

## **Winning with customers globally**

Sales & service across regions

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Conquering new markets

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Establishing brands

**Galaxy Surfactants Ltd.**  
**31<sup>st</sup> Annual Report**  
2016 - 2017



What we mean when we say

## Winning with customers globally

Increasing sales and service across regions

The global personal and home care business remains a mix between developed and developing regions; with much of the growth coming from developing countries, though many of our T1 customers won market share in developed countries as well. Overall – it is a “bi-polar” world... one of sluggish growth in most developed countries contrasted by relatively healthy growth in emerging markets. This makes the job of suppliers of ingredients tough, as we are attacking for a share in the newer markets and customers and at the same time defending our high share in other markets and its customers.

Customers want service now; experiences marked by immediacy, personalization and convenience. This rising bar of customer expectations creates new thresholds to our business creation teams across regions globally. As channels – in person visits, telephone calls, web contacts and smart telephony proliferate, customers are demanding seamless and consistent service in all of them, not to mention the human interaction and security of personal information. We are consistently improving our response digitally to exceed expectations and by seeking regular feedback on our processes.

We believe that customer care and service will change dramatically in the coming years around two key dimensions

1. Understanding the evolving value (price/service) and complexity of transactions
2. Choosing the right level of human interaction and automation for superior value

## Conquering new markets:

Being chosen by more customers, more often in new geography or as they say “Go where the growth is” is our essence of market expansion. Understanding where to find valuable opportunities – whether from an emerging region with a growing population or innovating to meet untapped needs in more developed market is our strategy for growth or the concept of conquering new markets.

## Establishing brands:

At Galaxy, our objective of establishing brands means that is a process of creating value to our customers. Our innovation process is focused in creating new products which are high performing solutions that bring multi-functional benefits to the end-use consumers. This necessitates immense dialogue with our customers R&D and marketing process. Thus we collaborate to innovate, which helps in customers choosing the right technology with right applications. Most of these innovations are presented at global scientific seminar forums where they are exposed to scientists from R&D of leading global brands and are then launched in the market place. Some of the new brands launched this year are 1. GalsoftGLI 2. GalShow 3. Galguard NT.

## CORPORATE INFORMATION

### CORPORATE IDENTITY NUMBER (CIN)

U39877MH1986PLC039877

### BOARD OF DIRECTORS

S. Ravindranath : Chairman, Non-Executive Independent Director

U. Shekhar : Managing Director

G. Ramakrishnan : Non-Executive Director (since September 7, 2016) Executive Director-Innovation (till September 6, 2016)

Ravi Venkateswar : Executive Director Finance & Chief Financial Officer (till March 31, 2017) and Executive Director (till June 9, 2017)

K. Ganesh Kamath : Executive Director (Finance) & Chief Financial Officer (appointed w.e.f. April 1, 2017)

K. Natarajan : Executive Director & Chief Operating Officer (appointed w.e.f. October 1, 2016)

Sudhir Patil : Non-Executive Director

Subodh Nadkarni : Non-Executive Independent Director

Venkatesh Kasturirangan : Non-Executive Director (till September 30, 2016)

M. G. Parameswaran : Non-Executive Independent Director

Nandita Gurjar : Non-Executive Independent Director

Dr. Nirmal Koshti : Non-Executive Director (appointed w.e.f. October 1, 2016)

Vaijanath Kulkarni : Non-Executive Director (appointed w.e.f. October 1, 2016)

### AUDITORS

P. D. Kunte & Co. (Regd.), Chartered Accountants

### BOARD COMMITTEES

#### Audit Committee

Subodh Nadkarni (Chairman)

S. Ravindranath

M. G. Parameswaran

G. Ramakrishnan

#### Nomination & Remuneration Committee

M. G. Parameswaran (Chairman)

S. Ravindranath

Subodh Nadkarni

Nandita Gurjar (w.e.f. June 4, 2016)

#### Stakeholders Relationship Committee

M. G. Parameswaran (Chairman)

G. Ramakrishnan

Ravi Venkateswar (till June 9, 2017)

K. Ganesh Kamath (w.e.f. June 23, 2017)

#### Corporate Social Responsibility Committee

U. Shekhar (Chairman)

Ravi Venkateswar (till June 9, 2017)

M. G. Parameswaran

K. Ganesh Kamath (w.e.f. June 23, 2017)

### COMPANY SECRETARY

Vinayak Shitole

### BANKERS

Standard Chartered Bank

IDBI Bank

DBS Bank

Societe Generale

The Hongkong & Shanghai Banking Corporation Ltd.

The Saraswat Co-operative Bank Ltd.

Citi Bank

The Shamrao Vithal Co-operative Bank Ltd.

Kotak Mahindra Bank Ltd.

HDFC Bank Ltd.

### REGISTERED & CORPORATE OFFICE

C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703, Maharashtra, India.

## CORPORATE INFORMATION

### PLANTS

Plot Nos. W-44 (C), N-46/1 & 2, W-67 (B), G-59, M-3, M.I.D.C. Tarapur, Post Boisar - 401 506.

Plot No. V-23, M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.

Plot No. 1, Village Chal, CIDCO, Near M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.

Plot No. 892, Jhagadia Industrial Estate, Taluka - Jhagadia via Ankleshwar, Dist. Bharuch, Gujarat Pin-393 110.

### SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai-400 083. Maharashtra, India. Ph: 022 49186000 Fax: 022 49186060, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in); [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

### CONTACT

Visit Galaxy at [www.galaxysurfactants.com](http://www.galaxysurfactants.com)

Send E-mail to [galaxy@galaxysurfactants.com](mailto:galaxy@galaxysurfactants.com)

Call us at 91-22-2761 6666, 91-22-6513 4444

## Subsidiaries

Galaxy Chemicals Inc.  
2 Stewart Court, Denville,  
NJ 07834, USA.

Rainbow Holdings GmbH.  
c/o Raupach & Wollert Emlendorff  
Schwanstrasse 6, 40476, Dusseldorf, Germany.

Galaxy Holdings (Mauritius) Ltd.  
4th Floor, Ebene Skies, Rue de L'Institut  
Ebene, Mauritius.

TRI-K Industries, Inc.  
2 Stewart Court, Denville,  
NJ 07834, USA.

Galaxy Chemicals (Egypt) S.A.E.  
Plot No. 9, Block M,  
The Public Free Zone,  
Attaka, Suez, Egypt.

## Offices

### New Delhi

Galaxy Surfactants Ltd.,  
D-54, 5th Floor, Himalaya House,  
23 Kasturba Gandhi Marg,  
Connaught Place,  
Opp. Hindustan Times Bldg.,  
New Delhi-110 001.

### Chennai

Galaxy Surfactants Ltd.,  
204, DBS Business Centre, 31-A,  
Cathedral Garden Road,  
Nungambakkam,  
Chennai 600 034.

### The Netherlands

Galaxy Surfactants Ltd.  
De Lismortel 31  
5612 AR, Eindhoven  
The Netherlands

### Turkey

Galaxy Surfactants Ltd.  
Turkiye Liaison Office  
100, A- Sky Towers  
Sedef Street,  
Atashir Bulvari-34758,  
Istanbul, Turkey

## THIRTY FIRST ANNUAL GENERAL MEETING

Day and Date : Thursday, August 17, 2017  
 Time : 2:00 P. M.  
 Place : C-49/2, TTC Industrial Area, Pawne,  
 Navi Mumbai – 400 703,  
 Maharashtra, India

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# CONSOLIDATED FINANCIAL PERFORMANCE

## 5 year track record

Figures in Rs. Crore

Particulars	FY17	FY16	FY15	FY14	FY13
<b>Profit &amp; Loss Account</b>					
Sales of products (Net)	2138	1779	1862	1685	1570
Other Income	34	28	13	16	13
PBDIT	280	238	192	219	121
PBIT	231	193	147	164	71
Interest	27	31	34	42	52
Profit Before Taxation	204	161	113	122	19
Profit After Taxation	145	101	68	75	0.29
Basic Earning Per Share of Rs.10 (Rs.)	41.02	28.52	19.18	21.22	0.08
Dividend Per Share of Rs.10 (Rs.)	6.00	6.00	4.00	4.00	1.00
<b>Balance Sheet</b>					
Fixed Assets	483	487	466	480	483
Investments	_*	_*	_*	_*	_*
Net Current Assets	505	386	369	265	259
	<b>988</b>	<b>873</b>	<b>835</b>	<b>745</b>	<b>742</b>
Equity Capital	35	35	35	35	35
Reserves & Surplus	535	406	325	270	202
Loan Funds	396	413	456	417	481
Deferred Tax Liability	22	19	19	23	24
	<b>988</b>	<b>873</b>	<b>835</b>	<b>745</b>	<b>742</b>
PAT/ Sales (%)	6.8	5.7	3.7	4.5	0.02
Return on Capital Employed (%)	24.9	22.6	18.6	22.1	10.0
Return on Net Worth (%)	28.8	25.2	20.4	27.8	0.1
Net Current Assets to Sales (%)	23.6	21.7	19.8	15.7	16.5
Cash Generated from Operations	120	170	41	155	55

\* Figures rounded off to Rs. Crore

## STANDALONE FINANCIAL PERFORMANCE

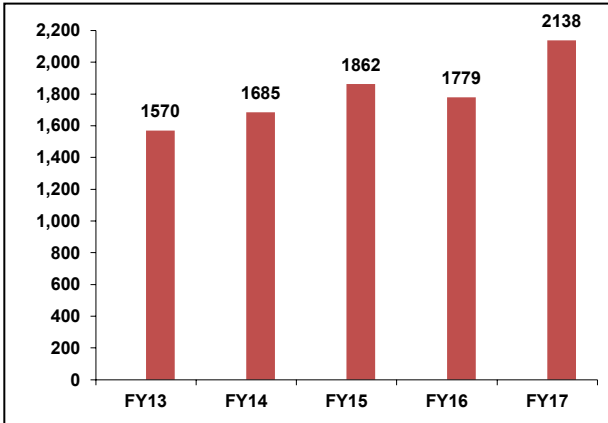
### 5 year track record

Figures in Rs. Crore

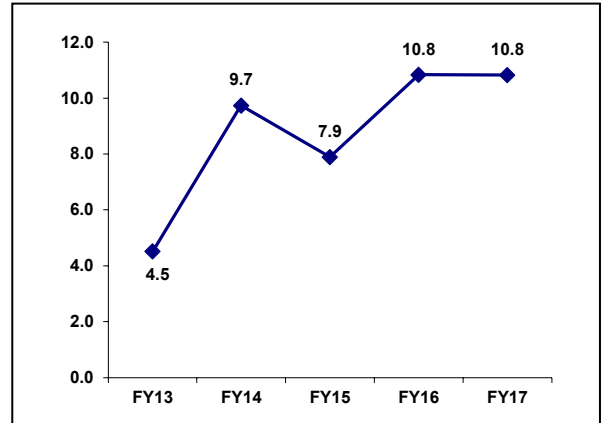
Particulars	FY 17	FY16	FY15	FY14	FY13
<b>Profit &amp; Loss Account</b>					
Sales of Products (Net)	1483	1326	1466	1418	1408
Other Income	33	25	14	18	15
PBDIT	201	210	183	198	132
PBIT	176	187	159	165	99
Interest	21	25	28	36	48
Profit Before Taxation	155	163	130	129	51
Profit After Taxation	103	106	86	83	34
Basic Earning Per Share of Rs.10 (Rs.)	29.05	29.79	24.17	23.53	9.67
Dividend Per Share of Rs.10 (Rs.)	6.00	6.00	4.00	4.00	1.00
<b>Balance Sheet</b>					
Fixed Assets	302	283	260	268	292
Investments	218	218	120	120	120
Net Current Assets	322	266	304	223	222
	<b>842</b>	<b>767</b>	<b>684</b>	<b>611</b>	<b>634</b>
Equity Capital	35	35	35	35	35
Reserves & Surplus	531	441	360	294	227
Loan Funds	252	271	268	260	349
Deferred Tax Liability	24	20	21	22	23
	<b>842</b>	<b>767</b>	<b>684</b>	<b>611</b>	<b>634</b>
PAT/ Sales (%)	6.9	8.0	5.9	5.9	2.4
Return on Capital Employed (%)	21.9	26.0	24.7	26.6	16.6
Return on Net Worth (%)	19.8	24.2	23.6	28.2	13.8
Net Current Assets to Sales (%)	21.7	20.0	20.7	15.7	15.8
Cash Generated from Operations	96	197	52	135	76

# PERFORMANCE TRENDS (CONSOLIDATED)

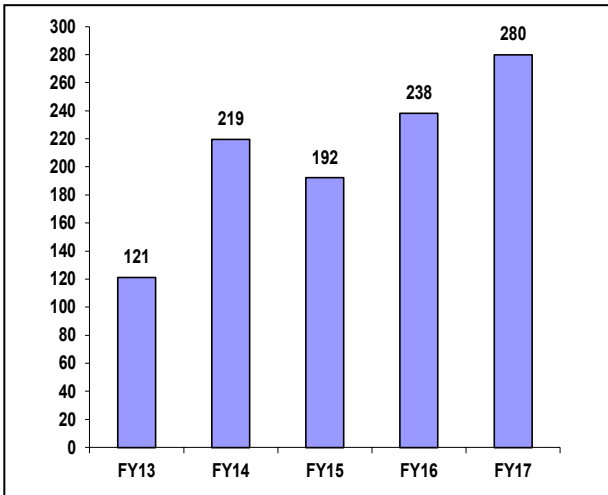
Sales (Rs. Crore)



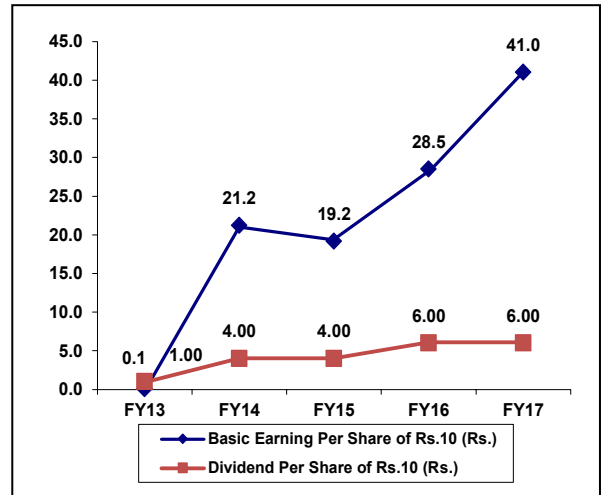
PBIT as % of Sales



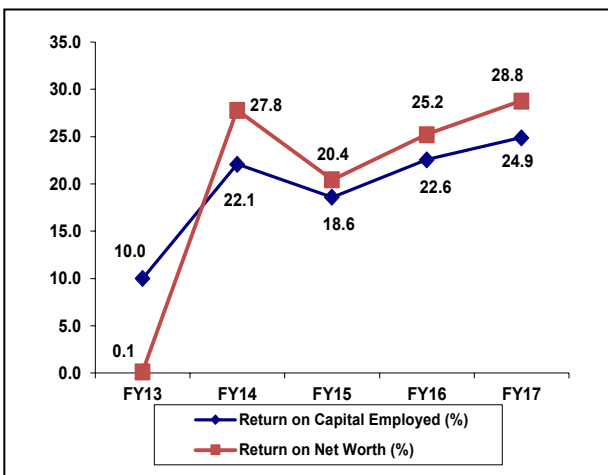
PBDIT (Rs. Crore)



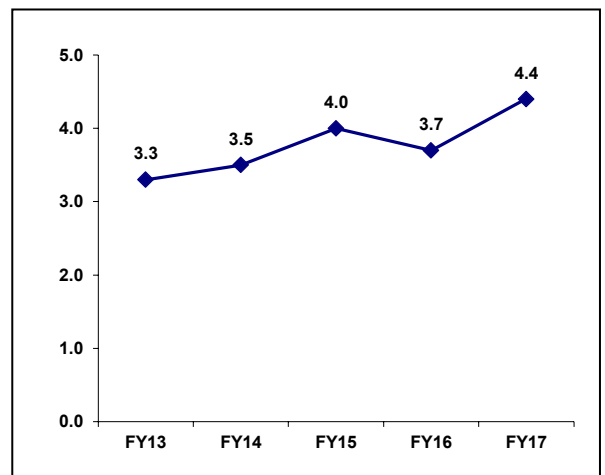
Basic Earning & Dividend Per Share (Rs.)



