LOAN		
(a) From Banks Bank of Baroda - Term Loan (Secured against Hypothecation of Plant & Machinery at Pune and Shapar (Veraval) & personal guarantee of Directors of the Company.)	12294836	13079484
(b) Bank of Baroda - Working Capital (Secured by hypothecation of Raw Materials, Finished Goods, Stock in process, Inventory, Book Debts & also Secured against First Charge by way of equitable mortgage of land, building, plant & machinery and other assets & personal guarantee of Directors of the Company.)	50790164	48911622
(c) HDFC Bank - Secured by Hypothecation of Motor Cars	170449	1032139
Total....	<u>63255449</u>	<u>63023245</u>
SCHEDULE - 4		
UNSECURED LOAN		
(a) From Promoters, Shareholders	4557166	3197253
(b) From others	3165518	4349668
(c) From Corporate Bodies	10000000	10000000
Total....	<u>17722684</u>	<u>17546921</u>

GALAXY BEARINGS LTD

Fixed Assets as at 31st March, 2009.

GALAXY BEARINGS LIMITED

SCHEDULE - "5" : FIXED ASSETS

SR. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance As at 01/04/08 Rs.	Additions during the year Rs.	Deduction on A/c. of Sale or transfer Rs.	Balance as on 31/03/09 Rs.	Upto 01/04/08 Rs.	Provided during the year Rs.	Deduction on A/c. of Sale or transfer Rs.	Total Upto 31/03/09 Rs.	Balance As on 31/03/09 Rs.	Balance As on 31/03/08 Rs.
A. TANGIBLE ASSET											
1.	LAND	2211188	Nil	Nil	2211188	Nil	Nil	Nil	Nil	2211188	2211188
2.	BUILDING	10868232	56980	Nil	10925212	4568296	364426	Nil	4932722	5992490	6299936
3.	PLANT & MACHINERY	69454333	3648229	15575455	57527107	33984177	4962304	7469558	31476923	26050184	35470156
4.	FURNITURE & DEAD STOCK	1041679	166990	92635	1116034	412169	45052	14914	442307	673727	629510
5.	TURE WELL	534427	Nil	Nil	534427	237152	17850	Nil	255002	279425	297275
6.	ELECTRIC INSTALLATION	3474995	218203	485864	3207334	1610027	159541	48623	1720945	1486389	1864968
7.	VEHICLES	5180144	Nil	1696154	3483990	1520274	233997	451750	1302521	2181469	3659870
B. INTANGIBLE ASSET											
1.	COMPUTER SOFTWARE	215700	35994	Nil	251694	147096	50339	Nil	197435	54259	68604
Total Rs.		92980698	4126396	17850108	79256986	42479191	5833509	7984845	40327855	38929131	50501507
Pre. Year. Total Rs.		88489748	6002044	1511094	92980698	36734904	6721037	976750	42479191	50501507	51754844

NINETEENTH ANNUAL REPORT

Particulars	As on 31/03/2009 Rs.	As on 31/03/2008 Rs.
SCHEDULE - 6		
INVENTORIES		
(As per inventory prepared, valued and certified by Director)		
(a) Raw Material	12545179	19567426
(b) Semi Finished Goods	10887323	14990242
(c) Finished Goods	30452504	33397334
(d) Consumable Stores, Spare & Packing Materials	4745825	5107891
Total....	<u>58630831</u>	<u>73062893</u>
SCHEDULE - 7		
SUNDRY DEBTORS (UNSECURED)		
(a) Outstanding for a period exceeding 6 months		
(i) Good	13125454	9121162
(ii) Doubtful	Nil	Nil
	13125454	9121162
(b) Others		
(i) Good	45574415	108654224
(ii) Doubtful	Nil	Nil
	45574415	108654224
Total....	<u>58699869</u>	<u>117775386</u>
SCHEDULE - 8		
CASH AND BANK BALANCES		
(a) Cash on Hand	104396	179320
(b) Balance with Scheduled Banks		
- In Current Account	4013246	1173830
- In Fixed Deposit	356661	180391
Total....	<u>4474303</u>	<u>1533541</u>
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
(a) Advances to suppliers and others recoverable in cash or kind or for value to be received	15165094	12917119
(b) Deposits	929217	1204497
(c) Prepaid Expenses	248612	313057
(d) Advance Income Tax and TDS	659777	1281464
(e) Balances with Excise Authority	24352	85690
Total....	<u>17027052</u>	<u>15801827</u>

GALAXY BEARINGS LIMITED

Particulars	As on 31/03/2009 Rs.	As on 31/03/2008 Rs.
SCHEDULE - 10		
CURRENT LIABILITIES		
(a) Sundry Creditors	39841183	122939735
(b) Unpaid Expenses	<u>548923</u>	<u>711752</u>
Total....	<u>40390106</u>	<u>123651487</u>
SCHEDULE - 11		
PROVISIONS		
(a) Provision for Income Tax	350000	950000
(b) Provision for FBT	<u>210000</u>	<u>300000</u>
Total....	<u>560000</u>	<u>1250000</u>
SCHEDULE - 12		
OTHER INCOME		
(a) Interest (TDS Rs.18595/- Pr.Year Rs.5767/-)	88436	171460
(b) Waste & Scrap Sales	537113	640337
(c) Job Work Income (TDS Rs.1182/- Pr.Yr.Rs.35697/-)	Nil	1587023
(d) Export Incentive	3932888	4712875
(e) Exchange Difference	Nil	764065
(f) Excise Duty Difference in Stock	1890701	(1812221)
(g) Profit on Sale of Asset	<u>2303952</u>	<u>614272</u>
Total....	<u>8753090</u>	<u>6677811</u>
SCHEDULE - 13		
VARIATION IN STOCK OF FINISHED GOODS & SEMI-FINISHED GOODS		
Opening Stock	48387576	37882442
Less : Closing Stock	41339827	48387576
Total....	<u>(7047749)</u>	<u>10505134</u>
SCHEDULE - 14		
MANUFACTURING AND ADMINISTRATION EXPENSES		
(a) Raw Materials Consumed	115823547	171834258
(b) Payments to and provisions made for employees		
(1) Wages, Salaries and Bonus	11182648	14949106
(2) Company's Contribution to Provident and other Funds	902038	877438
(3) Gratuity	372335	820652
(4) Staff Welfare expenses	399586	474375
(5) Labour charges	21931556	25864936
(6) Directors' Remuneration & Perq.	<u>660536</u>	<u>631748</u>
	35448699	43618255

NINETEENTH ANNUAL REPORT

Particulars	Year ended 31/03/2009 Rs.	Year ended 31/03/2008 Rs.
(c) Operating and other expenses		
(1) Stores Spares & Packing Materials consumed	11109704	15546519
(2) Freight, Octroi, Clearing and Forwarding Charges	3200870	4588533
(3) Power, Fuel & Water Charges	2976562	3256012
(4) Repairs and Maintenance		
• Building	141279	354001
• Plant & Machinery	158946	194140
• Others	185966	167638
(5) Rent, Rates and Taxes	436851	244000
(6) Insurance	508208	395099
(7) Printing, Stationery, Postage		
Advertisement & Telephone Expenses	1162955	2032924
(8) Travelling, Conveyance & Vehicle Expenses (Including Directors Travelling Exp. of Rs. Nil/- Previous Year Rs. 22921/- Foreign Travelling Rs. 1147708/- Pr. Year Rs. 421689/-)	3892565	4171475
(9) Auditor's remuneration		
(a) Audit fees	60665	61798
(b) In other capacities		
- For Income tax	8272	8427
(c) Tax Audit Fees	<u>18200</u>	<u>18540</u>
	87137	88765
(10) Legal and Professional Charges	565528	887763
(11) Sales Expenses	3664075	3636395
(12) Bad Debts Written Off	122863	5861
(13) Exchange Difference (Net)	2697055	Nil
(14) Donation	41111	Nil
(15) General expenses (including license fees, bank charges and other miscellaneous expenses)	<u>2742974</u>	<u>2286242</u>
	33694649	37855367
Total....	<u>184966895</u>	<u>253307880</u>
SCHEDULE - 15		
INTEREST PAID TO		
(a) Banks	8447208	7815482
(b) Others	1009103	1009054
Total....	<u>9456311</u>	<u>8824536</u>

SCHEDULE - 16

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

1. Paise are rounded upto the nearest rupee.
2. Previous year's figures have been regrouped or rearranged so as to make them comparable with those of current year wherever necessary.
3. Balances are subject to confirmation.
4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business.
5. **Accounting Policies**

The significant accounting policies followed by the company are as stated below :

a) **Basis of Accounting:**

The Financial statements are prepared on a historical Cost Convention on the accrual basis and are materially complies with the mandatory accounting standards issued by the Institute of Chartered Accountants of India. The accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

b) **Fixed Assets and Depreciation:**

Fixed Assets:

Fixed assets are stated at cost of acquisition/construction. Direct costs including the financing costs till commencement of commercial production are allocated to the respective fixed assets. All other indirect costs upto the date of commercial production are suitably apportioned to the fixed assets.