Return on Capital Employed (%) / Return on Net Worth (%)



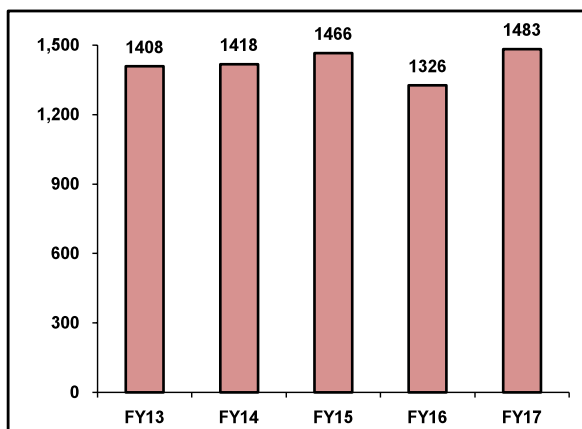
Fixed Assets Turnover (No. of times)



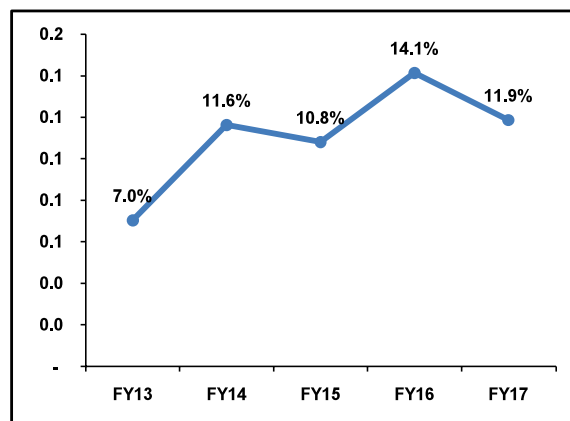


# PERFORMANCE TRENDS (STANDALONE)

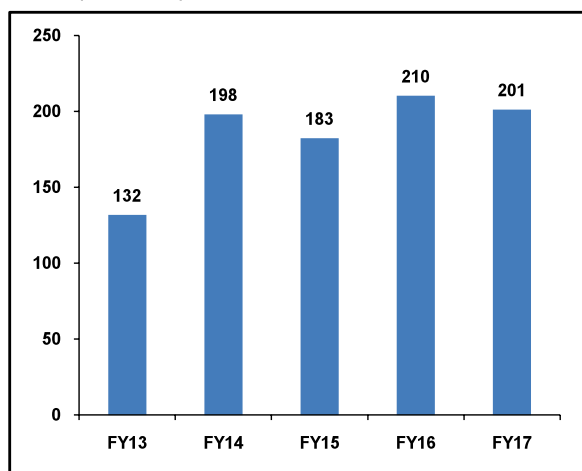
Sales (Rs. Crore)



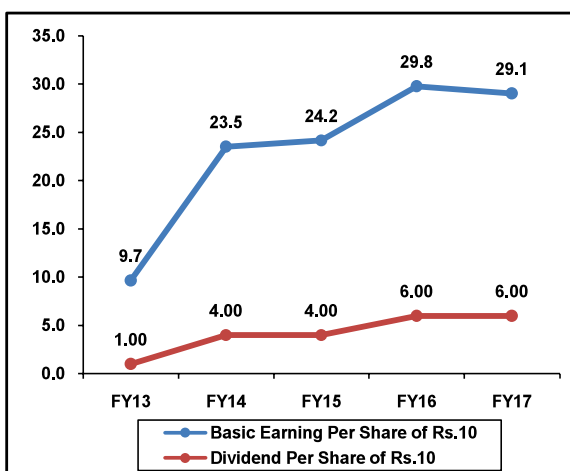
PBIT as % of Sales



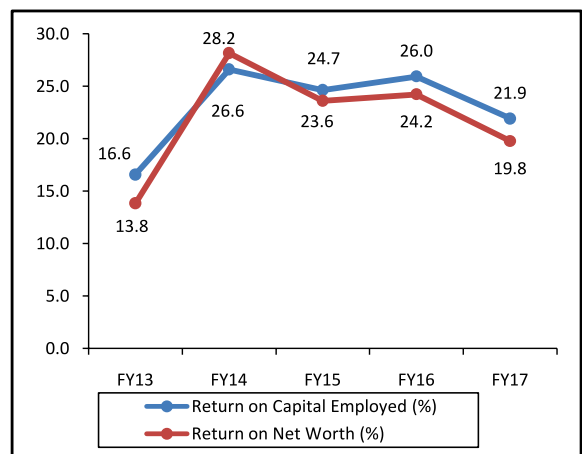
PBDIT (Rs. Crore)



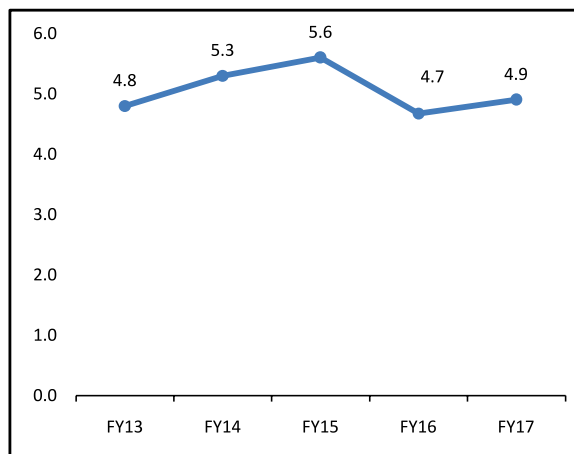
Basic Earning & Dividend Per Share (Rs.)



Return on Capital Employed(%) / Return on Net Worth (%)



Fixed Assets Turnover (No. of times)



## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the **THIRTY FIRST ANNUAL GENERAL MEETING** of the members of **GALAXY SURFACTANTS LIMITED** will be held on **Thursday, August 17, 2017 at 2.00 P.M.** at the Registered Office of the Company situated at C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016-17.
3. To appoint a Director in place of Mr. Sudhir Patil (DIN 00264933), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. Ramakrishnan (DIN 00264760), who retires by rotation and being eligible, offers himself for re-appointment.
5. Appointment of Auditors:  
To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Board, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W/ W-100018) allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors M/s. P. D. Kunte & Co. (Regd.) Chartered Accountants, Mumbai (Firm Registration No.105479W) allotted by ICAI, who shall hold office from the conclusion of this 31st Annual General Meeting for a term of consecutive five years till conclusion of the 36th Annual General Meeting to be held in the year 2022 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### SPECIAL BUSINESS

#### 6. Remuneration of M/s. A. B. Nawal & Associates, as Cost Auditors of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made there under, the remuneration payable to the Cost Auditors M/s. A. B. Nawal & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is hereby ratified and confirmed.

## NOTICE TO SHAREHOLDERS

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### **7. Appointment of Dr. Nirmal Koshti as Director (DIN 07626499):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dr. Nirmal Koshti (DIN 07626499) appointed by the Board of Directors at their meeting held on September 26, 2016 as an Additional Director with effect from October 1, 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) read with Article 129 of the Articles of Association of the Company holds office as an Additional Director up to the date of this Annual General Meeting and the Company has received a notice under Section 160 of the Act in writing, from a member proposing his candidature for the office of Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to such notice received by the Company under section 160 of the Act, approval of the Members be and is hereby accorded to the appointment of Dr. Nirmal Koshti as non-independent director liable to retire by rotation under the provisions of section 149, 152 and other applicable provisions if any, of the Act and Rules framed there under from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### **8. Appointment of Mr. Vaijanath Kulkarni as Director (DIN 07626842):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Vaijanath Kulkarni (DIN 07626842) appointed by the Board of Directors at their meeting held on September 26, 2016 as an Additional Director with effect from October 1, 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) read with Article 129 of the Articles of Association of the Company holds office as an Additional Director up to the date of this Annual General Meeting and the Company has received a notice under Section 160 of the Act in writing, from a member proposing his candidature for the office of Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to such notice received by the Company under section 160 of the Act, approval of the Members be and is hereby accorded to the appointment of Mr. Vaijanath Kulkarni as non-independent director liable to retire by rotation under the provisions of section 149, 152 and other applicable provisions if any, of the Act and Rules framed there under from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### **9. Appointment of Mr. K. Natarajan as Director (DIN 07626680):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. K. Natarajan (DIN 07626680) appointed by the Board of Directors at their meeting held on September 26, 2016 as an Additional Director in an executive capacity with effect from October 1, 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) read with Article 129 of the Articles of Association of the Company holds office as an Additional

## NOTICE TO SHAREHOLDERS

Director up to the date of this Annual General Meeting and the Company has received a notice under Section 160 of the Act in writing, from a member proposing his candidature for the office of Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to such notice received by the Company under section 160 of the Act, approval of the Members be and is hereby accorded to the appointment of Mr. K. Natarajan as non-independent director liable to retire by rotation under the provisions of section 149, 152 and other applicable provisions if any, of the Act and Rules framed there under from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### **10. Appointment of Mr. K. Natarajan (DIN 07626680) as Executive Director & Chief Operating Officer of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 203 of the Companies Act, 2013 (‘Act’) and other applicable provisions if any, of the Act and Rules framed there under read with Schedule V to the Act, as amended from time to time, approval of the Members be and is hereby accorded to the appointment of Mr. K. Natarajan (DIN 07626680), who is eligible for appointment, as Whole-time Director designated as Executive Director and Chief Operating Officer with effect from 1st October, 2016 till 30th September, 2019 and to the payment of remuneration to him as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorized to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify, vary such terms and conditions subject to the limits and stipulations prescribed by the Act read with Schedule V thereto and / or any guidelines prescribed by the Central Government from time to time, during the tenure of the present appointment of Mr. K. Natarajan as Whole-time Director designated as Executive Director and Chief Operating Officer of the Company.

RESOLVED FURTHER THAT the appointment and remuneration paid as per the resolution of the Board passed at their meeting held on 26th September, 2016 to Mr. K. Natarajan with effect from 1st October, 2016 be and is hereby approved and ratified as required under clause 1 Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. K. Natarajan will be a Director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director during the tenure of appointment up to 30th September, 2019.”

### **11. Appointment of Mr. K. Ganesh Kamath as Director (DIN 07767220):**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. K. Ganesh Kamath (DIN 07767220) appointed by the Board of Directors at their meeting held on March 4, 2017 as an Additional Director in executive capacity with effect from April 1, 2017 pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) read with Article 129 of the Articles of Association of the Company holds office as an Additional Director up to the date of this Annual General Meeting and the Company has received a notice under Section 160 of the Act in writing, from a member proposing his candidature for the office of Director of the Company liable to retire by rotation.

## NOTICE TO SHAREHOLDERS

RESOLVED FURTHER THAT pursuant to such notice received by the Company under section 160 of the Act, approval of the Members be and is hereby accorded to the appointment of Mr. K. Ganesh Kamath as non-independent director liable to retire by rotation under the provisions of section 149, 152 and other applicable provisions if any, of the Act and Rules framed there under from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

### **12. Appointment of Mr. K. Ganesh Kamath (DIN 07767220) as Executive Director (Finance) & Chief Financial Officer of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 203 of the Companies Act, 2013 (‘Act’) and other applicable provisions if any, of the Act and Rules framed there under read with Schedule V to the Act, as amended from time to time, approval of the Members be and is hereby accorded to the appointment of Mr. K. Ganesh Kamath (DIN 07767220), who is eligible for appointment, as Whole-time Director designated as Executive Director (Finance) & Chief Financial Officer with effect from 1st April, 2017 till 31st March 2020 and to the payment of remuneration to him as set out in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorized to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify, vary such terms and conditions subject to the limits and stipulations prescribed by the Act read with Schedule V thereto and / or any guidelines prescribed by the Central Government from time to time, during the tenure of the present appointment of Mr. K. Ganesh Kamath as Whole-time Director designated as Executive Director (Finance) & Chief Financial Officer of the Company.

RESOLVED FURTHER THAT the appointment and remuneration paid as per the resolution of the Board passed at their meeting held on 4th of March, 2017 to Mr. K. Ganesh Kamath with effect from 1st April, 2017 be and is hereby approved and ratified as required under clause 1 Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. K. Ganesh Kamath will be a Director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director during the tenure of appointment up to 31st March, 2020.”