Depreciation:

Depreciation is provided on Straight Line Method except on Plant & Machinery which is on Written Down Value Method at the rates and in the manner specified under Schedule XIV of the Companies Act, 1956 (as revised vide notification No.GSR 756 (E) dated 16th December, 1993 of the Department of Company Affairs, Government of India.)

c) **Inventories:**

The basis of valuation of inventories is: " Lower of cost and net realisable value". Finished Goods and Work in Progress are valued on weighted average method. Other inventories are valued on FIFO Basis.

d) **Sales:**

Sales are accounted for on dispatch of goods to the customers and are net of Sales Return.

e) **Foreign Currency Transactions / Exchange Fluctuation**

I. Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at year end rates except for the debts which are doubtful of recovery.

II. The Company has charged 1/3rd of Exchange difference arising on other then long term foreign currency items in the profit and loss A/c and balance transferred to "Foreign Currency Monetary Item Transaction Difference Account" in loans and advances" which is not in accordance with AS-11 " The Effects of Changes in Foreign Exchange Rates", as a result profit as well as loans and advances are overstated by Rs. 61.09 Lacs.

f) **Employee Benefit**

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 Company has taken a Group Insurance policy for Gratuity and the provision is made to the extent of premium paid to the Life Insurance Corporation of India.
- III. The Company is following the Cash Method of accounting in respect of Leave Encashment and in absence of actuarial valuation, the amount is not ascertainable.

g) Taxation

Provision for Taxation has been made in accordance with the Income Tax Laws and Rules prevailing at the time of the relevant assessment years.

Deferred Tax resulting from the timing difference between book and tax profit is accounted for under the liability method, at the current rate of tax to the extent that the timing difference are expected to crystallize.

e) Borrowing Cost:

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing cost is charged to revenue.

f) Intangible Assets:

Direct cost incurred for acquisition of Intangible Assets is capitalised. Intangible Assets are amortised over period of five years.

g) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

6. Contingent liabilities not provided for Letters of credit outstanding of Rs. Nil (Previous year Rs. 24.23).
7. The Company deals with several Small Scale Industrial (SSI) Undertakings on mutually accepted terms and conditions. Basis on the information received from SSI suppliers, the various amounts due to SSIs and included under sundry creditors aggregate Rs.26,44,421/- (Previous Year Rs. 63,19,504/-). The name of such SSI suppliers where individual balance is in excess of Rs.1,00,000/- and due for more than 30 days are M/s. Vishal Bearings P Ltd.
8. 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.
9. 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 35.15% (previous year 35.77%) of annual turnover. Hence in view of the management India and exports market represents different geographical segment.

GALAXY BEARINGS LIMITED

Secondary segment information for the year ended 31st March, 2009.

	India	Outside India	Total
Revenue by Geographical Market	130922840 (164353401)	70955484 (91526469)	201878324 (255879870)
Carrying Amount of Segment Assets	30556125 (61893459)	9254993 (22628702)	98441948 (84522161)
Addition to Fixed Assets	4126396 (5479149)	Nil (522895)	4126396 (6002044)

10. List of related parties with whom transaction have taken place during the year.

1. Key Management Personnel

1 Vinodbhai H. Kansagara 2 Navinchandra M. Patel 3 Bharatbhai K. Ghodasara

2. Relative of Key Management Personnel

Name of Person	Related Party Relation
Kiritkant H. Kansagara	Brother of Key Management Personnel
Gujarat Cine Ent. Pvt Ltd	Private Ltd.Co. where Director's have Control
Sanat D Patel	Relative of Director
Tuhina R Bera	Relative of Director