### **13. Maintaining the Register of Members at the office of the Registrar and Share Transfer Agent:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 (“the Act”) and all other applicable provisions of the Act and the rules framed thereunder, approval of the Members be and is hereby accorded to the Company to also keep the Register of Members, as maintained under section 88 of the Act, at the new office of the Registrar and Share Transfer Agent (RTA): Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400083 in addition to at the Registered Office of the Company from the date of such change in address of the RTA.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

## NOTICE TO SHAREHOLDERS

**14. Re-appointment of Mr. Siddharth Patil, son of Mr. Sudhir Patil, Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company, for a period of three years w.e.f. October 1, 2017 :**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Siddharth Patil, son of Mr. Sudhir Patil, a Director of the Company, in the services of TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company for a period of 3 years with effect from October 1, 2017 on the remuneration and other terms and conditions as set out in the Explanatory Statement, being office or place of profit within the meaning of section 188 of the Companies Act, 2013.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement during the tenure of appointment of Mr. Siddharth Patil with TRI-K Industries Inc., USA including remuneration payable to him, without further approval of the Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**15. To continue with the employment of Mr. Vaijanath Kulkarni (DIN 07626842), Director of the Company, as Managing Director of Galaxy Chemicals (Egypt) S.A.E., the wholly owned subsidiary of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded to continue with the employment of Mr. Vaijanath Kulkarni (DIN 07626842), Director of the Company, as Managing Director of Galaxy Chemicals (Egypt) S.A.E., a wholly owned subsidiary of the Company, for a period of 3 years with effect from 1st October, 2016, as per the details set out in the Explanatory Statement, being office or place of profit within the meaning of section 188 of the Companies Act, 2013, and that any remuneration paid to him with effect from October 1, 2016 till date be and is hereby ratified.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement relating to remuneration payable to him, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**16. Approval for payment of remuneration by wholly owned subsidiary, TRI-K Industries Inc., USA to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company for attending / participating in its Board Meetings:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded for the payment of remuneration to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company, by TRI-K Industries Inc., USA, for attending and participating in the Board Meetings of TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company by way of sitting fees or such other mode as may be determined by the Board of such subsidiary, for a period of 3 years with effect from 1st November, 2016, as set out in the Explanatory Statement, being office or place of profit within the meaning of section 188 of the Companies Act, 2013.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement relating to remuneration payable to him, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**17. Approval for payment of remuneration by wholly owned subsidiary, Galaxy Chemicals (Egypt) SAE, Egypt to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company for attending / participating in its Board Meetings:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded for the payment of remuneration to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company by Galaxy Chemicals (Egypt) SAE for attending and participating in the Board Meetings of Galaxy Chemicals (Egypt) SAE, the wholly owned subsidiary of the Company by way of sitting fees or such other mode as may be determined by the Board of such subsidiary, for a period of 3 years with effect from 1st April 2017, as set out in the Explanatory Statement, being office or place of profit within the meaning of section 188 of the Companies Act, 2013.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement relating to remuneration payable to him, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**18. To continue with the employment of Dr. Nirmal Koshti (DIN 07626499), Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force,

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and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded to continue with the employment of Dr. Nirmal Koshti (DIN 07626499), Director of the Company, holding management position in TRI-K Industries Inc., USA, wholly owned subsidiary of the Company, for a period of 3 years with effect from 1st October, 2016, as per the details set out in the Explanatory Statement, being office or place of profit within the meaning of section 188 of the Companies Act, 2013, and that any remuneration paid to him with effect from October 1, 2016 till date be and is hereby ratified.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement relating to remuneration payable to him, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**19. To continue with the employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, a Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of the Members be and is hereby accorded to continue with the employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, Director of the Company, at TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company, for a period of 3 years with effect from 1st October, 2016 on such remuneration and other conditions as set out in Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Companies Act, 2013, and that any remuneration paid to her with effect from October 1, 2016 till date be and is hereby ratified.

RESOLVED FURTHER THAT any Whole time Director or the Company Secretary of the Company be and are hereby severally authorized to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including making an application to the Central Government for any approval, if required, with a power to alter, revise, modify, vary such terms and conditions as may be directed by the Central Government within the terms stipulated in the Explanatory Statement relating to remuneration payable to her, without further approval of the members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration, etc.”

**20. Initial Public Offering of Equity Shares of the Company by an Offer for Sale:**

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

“RESOLVED THAT, in accordance with the provisions of Section 62(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any amendments, statutory modification(s) or re-enactment thereof, for the time being in force), (collectively referred to as the “**Companies Act, 2013**”) and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company, and in accordance with and subject to the applicable provisions of the Companies Act 2013, the Companies Act, 1956, to the extent in force, the Securities Contracts Regulation Act, 1956, as amended and the rules framed thereunder (“**SCRA**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI ICDR Regulations**”), the Securities and Exchange Board



## NOTICE TO SHAREHOLDERS

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”) and any other applicable laws, regulations, ordinances, rules, guidelines, policies, notifications, circulars, directions and orders if any, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) prescribed by the Government of India, the Securities and Exchange Board of India (“**SEBI**”), or any other competent authority from time to time, (collectively “**Applicable Laws**”) and the provisions of the Memorandum of Association of the Company and the Articles of Association of the Company and the provisions of equity listing agreements to be entered with Indian Stock Exchange(s) where the equity shares of the Company of face value Rs. 10 each (the “**Equity Shares**”) are proposed to be listed (“**Stock Exchanges**”), and subject to the approval of relevant government, statutory and/or regulatory authorities, including the Department of Industrial Policy and Promotion, Government of India (“**DIPP**”), the SEBI, the Reserve Bank of India (“**RBI**”), the Foreign Investment Promotion Board (“**FIPB**”), the Department of Economic Affairs, Ministry of Finance, the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”), the Stock Exchanges and such other relevant statutory and other authorities and departments and such other approvals, permissions and sanctions, as may be necessary, consents from the third parties (including lenders of the Company), and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the members of the Company be and is hereby granted to undertake an initial public offering of Equity Shares through an offer for sale by the existing shareholders of the Company not exceeding such number of Equity Shares as may be decided by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall include a duly authorised committee thereof for the time being exercising the powers conferred by the Board) on such terms and conditions, including, at a price to be determined by the book building process in terms of the SEBI ICDR Regulations, for cash, as may be fixed and determined by the Company in consultation with the Book Running Lead Managers (the “**BRLMs**”) and the selling shareholders (the “**Selling Shareholders**”, through a committee constituted for and on behalf of the Selling Shareholders), within the price band as determined by the Company in consultation with the BRLMs and the Selling Shareholders, to such category of persons who may or may not be shareholders of the Company including anchor investors, if any, one or more of the members, employees (through a reservation or otherwise) including foreign/resident investors, Hindu Undivided Family, qualified institutional buyers as defined under the SEBI ICDR Regulations (which includes without limitation, foreign institutional investors and sub-accounts, foreign portfolio investors, venture capital funds, alternative investment funds, foreign venture capital investors, multilateral and bilateral financial institutions, state industrial development corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, development financial institutions, Indian mutual funds), high net worth individuals, non resident Indians, retail individual bidders, members of group companies, bodies corporate, companies (private or public) or other entities, in one or more combinations thereof and/or any other categories of investors, as may be permitted under the Applicable Laws in accordance with the SEBI ICDR Regulations or other provisions of law as may be prevailing at that time (the “**Offer**”).”

“RESOLVED FURTHER THAT, the Board or a committee thereof be and is hereby granted to make available for allocation a portion of the Offer to any category(ies) of persons permitted under the Applicable Laws, including without limitation, eligible employees (the “**Reservation**”); and to take any and all actions in connection with any Reservation as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalise and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.”

“RESOLVED FURTHER THAT, the Equity Shares to be transferred in the Offer shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares, provided that the investors who are transferred Equity Shares pursuant to the Offer shall be entitled to participate in dividends, bonus issue, rights issue and all other corporate actions, declared by the Company after the transfer of Equity Shares pursuant to the Offer and in compliance with the Applicable Laws.”

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“RESOLVED FURTHER THAT, subject to the Applicable Laws, the Equity Shares transferred pursuant to the Offer shall be listed on the Stock Exchanges.”

“RESOLVED FURTHER THAT, the Board or a committee thereof be and is hereby authorized on behalf of the Company to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the Offer, including, without limitation, the following:

- (i) constituting a committee for the purposes of the offer and transfer of the Equity Shares, and other matters in connection with or incidental to the Offer, including determining the class of investors to whom the securities are allotted including anchor investor (“**Anchor Investor**”) portion and allocate such number of Equity Shares to Anchor Investors in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under the Applicable Laws, including as per the SEBI Listing Regulations;
- (ii) to decide on the Offer size (including any reservation for employees, and/or any other reservations as may be permitted), timing, pricing (price band, offer price, including to anchor investors etc.) and all other terms and conditions of the Offer, including the offer price (as permitted under the Applicable Laws) listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and to make any amendments, modifications, variations or alterations thereto;
- (iii) to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the Draft Red Herring Prospectus filed with Securities and Exchange Board of India, as may be required for the purpose;
- (iv) to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, in accordance with the Applicable Laws;
- (v) to invite the existing shareholders of the Company to participate in the Offer, by offering the Equity Shares held by them at the same price as in the Offer;
- (vi) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and transfer of the Equity Shares;
- (vii) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (viii) to appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection banks to the Offer, registrars to the Offer, refund bank(s) to the Offer, public issue account bank(s) to the Offer, legal counsels, advertising agencies, printers and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment in compliance with the provisions of the SEBI ICDR Regulations and/or other statutory and/or regulatory requirements;
- (ix) to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, including without limitation, customers, suppliers, strategic partners of the Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the Offer, if any;

## NOTICE TO SHAREHOLDERS

- (x) to make applications to, seek clarifications and obtain approvals from, if necessary, the FIPB, the RBI, the SEBI or any other statutory or governmental authorities in connection with the Offer and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus;
- (xi) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLM's mandate letter, the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the Offer, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (xii) approving the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**") and the prospectus ("**Prospectus**") (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the Offer together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all Applicable Laws, rules, regulations, notifications, circulars, orders and guidelines;
- (xiii) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (xiv) to issue receipts/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and at tributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (xv) to make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (xvi) to do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (xvii) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;
- (xviii) to withdraw the DRHP or the RHP or to decide not to proceed with the Offer at any stage in accordance with the SEBI ICDR Regulations and the Applicable Laws;
- (xix) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the BRLMs, deem necessary or desirable for the Offer, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allocation of Equity Shares to the successful transferees and credit of Equity Shares to the demat accounts of the successful transferees in accordance with the Applicable Laws;

## NOTICE TO SHAREHOLDERS

- (xx) to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the Offer, including with respect to the issue, offer or allocation of the Equity Shares, terms of the Offer, utilisation of the Offer proceeds, appointment of intermediaries for the Offer and such other issues as it may, in its absolute discretion deem fit;
- (xxi) to take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allocation of Equity Shares against the valid applications received in the Offer; and
- (xxii) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing.”

“RESOLVED FURTHER THAT, the members of the Company do hereby ratify and affirm each and every action undertaken by the Board on behalf of the Company in relation to the Offer from the date of the resolution passed by the Board (i.e. June 23, 2017) until the date of this annual general meeting.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to constitute a committee, for and on behalf of the Selling Shareholders, for representing the Selling Shareholders and to recommend to the Board on various aspects relating to the timing, pricing (price band, offer price etc.) and such other terms and conditions of the Offer.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to exercise all or any of the powers conferred on the Board vide this resolution, in such manner as the Board may deem fit, without being required to seek any further consent or approval (of the members of the Company or otherwise) to such end and intent, and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and that may be exercised by the Board or such committee.”

“RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things and execute and deliver any and all such deeds, documents, instruments and writings and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in their absolute discretion in order to carry out the purposes and intent of the foregoing resolutions for the Offer including to pay any fees and commission and incur expenses in relation thereto; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.”

“RESOLVED FURTHER THAT, certified copies of this resolution be provided to those concerned under the hands of a Director of the Company or the Compliance Officer of the Company, wherever required.”

By Order of the Board of Directors

**Vinayak Shitole**  
Head – Resource Mobilization and Utilization Process  
& Company Secretary

Navi Mumbai,  
23<sup>rd</sup> June 2017

## NOTICE TO SHAREHOLDERS

### Registered Office:

C-49/2, TTC Industrial Area, Pawne,  
Navi Mumbai – 400 703, Maharashtra, India  
Phone: 022- 2761 6666 / 6513 4444  
e-mail : investorservices@galaxysurfactants.com  
website: www.galaxysurfactants.com  
CIN: U39877MH1986PLC039877

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business under Item Nos. 5 to 20 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A proxy so appointed shall not have any right to speak at the meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from August 4, 2017 to August 17, 2017 (both days inclusive) for ascertaining the names of the shareholders to whom the final dividend, which if declared at the Annual General Meeting, is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.
6. The final dividend for the financial year ended March 31, 2017, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration as follows:
  - (a) For shares held in physical form – to those shareholders whose names appear in the Register of Members on the close of the day on August 17, 2017; and
  - (b) For shares held in dematerialized form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on August 17, 2017.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services.

## NOTICE TO SHAREHOLDERS

8. Members holding shares in physical form are requested to intimate aforesaid changes to Link Intime. Such members are requested to dematerialize their shares. The ISIN number of the Company is INE600K01018.
9. The Company believes in conducting business in an economically viable, environmentally sound and socially responsible manner under its Sustainability Policy. Accordingly, we request shareholders to update their email address with their depository participants to enable the Company to send any kind of communication electronically. Accordingly, we are sending documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc., by electronic mode also to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. **Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
10. Those Members who have so far not encashed their dividend warrants for the financial year 2009-10, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' established by the Central Government, pursuant to Section 125 of the Companies Act, 2013 on the respective date.
11. Members/Proxies are requested to bring their copies of Annual Report and Attendance Slip duly filled in for attending the Annual General Meeting.
12. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
13. **E-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Central Depository Services (India) Limited:
  - (i) Members who are holding shares in physical or dematerialized form as on August 10, 2017 shall exercise their vote by electronic means. The Company has engaged the services of the Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company's website, [www.galaxysurfactants.com](http://www.galaxysurfactants.com), and on website of CDSL, [www.cdslindia.com](http://www.cdslindia.com).
  - (ii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right to vote at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - (iii) The remote e-voting period commences on August 14, 2017 at 9:00 a.m. and will end on August 16, 2017 at 5:00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 10, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after closing time mentioned above. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
  - (iv) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on August 10, 2017.
  - (v) Mr. S. Sathyanarayanan, Practicing Company Secretary (Membership No. F4966) (C. P. No. 3251) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - (vi) The Scrutinizer shall immediately after the conclusion of voting at AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, not later than

## NOTICE TO SHAREHOLDERS

- 3 (Three) days after the conclusion of the AGM to the Chairman or a person authorized by him, who shall declare the result of the voting.
- (vii) The results along with the Scrutinizer's Report, will be placed on the Company's website [www.galaxysurfactants.com](http://www.galaxysurfactants.com) and on the website of CDSL, [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared by the Chairman or any person authorized by him.

### The e-voting instructions for members receiving an e-mail or a physical copy of this notice of Annual General Meeting are as under:

- (i) The voting period begins on August 14, 2017 at 9:00 a.m. and ends on August 16, 2017 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 10, 2017 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](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both 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).</li> </ul>

- (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 Surfactants 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.

## NOTICE TO SHAREHOLDERS

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD ON THURSDAY, AUGUST 17, 2017, AT 2.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT C-49/2, TTC INDUSTRIAL AREA, PAWANE, NAVI MUMBAI - 400 703, MAHARASHTRA, INDIA.**

### Item No.5

M/s. P. D. Kunte & Co (Regd.), Chartered Accountants (Firm Registration No.105479W) were appointed as the statutory auditors of the Company from the financial year 2010-11 at the 24th Annual General Meeting (AGM) of the Company held on 24th July 2010.

Pursuant to section 139 of the Companies Act, 2013 read with the terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30th, 2013, a firm of CAs, can be appointed or re-appointed as auditor for not more than two terms of five consecutive years.

As required by the provisions of the Companies Act 2013, at the 28th AGM held in 2014, M/s P. D. Kunte & Co, Chartered Accountants who had by then completed 4 consecutive years as Statutory Auditors of the Company were reappointed for a term of 5 years till the conclusion of 33rd AGM to be held in 2019 subject to ratification of their appointment at every AGM.

We have received a letter from M/s P. D Kunte & Co., informing us that due to the sad demise of their Senior Partner in October last year they regret their inability to continue as the Statutory Auditors of the Company from the ensuing Annual General Meeting i.e. for the year ended 31st March, 2018 and thereafter.

In light of the above the Audit Committee after due deliberations has recommended to the Board the appointment of Deloitte Haskins and Sells LLP (Firm Registration Number 117366W/W-100018) as Statutory Auditors of the Company for a term of 5 years starting from the ensuing 31<sup>st</sup> AGM to the 36<sup>th</sup> AGM that would be held in the year 2022 subject to ratification of their appointment at every Annual General Meeting.



## NOTICE TO SHAREHOLDERS

None of the Directors or Key Managerial Person (KMP) or relative of Directors are concerned or interested in the Resolution at item No. 5 of the accompanying Notice.

Your Board recommends the Resolution at Item No. 5 as ordinary resolution for the approval of the Members.

### **Item No.6**

The Board of Directors on the recommendations of the Audit Committee, has approved the appointment and remuneration of M/s A. B. Nawal & Associates, Cost Accountants in practice to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 on remuneration of Rs.4,50,000/- plus any taxes and reimbursement of out of pocket expenses as agreed between the Company and the Cost Auditors.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is being sought for the remuneration of Rs.4,50,000/- plus any taxes and reimbursement of out of pocket expenses payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the directors / key managerial personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Your Board recommends the Resolution at Item No. 6 as ordinary resolution for the approval of the Members.

### **Item No.7 and 8**

Dr. Nirmal Koshti (DIN 07626499) and Mr. Vaijanath Kulkarni (DIN 07626842) were appointed as Additional Directors of the Company w.e.f. October 1, 2016 by the Board of Directors at their meeting held on 26th September 2016. In terms of Section 161(1) of the Companies Act, 2013 ('Act'), both of them will hold office up to the date of this Annual General Meeting and are eligible for the appointment as Directors. The Company has received notices from members in writing along with the requisite deposit under Section 160 of the Act, proposing their candidature for the office of Director.

Dr. Nirmal Koshti is a Ph. D. in organic chemistry from Mumbai University and has several years of post-doctoral research experience in Academia University of East Anglia, England, New Mexico State University, and Texas A & M University, USA. He joined your Company in 1984 and has been looking after its R & D Division as Principal Scientist - Innovation since then. He has been in the forefront of creating products, processes and IP for Galaxy. Subsequently Dr. Nirmal Koshti moved to TRI-K Industries Inc. USA in management position and later joined its Board as Director with effect from May 2017.

Mr. Vaijanath Kulkarni is a Chemical Engineer, Certified in Global Advance Management from Indian School of Business, India and Kellogg's School of Management, USA. He has accomplished Post graduate Diploma in Total Quality Management from AIIMS, Chennai. He has been instrumental in setting up Galaxy Chemicals Egypt and is currently responsible for Galaxy Chemicals (Egypt) S.A.E. in the capacity of Managing Director. The Company has benefited from his experience.

Dr. Nirmal Koshti and Mr. Vaijanath Kulkarni are not disqualified from being appointed as Director under Section 164 of the Act and have complied with the requirement of obtaining the Director Identification Number in terms of Section 152 (3) of the Act.

Dr. Nirmal Koshti and Mr. Vaijanath Kulkarni, and their relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on the resolutions pertaining to their respective appointments.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out at Item No. 7 & 8 of the Notice except for Dr. Nirmal Koshti and Mr. Vaijanath Kulkarni pertaining to their respective appointments.

## NOTICE TO SHAREHOLDERS

Your Board recommends the Resolution at Item No. 7 & 8 as ordinary resolutions for the approval of the Members.

### **Item No. 9, 10, 11 and 12**

With effect from October 1, 2016 Mr. K. Natarajan (DIN 07626680) and with effect from April 1, 2017 Mr. K. Ganesh Kamath (DIN 07767220) were appointed as Additional Directors of the Company in executive capacity, pursuant to Section 161 of the Companies Act, 2013 ('Act') by the Board of Directors at their meetings held on September 26, 2016 and March 4, 2017 respectively. Appointment of Mr. K. Ganesh Kamath is in succession of Mr. Ravi Venkateswar, the incumbent Executive Director (Finance), who has stepped down from such position w.e.f. 1st April, 2017.

In terms of Section 161 of the Act, Mr. K. Natarajan and Mr. K. Ganesh Kamath will hold office up to the date of the ensuing Annual General Meeting (AGM). The Company has received notices from members in writing along with requisite deposit under Section 160 of the Act, proposing their candidatures for the office of Director of the Company subject to retirement by rotation under sections 149, 152 of the Act.

Mr. K. Natarajan and Mr. K. Ganesh Kamath are not disqualified from being appointed as directors under Section 164 of the Act and have complied with the requirement of obtaining the Director Identification Number in terms of Section 152(3) of the Act.

Mr. K. Natarajan holds a Bachelor's Degree in Commerce from University of Mumbai and is a qualified Cost Accountant from the Institute of Cost & Works Accountants of India. He has completed the Advanced Management Programme from the Harvard Business School in May 2016. Since joining Galaxy in April 1993, he has headed diverse functions in Galaxy including Finance, IT, Business Creation, Business Commercial, Global Sourcing and Supply Chain and was designated as Chief of Operations in December 2009. Prior to joining Galaxy he worked for six years with Indian Organic Chemicals Limited in their Corporate Finance function. Mr. K. Natarajan shall hold the office of Director in executive capacity and shall be designated as Executive Director & Chief Operating Officer of the Company.

Mr. K. Ganesh Kamath, is a qualified Management Accountant, Company Secretary, LLB and a Chartered Banker. He has vast experience in the Banking and financial sector spanning over 25 years in the area of foreign exchange, credit, securitization, treasury, and risk management. He joined your Company in 2004 as Head Resource Mobilization & Utilization (RMU) Process and Company Secretary. In the year 2014 he was given the responsibilities of special projects and was designated as Vice President – Special Projects. Mr. K. Ganesh Kamath shall hold the office of Director in executive capacity and shall be designated as Executive Director (Finance) & Chief Financial Officer of the Company.

The Board of Directors of the Company are of the view that, considering the background and experience of Mr. K. Natarajan and Mr. K. Ganesh Kamath, it would be in the interest of the Company to appoint them as Whole time Directors designated as Executive Director & Chief Operating Officer and Executive Director (Finance) & Chief Financial Officer of the Company, respectively, under the provisions of Section 196, 197 and 203 of the Act.

The terms of appointment and remuneration payable to Whole time Directors will be as under:

1. The Whole time Directors shall, subject to the superintendence, control and directions of the Board of Directors, manage the business and affairs of the Company.
2. Period of appointment of the Whole time Director shall be for a period of 3 (Three) years:
  - a) Mr. K. Natarajan – October 1, 2016 till September 30, 2019; and
  - b) Mr. K. Ganesh Kamath – April 1, 2017 till March 31, 2020.Both Mr. K. Natarajan and Mr. K. Ganesh Kamath, Whole time Directors shall be liable to retire by rotation and their re-appointment as such director shall not be deemed to constitute a break in their appointment as Whole-time Director during the tenure of appointment.
3. Remuneration Payable to each of them as Whole time Directors shall be:
  - a) Basic Salary : In the scale of 6,70,000/- to Rs.11,00,000/- per month;
  - b) Perquisites: In addition to the aforesaid salary each of them shall be entitled to the following perquisites:

## NOTICE TO SHAREHOLDERS

- i) **Housing:**
- **Housing I** – The expenditure incurred by the Company on hiring fully furnished residential accommodation, will be subject to the following ceiling:  
Thirty percent [30%] of the basic salary, over and above ten percent payable by the said appointee;
  - **Housing II** – In case the accommodation is owned by the Company, 10 % of the basic salary of the said appointee shall be deducted by the Company.
  - **Housing III** – In case no accommodation is provided by the Company, the said appointees shall be entitled to House Rent Allowance (HRA) of Thirty percent [30%] of the basic salary.
- ii) The said appointee shall be entitled for reimbursement of all medical expenses incurred for self and family, as per the Company's Rules. In addition, hospitalization expenses incurred in India for self and family will be paid on actual basis as per the Company's Rules framed in this regard.
- (iii) Leave Travel Assistance for self and family, once in a year incurred in accordance with the Rules specified by the Company.
- (iv) Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance: Coverage to be extended as per the Company's Rules.
- (vi) A car with driver for official purpose, as per the Company's Rules. Use of car for personal purposes shall be reimbursed to the Company.
- (vii) Telephone, fax facilities and other telecommunication facilities at his residence, as per Company's Rules. Personal long distance phone calls shall be reimbursed to the Company.
- (viii) Contribution to provident fund to the extent it is not taxable, under the Income Tax Act, 1961.
- (ix) Gratuity as per the Payment of Gratuity Act, 1972.
- (x) Leave and Leave Encashment, as per the Company's Rules.
- c) **Commission:** Commission shall be decided by the Board of Directors / Nomination & Remuneration Committee of Directors from time to time. The commission in a particular year shall be subject to the overall ceiling laid down under Sections 197 and 198 and other applicable provisions of the Companies Act, 2013 and rules made there under

### Explanation:

- Family for the above purpose means the spouse, dependent children and dependent parents of the appointees.
  - The aforesaid perquisites may be in the form of reimbursement or allowance.
  - Unless the context otherwise requires, the aforesaid perquisites shall be valued as per the provisions of the Income Tax Act / Rules, wherever applicable and in absence of any such rule, perquisites shall be valued at actual costs.
  - Car for use on Company's business, telephone, fax and other telecommunication facilities at residence for official use, will not be considered as perquisites and shall not be included in the remuneration.
4. **Annual Increment:** The Annual Increments effective from 1st April every year will be decided by the Board of Directors and will be merit based and will take into account the Company's performance, subject to the ceiling prescribed in Schedule V to the Companies Act, 2013 or any modification thereof, to the same from time to time.
5. **Inadequacy of Profits and Remuneration:** In the event of loss or inadequacy of profits in any financial year during the currency of the tenure as Whole time Director of Mr. K. Natarajan and Mr. K. Ganesh Kamath, remuneration by way of salary, perquisites, commission and other allowances shall be in accordance with the ceiling prescribed in schedule V to the Companies Act, 2013 or any modification thereof, to the same from time to time.

## NOTICE TO SHAREHOLDERS

The said appointees shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration as specified above, in the event of loss or inadequacy of profits in any financial year:

- (i) Contribution to provident fund, to the extent this is not taxable, under the Income Tax Act, 1961.
- (ii) Gratuity as per the Payment of Gratuity Act, 1972.
- (iii) Leave and Leave Encashment, as per the Company's Rules.

6. No sitting fees shall be paid to the appointee for attending the meeting of the Board of Directors or any Committees thereof.

The aggregate of remuneration viz. Salary, Commission and Perquisites/ Benefits, including Contribution towards Provident Fund and Gratuity Fund/Provision payable to the Managing Director / Whole time Directors of the Company shall not exceed 10% of the net profits of the Company calculated in accordance with the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013.

The appointment and remuneration payable to Mr. K. Natarajan and Mr. K. Ganesh Kamath is also subject to the approval of the Shareholders as required under Schedule V to the Companies Act, 2013.

The copy of draft Letter of Appointment is kept open for inspection by any member of the Company under Section 190(2) of the Companies Act, 2013.

Mr. K. Natarajan and Mr. K. Ganesh Kamath, and their relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on the resolutions pertaining to their respective appointments.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out at Item Nos. 9,10,11 & 12 of the Notice except for Mr. K. Natarajan and Mr. K Ganesh Kamath pertaining to their respective appointments.

Your Board recommends the Resolution at Item Nos. 9,10,11 & 12 as ordinary resolutions for the approval of the Members.

### **Item No. 13**

In terms of section 94 under Companies Act, 2013, approval of Members is required for keeping the register of members at a place other than its registered office.

Accordingly with the approval of the Shareholders by way of a special resolution passed through Postal Ballot, the results of which were declared on September 15, 2014, the register of members was also being maintained at the office of the Registrar & Share Transfer Agent M/s. Link Intime India Pvt. Ltd., situated at C-13, First Floor, Pannalal Silk Mill Compound, L.B.S. Road, Bhandup (West), Mumbai-400 078, in addition to the Registered Office of the Company.

Effective from February 27, 2017, the office of the RTA has moved from the aforesaid address to their new address at Link Intime India Pvt. Ltd., C 101, 247 Park, L.B S. Marg, Vikhroli (West), Mumbai-400083.

Consequent to such change, your Board seeks your approval & ratification to also maintain the Register of Members at the new address of the RTA with effect from 27th February, 2017.

No Director, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No. 13 of the Notice.

Your Board recommends the Resolution at Item No.13 as a special resolution for the approval of the Members.