Details of Transaction :-

Sr No.	Nature of Transaction	Key Management Personnel	Relative of Key Management Personnel	Associates	Total Rs.
1.	Unsecured Loan				
	Loan taken during the year	Nil (Nil)	300000 (Nil)	Nil (Nil)	300000 (Nil)
	Loan repaid during the Year	Nil (Nil)	606343 (Nil)	Nil (Nil)	606343 (Nil)
	Closing Balance	Nil (Nil)	2890910 (3197253)	Nil (Nil)	2890910 (3197253)
2.	Advance Given				
	Advance given during the year	Nil (50000)	Nil (Nil)	Nil (Nil)	Nil (50000)
	Advance Settled during the year	Nil (50000)	Nil (Nil)	Nil (Nil)	Nil (50000)
	Closing Balance	Nil (Nil)	Nil (Nil)	922454 (922454)	922454 (922454)

3. Expenses

Directors Remuneration	660536 (631748)	Nil (Nil)	Nil (Nil)	660536 (631748)
Payment made to a Firm for Travelling	Nil (Nil)	Nil (Nil)	Nil (147291)	Nil (147291)
Interest Paid	Nil (Nil)	328669 (359780)	Nil (Nil)	328669 (359780)

11 Major components of deferred tax Assets & Liabilities arising out of timing difference are as follows :

	31-03-2009	31-03-2008
Deferred Tax Assets on account of Disallowance U/s 40(a)(ia) TDS not deducted	175928	15895
Total Deferred Tax Assets	175928	15895
Deferred Tax Liability on account of Additional Depreciation on Fixed Assets for Tax purpose due to higher tax depreciation rates	4454222	4665929
Allowance U/s 40(a)(ia) TDS paid in current year	Nil	283241
Total Deferred Tax Liability	4454222	4949170
Net Deferred Tax Liability/(Assets)	4299855	4933275

12. Earning per Shares	Unit	31-03-2009	31-03-2008
• Numerator used for calculating basic & Diluted earning per share (Profit After Tax)	Rs.	3262866	2316727
• Weighted Avg.No. of Shares used as denominator for calculating basic & Diluted earning per share	No. of Shares	3180000	3180000
• Nominal Value per Share	Rs.	10	10
• Basic & Diluted Earning per share	Rs.	1.03	0.73

13. Advance to Private Ltd. Companies where some of the Directors of the Company are interested as Directors/ Members.

Sr. No.	Name of The Company	Debit Balance Rs.	Maximum Debit Balance at any time during the year.
1.	Gujarat Cine Ent.Pvt.Ltd.	922454 (922454)	922454 (922454)

14. Detailed quantitative information in respect of each class of finished goods (as certified by Director)

(a) Licensed & Insatlld Capacity :

Product Name	Licensed Capacity per annum		Installed Capacity per annum	
	31-03-09	31-03-08	31-03-09	31-03-08
Ball and Roller Bearings (Nos.)	N. A.	N. A.	2100000 Nos.	2100000 Nos.

GALAXY BEARINGS LIMITED

Class of Good Manufactured	Opening Stock		Production	Closing Stock		Sales	
	Nos.	Rs.	Nos.	Nos.	Rs.	Nos	Rs.
Ball & Roller Bearings	258448 (129388)	33397334 (17376380)	1085951 (1901694)	217287 (258448)	30452504 (33397334)	1127112 (1772634)	201878324 (255879870)
Total Previous Year Total		33397334 (17376380)			30452504 (33397334)		201878324 (255879870)

(b) Particular of securities purchased and sold during the financial year 2008-09.

Sr. No.	Particular	Purchased during the year		Sold during the year	
		Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
1.	US Dollar	750000 (Nil)	37423070/- (Nil)	750000 (Nil)	36943453/- (Nil)
	Total	750000 (Nil)	37423070/- (Nil)	750000 (Nil)	36951657/- (Nil)

(c) Raw Materials and Components Consumed :

No.	Particular	Unit	Quantity	Value in Rs.
(1)	Alloy Steel Bar	Mt.	1183.017 (1547.711)	55820132 (50095368)
(2)	Rolled/Forged Rings	Nos.	1330733 *(1738054)	1093874 (1667916)
(3)	Cages	Nos.	649805 (856647)	10233289 (10889113)
(4)	Roller	Nos.	12775644 (17061434)	25597416 (28916162)
(5)	Semi Finished Bearings	Nos.	348395 (1032667)	21053363 (73915257)
(6)	Other Components	Nos.	—	2025473 (6350438)
	Total....			115823547
	Previous Year Total.....			(171834258)