## NOTICE TO SHAREHOLDERS

### Item No. 14

Mr. Siddharth Patil, son of Mr. Sudhir Patil, a Non-Executive Promoter Director of the Company had been appointed as Business Associate in the subsidiary Company TRI-K Industries Inc. (TRI-K) w.e.f. October 1, 2014 for a period of three years. The appointment of Mr. Siddharth Patil in TRI-K and the remuneration payable to him attracts the provisions of section 188 of the Companies Act, 2013. Accordingly, approval by way of special resolution, had been taken from the shareholders at the 28th Annual General Meeting held on September 19, 2014 for the appointment of Mr. Siddharth Patil in TRI-K.

The term of appointment of Mr. Siddharth Patil will be expiring on September 30, 2017. It is proposed to re-appoint Mr. Siddharth Patil in TRI-K for a further period of three years w.e.f. October 1, 2017.

The principal terms and conditions of his re-appointment and remuneration are as follows:

- a) The appointment will be with effect from October 1, 2017;
- b) The tenure of employment will be for a period of 3 years with effect from October 1, 2017;
- c) The designation will be "Account Manager - South East and LATAM";
- d) The role and responsibilities will include marketing and sales of Performance Chemicals in North America & LATAM;
- e) The total remuneration, including perquisites and benefits shall not exceed USD 17,000 per month for the period of employment and the same will be as per the following details:
  - i) Salary & Allowances not to exceed USD 13,000 per month;
  - ii) Perquisites covering Social Security, Medicare, Life Insurance, Vacation, 401K contribution, and other statutory benefits not exceeding USD 4,000 per month;
- f) The services are transferable to any other location of the Company or of the Group Company.
- g) During the tenure of employment the designation/ job title, roles and responsibilities can be reviewed and revised by the Board of Tri-K Industries Inc. within the aforesaid remuneration ceiling.

Mr. Siddharth Patil is a Bachelor of Chemical Engineering and a Master of Business Administration from Cleveland State University, USA. The Board of Directors of your Company have received affirmative intimation from TRI-K expressing their inclination to extend the tenure of Mr. Siddharth Patil for a further period of three years.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered the re-appointment of and remuneration payable to Mr. Siddharth Patil, to the place of profit, in TRI-K Industries Inc., USA, the wholly owned subsidiary of your Company, subject to the requisite prior approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. Sudhir D. Patil and his relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 14 of the Notice except Mr. Sudhir D. Patil.

Your Board recommends the Resolution at Item No. 14 as an ordinary resolution for the approval of the Members.

### Item No. 15

Mr. Vaijanath Kulkarni, Managing Director of Galaxy Chemicals (Egypt) SAE (GCE) a wholly owned subsidiary of your Company, was appointed as Director of your Company w.e.f. October 1, 2016. As a Managing Director of GCE he used to draw such remuneration as was approved by the Board of GCE considering his responsibilities, performance and domicile conditions in the particular country / place of work.

## NOTICE TO SHAREHOLDERS

Consequent to his appointment on the Board of the Company, his continuing role as the Managing Director of GCE attracts the provisions of Section 188 covering appointment to place of profit.

Accordingly approval of the shareholders is being sought under section 188 for the following;

- a) To let the Board of GCE continue to determine the composition and remuneration payable for his services in GCE considering his responsibilities, performance and domicile conditions, subject to such remuneration not exceeding a sum of USD 500 Thousand per annum.
- b) As he is in the whole time employment of GCE, he shall not be entitled to any sitting fees or commission for attending the Board Meetings of your Company.
- c) He shall be entitled for the reimbursement of all such expenses incurred during the course of normal discharge of his role and responsibilities including attending the Board meetings or otherwise.
- d) This approval shall be valid for a period of three years effective 1st October 2016 to 30th September 2019.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered the continuing employment and remuneration of Mr. Vaijanath Kulkarni, as Managing Director in Galaxy Chemicals (Egypt) SAE, the wholly owned subsidiary of your Company, subject to the requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. Vaijanath Kulkarni and his relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 15 of the Notice except Mr. Vaijanath Kulkarni

Your Board recommends the Resolution at Item No. 15 as an ordinary resolution for the approval of the Members.

### **Item No. 16**

The Board of Directors of TRI-K Industries Inc. (TRI-K), a wholly owned subsidiary has started to pay the Non-Executive members on their Board, sitting fees for attending and participating in its meetings with effect from November 1, 2016.

Mr. G. Ramakrishnan, a Promoter Director of your Company is a Non-Executive member on the Board of TRI-K. This entitles him to receive remuneration by way of sitting fees for attending the Board meetings of the said Subsidiary.

Any payments received by the Directors of the Company from the Subsidiary can attract the provisions of Section 188 covering appointment to place of profit.

Accordingly, approval of the members is being sought under section 188 for the following:

- a) Payment of sitting fees / remuneration to Mr. G. Ramakrishnan, Non-Executive Promoter Director of your company for attending, participating in the Board Meetings of TRI-K.
- b) Quantification and nature of payment to be determined by the Board of TRI-K from time to time.
- c) Such payment shall not exceed USD 10 Thousand per annum.
- d) The approval shall be valid for a period of 3 years from 1st November 2016 to 31st October 2019.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered the payment of sitting fees by the wholly owned subsidiary, TRI-K to Mr. G. Ramakrishnan, subject to the requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. G. Ramakrishnan and his relatives / related parties, as defined under the provisions of the

## NOTICE TO SHAREHOLDERS

Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 16 of the Notice except Mr. G. Ramakrishnan.

Your Board recommends the Resolution at Item No. 16 as an ordinary resolution for the approval of the Members.

### **Item No. 17**

The Board of Directors of Galaxy Chemicals (Egypt) SAE (“GCE”), a wholly owned subsidiary has started to pay the Non-Executive members on their Board, sitting fees for attending and participating in its meetings with effect from April 1, 2017.

Mr. G. Ramakrishnan, a Promoter Director of your Company is a Non-Executive member on the Board of GCE. This entitles him to receive remuneration by way of sitting fees for attending the Board meetings of the said Subsidiary.

Any payments received by the Directors of the Company from the Subsidiary attracts the provisions of Section 188 covering appointment to place of profit.

Accordingly, approval of the members is being sought under section 188 for the following:

- a) Payment of sitting fees / remuneration to Mr. G. Ramakrishnan, Non-Executive Promoter Director of your company for attending, participating in the Board Meetings of GCE.
- b) Quantification and nature of payment to be determined by the Board of GCE from time to time.
- c) Such payment shall not exceed USD 10 Thousand per annum.
- d) The approval shall be valid for a period of 3 years from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2020.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered the payment of sitting fees by the wholly owned subsidiary, GCE to Mr. G. Ramakrishnan, subject to the requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. G. Ramakrishnan and his relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 17 of the Notice except Mr. G. Ramakrishnan.

Your Board recommends the resolution at Item No. 17 as an ordinary resolution for the approval of the members.

### **Item No. 18**

Dr. Nirmal Koshti who is in the full time employment at TRI-K Industries Inc., USA (TRI-K) a wholly owned subsidiary of your Company, joined the Board of TRI-K as a Director with effect from May 2017. He is remunerated for his services at TRI-K as determined by the Board of TRI-K considering his responsibilities, performance and domicile conditions in the particular country / place of work.

Dr. Nirmal Koshti joined the Board of your Company in a non-executive capacity as Additional Director u/s. 161 of the Companies Act, 2013, w.e.f. October 1, 2016. At the ensuing AGM he is proposed to be appointed as Director liable to retire by rotation.

## NOTICE TO SHAREHOLDERS

Consequent to his appointment on the Board of your Company, his continuation in the full time employment at TRI-K attracts the provisions of Section 188 covering appointment to place of profit.

Accordingly approval of the shareholders is being sought under section 188 for the following:

1. To let the Board of TRI-K continue to determine the composition and remuneration payable for his services in TRI-K considering his responsibilities, performance and domicile conditions subject to such remuneration not exceeding a sum of USD 500 Thousand per annum.
2. As he is in the whole time employment of TRI-K, he shall not be entitled to any sitting fees or commission for attending the Board Meetings of your Company.
3. He shall be entitled for the reimbursement of all such expenses incurred during the course of normal discharge of his role and responsibilities including attending the Board meetings or otherwise.
4. This approval shall be valid for a period of three years effective 1<sup>st</sup> October 2016 to 30<sup>th</sup> September 2019.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered the continuing employment and remuneration of Dr. Nirmal Koshti in TRI-K Industries Inc., the wholly owned subsidiary of your Company, subject to the requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Dr. Nirmal Koshti and his relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 18 of the Notice except Dr. Nirmal Koshti. .

Your Board recommends the resolution at Item No. 18 as an ordinary resolution for the approval of the members.

### **Item No. 19**

Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, was already in the employment of TRI-K Industries Inc., USA the wholly owned subsidiary of your Company when Dr. Nirmal Koshti joined the Board of your Company as a Non-Executive Director with effect from October 1, 2016.

On such appointment of Dr. Nirmal Koshti as Director in your Company, the continuing employment and remuneration payable / paid to Ms. Renuka Koshti attracts the provisions of section 188 of the Companies Act, 2013.

Accordingly, approval of the members is sought under section 188 for the continuing employment of Ms. Renuka Koshti on the following terms and conditions:

- a) The appointment will be with effect from October 1, 2016;
- b) The tenure of employment will be for a period of 3 years with effect from October 1, 2016.
- c) The designation will be "Senior Chemist"
- d) The role and responsibilities will include technical support in the areas of personal care applications development, product performance evaluation, technical service and quality control for the Performance Products Division
- e) The total remuneration, including perquisites and benefits shall not exceed USD 12000 per month for the period of employment and the same will be as per the following details:
  - 1) Salary & Allowances not to exceed USD 9,000 per month;
  - 2) Perquisites covering Social Security, Medicare, Life Insurance, Vacation, 401K contribution, and other statutory benefits not exceeding USD 3,000 per month;
- f) The services are transferable to any other location of the Company or of the Group Company.
- g) During the tenure of employment the designation/job title, roles and responsibilities can be reviewed and revised by the Board of Tri-K Industries Inc.



## NOTICE TO SHAREHOLDERS

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 23, 2017 have considered continuing employment of Ms. Renuka Koshti in TRI-K Industries Inc., USA, the wholly owned subsidiary of your Company, subject to the requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Dr. Nirmal Koshti and his relatives / related parties, as defined under the provisions of the Companies Act, 2013 and the rules made there under, being interested members are not entitled to vote on this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested financially or otherwise in the Resolution as set out at Item No 19 of the Notice except Dr. Nirmal Koshti.

Your Board recommends the resolution at Item No. 19 as an ordinary resolution for the approval of the members.

### Item No. 20

The Company intends to list its equity shares on the relevant stock exchanges to enable the shareholders to have a formal market place for dealing with the Company's equity shares. For this purpose, it is intended to undertake an initial public offering of the equity shares of the Company through an offer for sale by certain existing shareholders (the "Offer"). The Company intends to, at the discretion of the Board, undertake the Offer and list its equity shares at an opportune time in consultation with the BRLMs and other advisors and subject to applicable regulatory and statutory approvals, including SEBI.

Since the Offer comprises of only an offer for sale of its equity shares, the Company is not required to obtain an approval of its shareholders under the Companies Act, 2013. However, as a matter of good corporate governance, the approval of the shareholders of the Company is being sought through an ordinary resolution for undertaking the Offer. The proceeds of the Offer and related refunds and Offer related expenses including but not limited to applicable securities transaction tax, are required to be borne by the respective selling shareholders in the Offer in proportion to the number of Equity Shares offered by such selling shareholders through the Offer. Until completion of the Offer, for operational efficiency, all Offer related expenses shall be paid by the Company on behalf of the Selling Shareholders, which shall subsequently be recouped from the Offer proceeds.

The Company proposes to offer such number of equity shares of the Company (the "Equity Shares"), by way of an offer for sale by certain existing eligible shareholders, in the Offer as may be decided by the Board and on such terms and at such time as may be considered appropriate by the Board and at such price or prices as may be considered appropriate by the Board in consultation with the BRLMs and the Selling Shareholders (through a committee constituted for and on behalf of the Selling Shareholders) to the various categories of permitted eligible investors (as permitted by the Applicable Laws) in the Offer by way of book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"). The Equity Shares, if any, transferred pursuant to the Offer shall rank in all respects pari passu with the other Equity Shares of the Company.

No change in control of the Company or its management is intended or expected pursuant to the Offer.

None of the Directors, key managerial personnel, of the Company or the relatives of the aforementioned persons is interested in the said Resolution, except for such individuals who are shareholders of the Company and may participate in the Offer as a Selling Shareholder.

## NOTICE TO SHAREHOLDERS

The Board of Directors recommends the resolution set out at Item No. 20 of the accompanying Notice for the approval of the members of the Company.

By Order of the Board of Directors

**Vinayak Shitole**

Head – Resource Mobilization and Utilization Process  
& Company Secretary

Navi Mumbai,  
23<sup>rd</sup> June 2017

**Registered Office:**

C-49/2, TTC Industrial Area, Pawne,  
Navi Mumbai – 400 703, Maharashtra, India  
Phone: 022- 2761 6666 / 6513 4444  
e-mail : [investorservices@galaxysurfactants.com](mailto:investorservices@galaxysurfactants.com)  
website: [www.galaxysurfactants.com](http://www.galaxysurfactants.com)  
CIN: U39877MH1986PLC039877

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirty First Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2017.

#### 1. FINANCIAL RESULTS

Figures in Rs. Crore

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
<b>Total Revenue</b>	<b>1516.73</b>	1351.68	<b>2172.25</b>	1807.30
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>201.37</b>	210.41	<b>279.77</b>	237.87
Less : Interest & Finance Charges	<b>20.59</b>	24.62	<b>27.47</b>	31.19
Less : Depreciation	<b>25.37</b>	22.96	<b>48.34</b>	45.22
<b>Profit for the year before Tax</b>	<b>155.41</b>	162.83	<b>203.96</b>	161.46
Less : Provision for Taxation				
Current	<b>48.83</b>	57.71	<b>56.24</b>	60.60
Deferred	<b>4.28</b>	(0.51)	<b>2.97</b>	(0.27)
Prior Period Tax Adjustment	<b>(0.69)</b>	-	<b>(0.69)</b>	-
<b>Net Profit/(Loss) after Tax</b>	<b>102.99</b>	105.63	<b>145.44</b>	101.13
Add: Opening Balance in Profit & Loss Account	<b>411.58</b>	331.55	<b>337.40</b>	261.87
<b>Amount available for appropriations</b>	<b>514.57</b>	437.18	<b>482.84</b>	363.00
Less: Appropriations: Dividend				
Interim Dividend	<b>10.64</b>	17.73	<b>10.64</b>	17.73
Special Dividend/Final Dividend	-	3.54	-	3.54
Total Dividend on Equity Shares*	<b>*10.64</b>	21.27	<b>10.64</b>	21.27
Provision for Corporate Dividend Tax on Dividend	<b>2.16</b>	4.33	<b>2.17</b>	4.33
<b>Balance as at end of the Year</b>	<b>501.77</b>	411.58	<b>470.03</b>	337.40

\*The figure of Total Dividend of 2016-17 does not reflect the proposed final dividend covered in para 2 of this report.

#### Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	Rs. in Crore		USD in Thousand	
	2016-17	2015-16	2016-17	2015-16
<b>Total Revenue</b>	<b>267.53</b>	249.86	<b>39919</b>	38169
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>26.15</b>	17.07	<b>3903</b>	2607
Less : Interest & Finance Charges	<b>0.51</b>	0.63	<b>77</b>	96
Less : Depreciation	<b>6.44</b>	6.14	<b>961</b>	938
<b>Profit for the year before Tax</b>	<b>19.20</b>	10.30	<b>2865</b>	1573
Less : Provision for Taxation				
- Current	<b>7.32</b>	2.86	<b>1092</b>	436
- Deferred	<b>(1.31)</b>	0.24	<b>(196)</b>	36

## DIRECTORS' REPORT

<b>Net Profit after Tax</b>	<b>13.19</b>	7.20	<b>1969</b>	1100
Add: Opening Balance in Profit & Loss Account	<b>23.13</b>	15.93	<b>4070</b>	2970
<b>Amount available for appropriations</b>	<b>36.32</b>	23.13	<b>6039</b>	4070
<b>Balance as at end of the year</b>	<b>36.32</b>	23.13	<b>6039</b>	4070

### Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	Rs. in Crore		USD in Thousand	
	2016-17	2015-16	2016-17	2015-16
<b>Total Revenue</b>	<b>600.28</b>	394.34	<b>89569</b>	60240
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>55.70</b>	16.46	<b>8311</b>	2515
Less : Interest & Finance Charges	<b>11.75</b>	10.24	<b>1754</b>	1565
Less : Depreciation	<b>16.61</b>	16.20	<b>2477</b>	2475
<b>Profit / (Loss) for the year before Tax</b>	<b>27.34</b>	(9.98)	<b>4080</b>	(1525)
<b>Net Profit after Tax</b>	<b>27.34</b>	(9.98)	<b>4080</b>	(1525)
Add: Opening Balance in Profit & Loss Account	<b>(85.20)</b>	(75.22)	<b>(14989)</b>	(13464)
<b>Profit / (Loss) carried to Balance Sheet</b>	<b>(57.86)</b>	(85.20)	<b>(10909)</b>	(14989)

## 2. DIVIDEND

The Board in its meeting held on 4th March 2017 declared an interim dividend of Rs. 3.00 per Equity share. Further, the Board in its meeting held on 23rd June 2017 has recommended final dividend of Rs 3.00 per equity share for the financial year ended 31st March 2017. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. The total dividend for the financial year, including the proposed Final Dividend, amounts to Rs. 6.00 per equity share and will absorb Rs 21.28 crores, excluding Dividend Distribution Tax.

## 3. BUSINESS & FINANCIAL PERFORMANCE

The performance of your Company for the year on a standalone and consolidated basis is reflected by the following ratios:

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Net Sales Growth (%)	<b>11.84</b>	(9.53)	<b>20.18</b>	(4.47)
PBIT (% to Net Sales)	<b>11.87</b>	14.13	<b>10.82</b>	10.83
PAT (% to Net Sales )	<b>6.94</b>	7.96	<b>6.80</b>	5.68
ROCE (%)	<b>21.93</b>	25.95	<b>24.92</b>	22.65
Debt : Equity Ratio	<b>0.44</b>	0.57	<b>0.69</b>	0.93
Earnings per Share (Rs.)	<b>29.05</b>	29.79	<b>41.02</b>	28.52
Cash Earnings per Share (Rs.)	<b>36.20</b>	36.27	<b>54.66</b>	41.28
Book Value per Share (Rs.)	<b>159.61</b>	134.18	<b>160.76</b>	124.58

## DIRECTORS' REPORT

### 4. BUSINESS PERFORMANCE

During the year the global economy was characterized by low growth and geopolitical uncertainties. There was an upturn in commodity prices after a year of deflation. In India rural demand remained sluggish in the early part of the year on account of two consecutive years of weak monsoons. Though later part of the year showed some upturn there was temporary disruption due to demonetization. Overall this year saw moderate growth of the HPC Industry.

Despite this challenging business environment, your Company delivered a resilient performance in 2016-17. Each of our wholly owned operating subsidiaries had an important role to play in delivering strong consolidated results.

Some notes on your Company's business performance are:

- Galaxy Chemicals (Egypt) SAE our international subsidiary registered its first profitable year since the commencement of business at Egypt. It was achieved by creatively reworking on its product portfolio, competitive procurement and meeting the exacting needs of the customers in and around the AMET region.
- Tri-K Industries Inc., our other operating subsidiary in USA also produced good results, wherein it had brought out a new range of proteins that it supplied to global brands in the HPC industry to launch new products with newer applications.
- Moderate industry growth, strengthening rupee, and one time monetary event of demonetization had a marginal impact on the standalone performance in India.
- During the year your Company successfully commissioned its Mild Surfactants plant at Jhagadia, Gujarat. The project was completed in time and within its budgeted estimates.
- These collective efforts have enabled your Company to post a consolidated volume growth of 12% for the year contributing to a growth of consolidated EBITDA of 17.6% and a growth of 43.8% in consolidated PAT.
- The year saw significant volatility in foreign exchange and in the prizes of our basic feed stock of fatty alcohols & fatty Acids. Well set risk management practices in your Company enabled it to navigate the market conditions appropriately and deliver good performance.
- Reaching out to new markets, launching new products like new age proteins, safer preservatives etc., together with a well-trained sales force supported the participation in the premiumization trend, acquire niche customer and improve the revenue matrix.

During the year, we continued to deliver growth that is consistent, competitive, profitable and responsible. This long-term success is underpinned in managing risk, innovation and driving down costs to improve returns while building trust among customers across regions and segments.

### 5. PEOPLE ENERGY

Winning customers and developing talent in our personnel go hand in hand. We believe, talent development is a strategic priority. This talent pipeline with multi-dimensional skills has enabled our personnel to move between businesses, markets, to successfully seek evocative engagement and give superior responsiveness resulting in win-win situations for the Company and Customers.

Your Company underwent a GPTW (Great Place to Work) Survey this year and has been Great Place to Work-Certified for the subsequent year 2017-18. This accomplishment has been achieved after the Trust Index Survey amongst the employees and the culture audit of 15 HR practices in the organization. The aspects like communication, competence, support, corporate image in particular have secured a high score in the survey.

## DIRECTORS' REPORT

### 6. QUALITY

Your Company is committed to deliver high quality products and services to its customers. World class practices such as TPM is adopted at our manufacturing sites while internal benchmarking programmes such as Galaxy Manufacturing Excellence Award (GMEA) are conducted annually. Your company has received SILVER level recognition in The India Green Manufacturing Challenge (IGMC) for the Jhagadia site.

### 7. SUSTAINABILITY / RESPONSIBLE CARE:

Your Company is committed to conduct its business in a socially and environmentally responsible way for the benefit of all its stakeholders. Your Company works towards a sustainable future and ensures that the products are handled safely. Responsible Care principles are supported across the business value chain.

Your Company's Jhagadia manufacturing unit has been awarded Silver recognition in India Green Manufacturing Challenge 2016 organized by IRIM for adopting green manufacturing practices and deploying sustainability.

Your Company is RSPO certified for all its facilities in India and Egypt. It has been awarded Responsible Care Logo for all its manufacturing units in India.

Your Company has released Sustainability Goals 2020 of reducing water intensity by 80%, reducing energy intensity by 50%, increasing renewable energy usage by 10%, reducing packaging waste by 10%, plantation of 25000 trees and conducting Life Cycle Assessment study of 40 products.

### 8. CORPORATE SOCIAL RESPONSIBILITY (CSR):

During the year, your company implemented several CSR initiatives on its own, with employee volunteers as well as in partnership with implementing agencies. Such activities were mainly executed in areas of health, hygiene, education, skill development and environmental protection.

A detailed report on amount spent on different activities, results achieved on the initiatives undertaken by your company is attached as "**Annexure-C**".

During the year, your Company received 'CSR Leadership Award' from National CSR Congress for the structured impactful implementation of various CSR projects and programs.

### 9. FIXED DEPOSITS

Considering the enhanced administration and compliance requirements under the Companies Act, 2013 (Act) and costs associated with it, your Company had stopped accepting and renewing maturing deposits with effect from February 1, 2014. As on March 31, 2017, your Company had repaid all the fixed deposits accepted by it, except those which remained unclaimed from FD holders' side amounting to Rs. 8.60 Lakh. There has been no default in repayment of deposits or payment of interest thereon during the year under review.

### 10. SUBSIDIARY COMPANIES

As of March 31, 2017, your Company has five wholly owned subsidiaries within the definition of 'Subsidiary Company' under the Companies Act, 2013.

During the year under Review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared consolidated financial statements of the Company and all its subsidiaries in compliance with the applicable accounting standards, which forms part of this Annual Report.

## DIRECTORS' REPORT

Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure to the Annual Report. This Statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and the audited accounts of each of its subsidiaries, are available on our website [www.galaxysurfactants.com](http://www.galaxysurfactants.com). These documents will also be available for inspection during business hours at the registered office of your Company.

### 11. PARTICULARS OF EMPLOYEES

The table containing names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in “**Annexure-B**” which is appended to this Board’s report.

### 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointment of Whole-time Directors:

During the year your Board has inducted two Additional Directors on the Board of the Company in executive capacity as under:

Name	Designation	Board Meeting Date	DIN Number	Effective from
Mr. K. Natarajan	Executive Director & Chief Operating Officer	26th September 2016	07626680	1st October 2016
Mr. K. Ganesh Kamath	Executive Director (Finance) & Chief Financial Officer	4th March, 2017	07767220	1st April 2017

As Additional Directors they hold office till the ensuing Annual General Meeting. Accordingly, your Board has recommended for their appointment as Whole-time Directors on the Board of the Company liable to retire by rotation and reappointment without any break in the service. These appointments are covered in item nos. 9, 10, 11 & 12 of the AGM notice as special business.

#### Appointment of Non-Executive Directors:

During the year your Board has inducted two Additional Directors on the Board of the Company in non-executive capacity who are in the full time employment at the Operating Subsidiaries as under:

Name	Employed at	Board Meeting Date	DIN Number	Effective from
Mr. Vajjanath Kulkarni	MD of Galaxy Chemicals (Egypt) SAE	26th September 2016	07626842	1 <sup>st</sup> October 2016
Dr. Nirmal Koshti	Director at Tri-K Industries Inc. USA	26th September 2016	07626499	1 <sup>st</sup> October 2016

As Additional Directors they hold office till the ensuing Annual General Meeting. Accordingly your Board has recommended for their appointment as Non-Executive Directors on the Board of your Company liable to retire by rotation and reappointment. These appointments are covered in item nos. 7 & 8 of the AGM notice as special business.

#### Reappointment of Directors Liable to Retire by Rotation:

Your Board has seven Non-Independent Directors. Of the Directors liable to retire by rotation following two Directors would retire during the year and have offered themselves for reappointment.

## DIRECTORS' REPORT

Name	Designation	DIN Number
Mr. G. Ramakrishnan	Non-Executive; Non-Independent	00264760
Mr. Sudhir D Patil	Non-Executive; Non-Independent	00264933

Your Board recommends their reappointment. These appointments are covered in item no. 3 & 4 of the AGM notice as ordinary business.

### Resignations & Change in capacity

During the year following members of the Board have tendered their resignations for personal reasons.

Name	Designation	DIN Number	Effective from	Status
Mr. V. Kasturirangan	Non-Executive Non Independent	00804869	1st October 2016	Resigned.
Mr. Ravi Venkateswar	Executive Director and Chief Financial Officer	00242672	10th June 2017	Vacated office of CFO from 1st April 2017. Ceased to be a Director from 10th June 2017.
Mr. G Ramakrishnan	Non-Executive Non Independent	00264760	7th September 2016	Vacated Office of Executive Director on 6th September 2016 and continues as Non-Executive Director from 7th September 2016

Your Board places on record its appreciation for the contributions made by the said Directors' during their tenure on the Board of the Company in their respective capacities.

### Independent Directors' & Performance Evaluation:

As per the provisions of the Companies Act, 2013, all Independent Directors of your Company were appointed for a term of five consecutive years, not liable to retire by rotation. The Independent Directors of your Company have given the Certificate of Independence to your Company stating that they continue to meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, performance of individual Directors as well as the evaluation of its various committees.

### Board Committees and Meetings:

The composition of the various Board Committees as on date is as follows:

Audit Committee	Corporate Social Responsibility Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee
Mr. Subodh Nadkarni (Chairman)	Mr. U. Shekhar (Chairman)	Mr. M. G. Parameswaran (Chairman)	Mr. M. G. Parameswaran (Chairman)
Mr. S. Ravindranath	Mr. M. G. Parameswaran	Mr. G. Ramakrishnan	Mr. S. Ravindranath
Mr. M. G. Parameswaran	Mr. K. Ganesh Kamath	Mr. K. Ganesh Kamath	Mr. Subodh Nadkarni
Mr. G. Ramakrishnan	--	--	Ms. Nandita Gurjar



## DIRECTORS' REPORT

During the year under review there were two changes in the composition of the Board Committees as under:

- Ms. Nandita Gurjar was nominated as a member of the Nomination and Remuneration Committee w.e.f. June 4, 2016.
- Mr. K. Ganesh Kamath was nominated as a member of the Corporate Social Responsibility Committee & Stakeholders' Relationship Committee w.e.f. June 23, 2017 in the place of Mr. Ravi Venkateswar who has resigned.