* Includes consumption of own production of 1319940 (Pr. Year 1600974 Pcs)

(d) Percentage of Consumption :

	Indigenous	Imported	Total
(i) Raw Materials and Components :			
Value	112621582 (157996686)	3201965 (13837572)	115823547 (171834258)
Percentage	97.24% (91.95%)	2.76% (8.05%)	100% (100%)
(ii) Stores & Spares :			
Value	11109704 (15546519)	Nil (Nil)	11109704 (15546519)
Percentage	100% (100%)	Nil (Nil)	100% (100%)

(d) CIF Value of Imports :

	Amount (Rs.)
1. Raw Materials	3477118 (13837572)
2. Components & Spare Parts	Nil (Nil)
3. Capital goods	Nil (522895)

(e) Expenditure in Foreign Exchange :

1. Travelling	443190 (161407)
2. Foreign Bank Charges	60610 (42311)

(f) Earning in Foreign Exchange :

F.O.B. Value to Export	6435991€ (83683566)
------------------------	------------------------

As per our report of even date attached herewith

For **J T SHAH & Company**
Chartered Accountants

For **GALAXY BEARINGS LTD.**

J T Shah
(Partner)

B K Ghodasara
Vice Chairman & Jt. Mg. Director

R V Bhalodia
Director

Place : Ahmedabad

Date : 25.08.2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date

Date Month Year

II. Capital Raised during the year (Amount in Thousand)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Rupees in Thousand)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="1"/>

Sources of Funds

Paid up Capital	Reserves & Surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="3"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="3"/>
Deferred Tax Liability	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="0"/>	

Application of Funds

Net Fixed Assets	Investment
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Net Current Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="2"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Loss	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

IV. Performance of Company (Rupees in Thousand)

Turnover & Other Income	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="6"/>
+ - Profit Before Tax	+ - Profit After Tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="7"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="3"/>

(Please tick Appropriate box + for Profit & - for Loss)

Earning per Share (In Rs.) Dividend

V. Generic Names of Principal Products / Services of Company

I.T.C. Code	Product Description
<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="B"/> <input type="text" value="A"/> <input type="text" value="L"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="B"/> <input type="text" value="E"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="G"/> <input type="text" value="S"/>
<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="R"/> <input type="text" value="O"/> <input type="text" value="L"/> <input type="text" value="L"/> <input type="text" value="E"/> <input type="text" value="R"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="B"/> <input type="text" value="E"/> <input type="text" value="A"/> <input type="text" value="R"/> <input type="text" value="I"/> <input type="text" value="N"/> <input type="text" value="G"/> <input type="text" value="S"/>

Place : Ahmedabad
Date : 25.08.2009

B K Ghodasara
Vice Chairman & Jt. Managing Director

R V Bhalodia
Director

GALAXY BEARINGS LIMITED

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

ATTENDANCE SLIP

Folio No.....

No. of Shares Held.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company, and hereby record presence at the **NINETEENTH ANNUAL GENERAL MEETING** of the members of Galaxy Bearings Ltd., at T-18, Vikram Chambers, Ashram Road, Ahmedabad - 380 009, at 11.30 A.M. on Friday, 25th September, 2009.

.....
(Member's/Proxy's Name in BLOCK Letters)

.....
(Member's/Proxy's Signature)

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL

..... **TERE HERE**

GALAXY BEARINGS LIMITED

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

FORM OF PROXY

Folio No.....

No. of Shares Held.....

I/We of
being member(s) of the above named Company, hereby appoint Shri/Smt.
..... of
or failing him/her, Shri/Smt of
as my/our proxy to vote for me/us on my/our behalf at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 25th September, 2009 and at any adjournment thereof.

Signed this day of, 2009 Signature

1 Rs.

Revenue
Stamp

Note: This instrument of Proxy should be deposited at the Registered Office of the Company not less than 48 (FORTY EIGHT) hours before the time of holding the Meeting.

Book Post

If undelivered please return to
GALAXY BEARINGS LIMITED
T-18, Vikram Chambers,
Ashram Road,
Ahmedabad - 380 009
Gujarat