Following table shows the dates when the meetings were held by the Board of Directors and its Committees during the F.Y. 2016-17:

Board of Directors	Audit Committee	Corporate Social Responsibility Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee
04.06.2016	04.06.2016	04.06.2016	01.08.2016	04.06.2016
01.08.2016	01.08.2016	04.03.2017	04.03.2017	01.08.2016
26.09.2016	26.09.2016	--	--	26.09.2016 (twice)
05.12.2016	05.12.2016	--	--	05.12.2016
04.03.2017	04.03.2017	--	--	04.03.2017

The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

### Directors Appointment & Remuneration:

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration, including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The key parameters for remuneration payable to the Directors are decided by the Nomination and Remuneration Committee (NRC) /Board of Directors. The details of the Policy are stated in brief below:

- The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, color, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.
- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. The Company pays Sitting Fees and commission to Non-Executive Directors. Annual increments are decided by the NRC and the Board of Directors within the salary scale approved by the members. The NRC and the Board decides on the commission payable to the Managing Director, the Executive Directors and the Non-Executive Directors, out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the performance of the Company as well as that of the respective Director.
- The Company recognizes merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.
- A person to be appointed as Director, Key Managerial Personnel or at Senior Management Level should possess adequate qualification, expertise and experience. He should have ability to contribute to the Company's growth. All appointments to the Board are recommended by the NRC and the Board to the Shareholders.

## DIRECTORS' REPORT

- The Company has adopted the provisions with respect to appointment and tenure of Directors which are consistent with the Companies Act, 2013. Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

### 13. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) 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 and loss of the company for that period;
- (iii) that 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;
- (iv) that they have prepared the annual accounts on a going concern basis; and
- (v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 14. AUDITORS

#### Statutory Auditors

M/s. P. D. Kunte & Co. (Regd.), Chartered Accountants, were appointed as Statutory Auditors of your Company at the 28th AGM held on September 19, 2014 for a term of 5 years commencing from the end of the 28th AGM till the close of the 33rd AGM to be held in 2019.

We have received a letter from M/s P. D Kunte & Co., informing us that due to the sad demise of their Senior Partner in October last year they regret their inability to continue as the Statutory Auditors of the Company from the ensuing Annual General Meeting i.e. for the year ended 31st March, 2018 and thereafter.

Your Board acknowledges the contributions made by M/s. P. D. Kunte & Co the Statutory Auditors during their tenure.

Audit Committee after due deliberations has recommended to the Board the appointment of Deloitte Haskins & Sells LLP (Firm Registration Number 117366W / W-100018) as statutory Auditors of the Company for a term of 5 years starting from the ensuing 31st AGM to the 36th AGM that would be held in the year 2022 subject to ratification of their appointment at every Annual General Meeting.

Your Board recommends their appointment which is listed at Item No. 5 of the AGM Notice as Ordinary Business.

#### Cost Auditors

The Board of Directors based on recommendation of the Audit Committee has appointed M/s. A. B. Nawal & Associates, Cost Accountants in practice, to audit the cost accounts of the Company for the Financial Year 2017-18. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly,

## DIRECTORS' REPORT

a resolution seeking ratification by the members for the remuneration is listed as Item No. 6 of the AGM Notice as Special Business

### **Secretarial Auditor and their Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for Financial Year 2016-17 is appended as “**Annexure D**” to this Board’s Report.

### **15. RISK & INTERNAL FINANCIAL CONTROLS:**

The Company has formulated and implemented a policy on risk management to manage the risks involved in all the activities of the Company to maximize the opportunities and minimize adversity. This policy is intended to assist in decision making processes that will minimize potential losses, improve the management of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Board of Directors of your Company is of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

The Company’s internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds & errors.

### **16. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:**

Your Company treats its employees equally, with dignity and with no gender bias. Your Company believes and ensures that all employees work in an environment that is free from all kinds of harassments including sexual harassment of woman. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an ICC (Internal Complaints Committee). During the year under review there was a complaint of sexual harassment, received by the Internal Complaints Committee, at our Talaja Plant. The ICC had taken all necessary steps, including legal proceedings, in the case and thereafter, the case was closed.

### **17. DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013:**

Pursuant to section 134 and any other applicable sections of the Companies Act, 2013 (the Act), following disclosures and information is furnished to the shareholders:

#### **(A) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars relating to “Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo” are given in “**Annexure A**” which is appended to this Board’s report.

## DIRECTORS' REPORT

### **(B) EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the details forming part of the extract of the Annual Return in Form MGT-9 is appended as “Annexure E” to this Board's Report.

### **(C) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

Particulars 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.

### **(D) RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

### **(E) VIGIL MECHANISM**

As per Section 177 of the Companies Act, 2013, the Company has established a vigil mechanism for the directors and employees to report genuine concerns. Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Whistle Blower Policy is posted on the website of the Company.

### **(F) FINANCIALS**

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report. There are no qualifications, reservations or adverse remarks in the Auditors Report and the Secretarial Audit Report for the financial year 2016-17.

### **(G) TRANSFER TO RESERVES**

Your Company proposes not to transfer any amount to the General Reserve for the financial year 2016-17.

### **(H) SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## **18. CAUTIONARY STATEMENT**

Statements in the Board's Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting

## DIRECTORS' REPORT

selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### 19. ACKNOWLEDGEMENT

Your Directors thank the Union Government, the Governments of Maharashtra and Gujarat as also all the Government agencies, banks, financial institutions, shareholders, customers, employees, fixed deposit holders, vendors and other business associates, who, through their continued support and co-operation, have helped as partners in your Company's progress.

#### For and on behalf of the Board

Navi Mumbai  
23<sup>rd</sup> June 2017

**U. Shekhar**  
*Managing Director*  
(DIN: 00265017)

**K. Natarajan**  
*Executive Director &  
Chief Operating Officer*  
(DIN: 07626680)

# ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE A

(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

### A. CONSERVATION OF ENERGY

Your Company continues to prioritize energy conservation as a continual agenda and has taken various measures in the year under review by initiating the following major initiatives to achieve the goals.

- Installation of energy-efficient equipment and state-of-the-art technologies that optimize performance and eliminate idling wastes;
- Deliver more-from-less through elimination of waste, higher throughputs, better recoveries and employing quality systems to improve performances of equipment;
- Harness solar energy for power generation and contribute to sustainability.

#### Disclosures of particulars with respect to conservation of energy:

Power and Fuel Consumption	2016-17	2015-16
<b>(I) ELECTRICITY</b>		
a) Purchased:		
Unit in 1000 KWH	25,752.63	24,802.00
Total amount (Rs. in Crore)	20.84	19.24
Rate/KWH (Rs.)	8.09	7.76
b) Own Generation:		
through Diesel Generator:		
Unit in 1000 KWH	1,336.59	1,388.00
Total amount (Rs. in Crore)	0.93	0.99
Rate/KWH (Rs.)	6.96	7.10
c) Own Generation:		
through Solar Power:		
Unit in 1000 KWH	11.47	11.27
Total amount (Rs. in Crore)	-	-
Rate/KWH (Rs.)	-	-
<b>(II) FUEL</b>		
a) Light Diesel Oil:		
Quantity in KL	995.85	962.00
Total Cost (Rs. in Crore)	4.03	3.81
Rate/KL (Rs.)	40,426.69	39,598.00
b) Furnace Oil:		
Quantity in MT	440.57	484.00
Total Cost (Rs. in Crore)	1.00	1.14
Rate/MT (Rs.)	22,659.28	23,606.00

## ANNEXURE TO THE DIRECTORS' REPORT

Power and Fuel Consumption	2016-17	2015-16
c) Natural Gas :		
Unit in MMBTU	20,679.07	16,852.00
Total amount (Rs. in Crore)	1.62	1.53
Rate/ MMBTU (Rs.)	785.29	910.00
d) Coal		
Quantity in MT	2,993.52	3,074.00
Total Cost (Rs. in Crore)	2.02	2.04
Rate/MT (Rs)	6,752.67	6,632.00
e) HSD		
Quantity in KL	-	0.45
Total Cost (Rs. in Crore)	-	0.002
Rate/KL (Rs)	-	55,820

### B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

#### Primary focus:

Our innovation process is focused on serving the home and personal care markets with high performing solutions that bring multi-functional benefits to the end-use consumers. We are well positioned to create products through our “collaborate to innovate” approach as it has the capabilities to help choose the right technology for right applications.

We highlight below some of our focused interests and significant innovations during 2016-17:

The Innovation Process focuses on the following:

- To understand interactions of surfactant systems with skin and hair for designing new and ultra-mild cleansing systems.
- Development of amino acid based surfactants for cleansing formulations which are mild.
- Development of superior blends for cleansing formulations exploiting domain expertise in surfactant chemistry, process and knowledge of various surfactants and synergies between them.
- New Broad Spectrum Antimicrobial preservative systems for personal care products devoid of any controversial health concerns.
- Design methodology for synthetic UV absorbers by “Green Chemistry” principles.

#### Achievements:

- Commercialized an unique multifunctional hair colour protectant cum conditioner for hair care applications, GalHueShield HCS.
- Developed novel broad spectrum antimicrobial system ‘Galguard NT’ for personal care products.
- Working towards commercialization of newly developed amino acid based surfactant ‘Galsoft SCGL’ utilizing Green Chemistry principles.
- Successfully developed and launched Sulfate Free, Mild surfactants based TBB ‘Galaxy SN 960 SF’ and ‘Galaxy SN 967 SF’ for both International and Domestic Markets.
- Total 8 Patents granted (including US, EP, CN, RU, JP) and 4 patent applications filed (including IN, PCT, US).

## ANNEXURE TO THE DIRECTORS' REPORT

Figures in Rs. Crore

Particulars	2016-17	2015-16
<b>Expenditure on R &amp; D</b>	13.19	12.10

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Figures in Rs. Crore

Particulars	2016-17	2015-16
Total Foreign Exchange used and earned:		
a) Expenditure incurred in Foreign Currency:		
Raw Material & Packing Material (C.I.F. Value)	661.79	487.07
Traded Goods	9.32	9.16
Capital Goods	1.58	5.41
Spares & others	0.12	0.37
Foreign Travel	0.99	0.55
Exports Commission	1.01	0.56
Professional Fees	1.59	0.93
Exhibitions, Subscription & Membership, Training and Seminars	2.47	2.20
Interest & Processing Charges on Borrowings	0.68	1.74
REACH Registration Expenses	Nil	0.33
Freight, Forwarding & Clearing Charges	3.86	4.80
Others	2.22	3.21
b) Earnings in Foreign Currency:		
F.O.B. Value of Exports	749.58	721.95
(This does not include exports to Nepal, deemed exports)		
Guarantee Commission	1.02	1.15
Interest Income	2.21	2.88
Other Recoveries	32.34	46.24

#### For and on behalf of the Board

Navi Mumbai  
23<sup>rd</sup> June 2017

**U. Shekhar**  
Managing Director  
(DIN: 00265017)

**K. Natarajan**  
Executive Director &  
Chief Operating Officer  
(DIN: 07626680)



## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE B

Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Report of the Directors for the year ended March 31, 2017.

Persons employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 8,50,000/- P.M.

Sr. No.	Name	Age	Designation	Gross Remuneration (Rs. Crores)	Qualification	Experience in years	Date of Commencement of Employment	Previous Employment / Position Held
1	Mr. U. Shekhar	63	Managing Director	2.09	B.Chem. Engg. (UDCT), PGDBM (IIM Cal)	40	20-May-86	Lupin Laboratories Ltd. Management Trainee
2	Mr. G. Ramakrishnan	62	*Executive Director - (Innovation)	2.71	M. Com., F.C.A., F.I.C.W.A., Grad. C.S.	40	20-May-86	Colgate Palmolive (I) Ltd. Accountant
3	Mr. Ravi Venkateswar	56	**Executive Director - Finance & CFO	2.09	B. Com., F.C.A.	33	28-Apr-14	Godrej Industries Ltd.-Head Corporate Services, Finance, Legal & IT
4	Mr. K. Natarajan	52	***Executive Director & COO	1.54	B.Com., A.I.C.W.A	32	21-Apr-93	Indian Organic Chemicals Ltd. Deputy Manager-Finance
5	Mr. M. R. Venkat	61	****VP - Home & Personal Care Business (Global)	0.72	B. Sc, Masters Degree in Marketing Management	28	01-Jul-14	CP Kelco/ Country Director India & A & Z Gat leader
6	Mr. Yogesh Kalra	48	Head - Business Creation Process	1.09	B.Com., C.A., I.C.W.A.	26	01-Aug-95	Apple Industries Ltd. / Assistant Manager Accounts
7	Mr. Dhaneshwar Patil	41	Leader - Business Creation Europe	1.13	Ph. D. (Chemical Engg.) Executive MBA	14	01-May-12	AkzoNobel, Asland/ Manger (R&D, Product and Marketing)

\*Mr. G. Ramakrishnan stepped down as Executive Director (Innovation) w.e.f. September 7, 2016.

\*\*Mr. Ravi Venkateswar has stepped down from the position of Chief Financial Officer of the Company w.e.f. April 1, 2017 and continued in his executive capacity. Mr. Ravi Venkateswar has resigned from the Board of Directors of the Company w.e.f. June 10, 2017.

\*\*\*Mr. K. Natarajan was appointed as Whole time Director of the Company designated as Executive Director & Chief Operating Officer w.e.f. October 1, 2016.

\*\*\*\*Mr. M.R. Venkat has resigned from the services of the Company w.e.f. October 1, 2016.

#### Notes:

- The nature of employment in all cases is contractual and is subject to the rules and regulations of the Company in force from time to time.
- Remuneration as shown above includes Salary, Commission, Performance Bonus, HRA, Employee Provident Fund and perquisites/benefits like LTA, Gratuity, Medical etc., valued as per the Income Tax Act, 1961 and terminal benefits accounted.
- Non-director employees are not related to any Director of the Company.

#### For and on behalf of the Board

Navi Mumbai  
23<sup>rd</sup> June 2017

**U. Shekhar**  
Managing Director  
(DIN: 00265017)

**K. Natarajan**  
Executive Director &  
Chief Operating Officer  
(DIN: 07626680)

# ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE C

### Report on Corporate Social Responsibility pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

GALAXY strongly believes that Corporate Social Responsibility (CSR) is connected with the principles of sustainability and recognizes that its business activities have wide impact on the society in which it operates. Therefore, the Company endeavors to make CSR a key business process for sustainable development taking into consideration the social and environmental impact arising out of the actions of the Company. The resultant CSR policy guidelines (<http://galaxysurfactants.com/KnowUsBetter/CSRPolicy>) are also prepared in line with our Corporate Strategy and our commitment to Corporate Responsibility.

#### Objectives of CSR Policy:

- i. To demonstrate commitment to the common good through responsible business practices and placing high value on good corporate governance standards;
- ii. To actively support the national development initiatives to ensure sustainable change;
- iii. To set high standards of quality in the delivery of services in the social sector by creating processes and replicable models;
- iv. To create a sense of empathy and equity among employees of GALAXY to motivate them to give back to the society

#### CSR Projects & Scope:

Sr. No.	Sector in which the project is covered	Project Activities
<b>a) Health &amp; Hygiene (Arogya Vardheeni)</b>		
a.1	Health & Hygiene & Preventive Healthcare	Primary Health Care through diagnosis and treatments, promoting preventive healthcare, building awareness about hand, oral and personal hygiene, constructing handwashing stations, supporting rehabilitation centers, medical camps with medicine distribution & blood donation camps, providing additional nutrition to poor marginalized children and women, installation of bore wells, providing water filters for potable drinking water, spreading awareness about ill-effects of tobacco, supporting thalassemia affected children, providing mobile pathology lab for community center and hospital equipment
a.2	Sanitation	Building awareness on sanitation, construction of toilets for girls and boys in schools, financial support for construction of community & individual household toilets
a.3	Enhancing Vocational Skills for Differently Abled	Providing financial support for Divyang people.
<b>b) Education (Gyaan Sanjeevani):</b>		
b.1	Education Sector	To contribute to improving and facilitating the literacy levels including e-learning in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to developing infrastructure like Computer, Science, Math & Arts Lab, building repairs, furniture, ceiling fans, pathways, windows, notebooks, reading libraries, computers for schools/educational centers, and also conducting educational programs like coaching, safety sessions, career guidance seminars, etc. for the underprivileged students, also livelihood enhancement projects, vocational skills for Divyang people.

## ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	Sector in which the project is covered	Project Activities
<b>c) Community Development (Samajeek Utthaan):</b>		
c.1	Rural Development / Reducing Inequalities faced by Socially & Economically Backward groups	Infrastructure support to poor students hostels and old age home, and homes for orphans, destitute ; undertaking community sanitation projects, rain water harvesting (check dams), setting up public libraries, safe drinking water, promoting sports through community connect mahotsav, providing hand washing stations, bore-wells, cement chairs in villages including livelihood and income generation opportunities.
<b>d) Women Empowerment (Stree Unnati):</b>		
d.1	Empowering Women	Girl child & women education & development, income generation, knowledge about relevant statutes, self-defense training, celebrating international women day with destitute girls and women, providing food to the poor destitute women
<b>e) Environment Protection (Vatavaran Suraksha)</b>		
e.1	Ensuring Environment Protection & Ecological Balance	Tree plantation, cleanliness drives, awareness for energy/ water conservation & solid waste reduction, promoting solar and other non-conventional energy projects
<b>f) Calamity Relief (Aapda Rahat):</b>		
f.1	Calamity Relief	Contribution to PM Relief Fund or NGOs, also directly providing relief material to people of calamity affected areas
<b>g) CSR Capacity Building &amp; Personnel Cost: Capacity building cost of own personnel or those of implementation agencies will qualify as a CSR expenditure within the permissible limits allowed by the Companies Act 2013 or Rules made there under.</b>		

### 2. The Composition of the CSR Committee

The CSR Committee consists of three members of the Board and one of them is an independent board member:

Sr. No.	Names	CSR Committee
1.	Mr. U. Shekhar (Managing Director)	Chairperson
2.	Mr. Ravi Venkateswar (Executive Director)*	Member
3.	Mr. M. G. Parameswaran (Non Executive Director)	Member

\* replaced by Mr. K. Ganesh Kamath from 23<sup>rd</sup> June 2017.

### 3. Average net profit of the Company for last three financial years

Profit before Tax	Rs. in Crore
2015-16	162.83
2014-15	130.39
2013-14	129.24
Sum of 3 Year's PBT	422.46
Simple Average of 3 Year's PBT	140.82

### 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

Total CSR Budgeted Expenditure (2% of Average PBT of last 3 years): Rs. 2.82 Crore

#### Details of CSR Spent:

- Total amount to be spent (budget) for the financial year: **Rs. 2.82 Crore**
- The total actual amount spent during the year is: **Rs. 2.33 Crore**
- Amount unspent during the year is: **Rs. 0.49 Crore**

## ANNEXURE TO THE DIRECTORS' REPORT

### CSR Expenses - Manner of Expenses - 2016-17 (All amount in Rs. Crore)

Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (re-ferred to section 135 of the Act)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
1	Arogya Vardheeni	a.1	LA: Talaja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.74	Direct	0.84	Site Steering Councils**
2	Arogya Vardheeni	a.1	LA: Thane, Bamhani, Shivtarai, Smeariya, Deoband & Ayikudy DT: Thane, Bilaspur, Mungeli, Saharanpur & Tirunelveli ST: Maharashtra, Chattisgarh & Uttar Pradesh	0.26	Direct	0.97	NGOs: a) Triumph Foundation, b) Udaan Foundation, c) Jan Swasthya Sahayog d) Shri Ram Krishna Cancer Hospital e) Amar Seva Sangam
3	Gyan Sanjivani	b.1	LA: Talaja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.46	Direct	1.25	Site Steering Councils
4	Gyan Sanjivani	b.1	LA: Kalyan, Turbhe, Thane, Chandawali & Mangaon DT: Thane, Raigad, Navi Mumbai, Faridabad ST: Maharashtra & Haryana	0.14	Direct	0.24	NGOs: a) Room to Read, b) Prayas Foundation, c) The Blind & Humanity Welfare Center d) Udaan Foundation e) Swades Foundation
5	Samajeek Utthaan	c.1	LA: Talaja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.43	Direct	0.80	Site Steering Councils

## ANNEXURE TO THE DIRECTORS' REPORT

### CSR Expenses - Manner of Expenses - 2016-17 (All amount in Rs. Crore)

Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (refer section CSR Projects & Scope)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
6	Samajeek Utthaan	c.1	LA: Poladpur, Boisar, Mokhada DT: Raigad & Palghar ST: Maharashtra	0.35	Direct 0.24	0.24	NGOs: a) Swades Foundation, b) Rescue Foundation, c) Aroehan
7	Vatavaran Suraksha	e.1	LA: Talolja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.06	Direct 0.02	0.03	Site Steering Councils
8	Vatavaran Suraksha	e.1	LA: Boisar DT: Palghar ST: Maharashtra	0.03	Direct 0.02	0.02	NGO: Rescue Foundation
9	Stree Unnati	d.1	LA: Talolja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.07	Direct 0.09	0.11	Site Steering Councils
10	Stree Unnati	d.1	LA: Kalyan & Jhagadia DT: Thane & Bharuch ST: Maharashtra & Gujarat	0.04	Direct 0.04	0.24	NGOs: a) Community Outreach Programme b) Sharda Mahila Vikas Society
11	Aapda Rahat	f.1	LA: Talolja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai & Thane ST: Maharashtra & Gujarat	0.10	Direct 0.07	0.22	Site Steering Councils
12	-	g	CSR Capacity Building & Personnel Cost	0.14	Overheads 0.11	0.25	-
			<b>Grand Total</b>	<b>2.82</b>	<b>-</b>	<b>5.21</b>	<b>-</b>

## ANNEXURE TO THE DIRECTORS' REPORT

*	Cumulative amount from 01 <sup>st</sup> April 2014		
**	Site Steering Council is internal team formed at all 4 locations (Taloja, Tarapur, Jhagadia & Navi Mumbai)		
***	LA = Local Areas	DT = District	ST = State

- 6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in Board report:**

Reasons for Unspent Amount for 2016-17 (in Rs. Crore)					
S.N	Projects	Budget Amount	Spent Amount	Unspent Amount	Reasons for Unspent
1	Gyan Sanjeevani	1.01	0.93	0.08	Delay in execution. Dropped for want of documentation
2	Arogya Vardheeni	0.59	0.53	0.06	Deferred for further evaluation
3	Samajeek Utthan	0.78	0.52	0.26	Incomplete Infrastructure carried to next year Construction is in progress. Dropped for want of documentation
4	Vatavaran Suraksha	0.09	0.04	0.05	Suitable Land was not available for Tree Plantation Reduction in requirement by Beneficiary
5	Stree Unnati	0.11	0.13	(0.02)	-----
6	Aapda Rahat	0.10	0.07	0.03	Logistics constraints of reaching the relief material
7	Capacity Building	0.14	0.11	0.03	-----
<b>Total</b>		<b>2.82</b>	<b>2.33</b>	<b>0.49</b>	

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.**

CSR Committee hereby confirms that the implementation and monitoring of CSR is in compliance with CSR objectives and Policy of the Company.

**For and on behalf of the Board**

Navi Mumbai  
23<sup>rd</sup> June 2017

**U. Shekhar**  
Managing Director  
(DIN: 00265017)

**K. Ganesh Kamath**  
Executive Director  
(Finance) & CFO  
(DIN: 07767220)

## ANNEXURE TO THE DIRECTORS' REPORT

To,  
The Members,  
Galaxy Surfactants Limited  
CIN U39877MH1986PLC039877  
C-49/2, TTC Industrial Area,  
Pawne, Navi Mumbai – 400703.

Our Secretarial Audit Report for the Financial year ended 31<sup>st</sup> March, 2017 of even date is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### **Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

### **For S. N. ANANTHASUBRAMANIAN & CO Company Secretaries**

Aparna Gadgil  
Partner  
C.P No. 8430  
Date : June 14, 2017  
Place : Thane

# ANNEXURE TO THE DIRECTORS' REPORT

**ANNEXURE D**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

[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 Surfactants Limited**  
CIN U39877MH1986PLC039877  
C-49/2, TTC Industrial Area,  
Pawne, Navi Mumbai – 400703.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Galaxy Surfactants Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances/Board Processes for expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31<sup>st</sup> March 2017**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;  
**[Not applicable as the Securities of the Company are not listed on any Stock Exchange]**
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) **are not applicable as the Securities of the Company are not listed on any Stock Exchange:**
  - 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998



## ANNEXURE TO THE DIRECTORS' REPORT

- vi. The Company has identified the following laws as specifically applicable to the Company:
1. The Drugs and Cosmetics Act, 1940;
  2. The Petroleum Act, 1934;
  3. The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
  4. The Indian Boilers Act, 1923;
  5. The Legal Metrology Act, 2009;
  6. The Narcotic Drugs & Psychotropic Substances Act, 1985;
  7. The Special Economic Zones Act, 2005;
  8. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
  9. The Explosives Act, 1884;
  10. The Gas Cylinders Rules, 1981;
  11. The Arms Act, 1959;

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

- (i) The Company has generally complied with Secretarial Standards with regard to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **[Not applicable as the shares of the Company is not listed on any Stock Exchange].**

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

### **We further report that :-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent Seven days in advance, 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 of the Board and Committees thereof were carried through with requisite majority.

**We further report that** based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting, we are of the opinion that the Company has adequate systems and processes in place in the Company which is commensurate with its size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

- As informed the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

**We further report that** during the review period, there were following specific events/actions except the following having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc:-

- The Shareholders of the Company have passed a special resolution through a postal ballot on 26th September, 2016 for increasing the limits for making inter corporate investments, giving loans and guarantees u/s 186.

For S. N. ANANTHASUBRAMANIAN & CO.  
Company Secretaries

Aparna Gadgil  
Partner  
C P No. 8430  
Date : June 14, 2017  
Place : Thane

# ANNEXURE TO THE DIRECTORS' REPORT

## ANNEXURE E

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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	
CIN	U39877MH1986PLC039877
Registration Date	May 20, 1986
Name of the Company	Galaxy Surfactants Limited
Category / Sub-Category of the Company	Public Limited Company having Share Capital
Address of the Registered Office and Contact Details	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai-400703. Ph: 91-22-6513 4444 / 91-22-2761 6666 Fax: 91-22-2768 6523 E-mail: galaxy@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	No
Name, Address and Contact Details of Registrar and Transfer Agent, if any	<b>Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400 083. Maharashtra, India. Ph: 022 49186000; Fax: 022 49186060

#### 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:

Name and description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
Manufacture of Organic Surface- Active Agents (Surfactants) & Preparations based thereon, detergents, Auxiliary washing Preparations (For rinsing/ bleaching clothes) & cleaning preparations (for floors / windows etc.)	3053	84
Manufacture of Basic Organic Chemicals N.E.C. (Includes Manufacture of Activated Natural Mineral Products, Animal Black; Animal or Vegetable Fats & Oils & their fractions, Chemically modified except those hydrogenated Inter-sterified & Re-esterified.	3009	16

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
<b>Galaxy Chemicals Inc.</b> 2 Stewart Court, Denville, NJ 07834, USA.	-	Subsidiary	100	2(87)
<b>Galaxy Holdings (Mauritius) Ltd.</b> 4th Floor, Ebene Skies, Rue de L'Institut Ebene, Mauritius	-	Subsidiary	100	2(87)
<b>Galaxy Chemicals (Egypt) SAE</b> Plot No.9, Block M, The Public Free Zone, Attaka, Suez, Egypt.	-	Subsidiary	100	2(87)
<b>Rainbow Holdings GmbH</b> c/o, Raupach & Wollert- Emlendorff, Schwanstrasse, 6, 40476, Dusseldorf, Germany.	-	Subsidiary	100	2(87)
<b>Tri-K Industries Inc., USA</b> 2 Stewart Court, Denville, NJ 07834, USA.	-	Subsidiary	100	2(87)

## ANNEXURE TO THE DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN										
(i) Category-wise Shareholding										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual / HUF	4841140	12432404	17273544	48.72	17212744	31200	17243944	48.64	(0.08)	
b) Central Govt.	-	-	-	-	-	-	-	-	-	
c) State Govt (s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	543000	543000	1.53	-	543000	543000	1.53	0.00	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any Other	-	9454804	9454804	26.67	8220800	1238254	9459054	26.68	0.01	
<b>Sub-total (A)(1)</b>	<b>4841140</b>	<b>22430208</b>	<b>27271348</b>	<b>76.92</b>	<b>25433544</b>	<b>1812454</b>	<b>27245998</b>	<b>76.85</b>	<b>(0.07)</b>	
<b>(2) Foreign</b>										
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-	
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>4841140</b>	<b>22430208</b>	<b>27271348</b>	<b>76.92</b>	<b>25433544</b>	<b>1812454</b>	<b>27245998</b>	<b>76.85</b>	<b>(0.07)</b>	
<b>B. Public Shareholding</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	
<b>(2) Non-Institutions</b>										
a) Bodies Corporates	68821	9900	78721	0.22	51941	9900	61841	0.17	(0.05)	
b) Individual Holding										
i. upto Rs. 1-Lac	1039639	1129550	2169189	6.12	1187359	1147250	2334609	6.58	0.47	
ii. above Rs.1-Lac	1923834	680532	2604366	7.35	2060849	564032	2624881	7.40	0.06	
c) Any Other										
- Clearing Members	200	-	200	0	200	-	200	0	-	
- Office Bearers	43500	731696	775196	2.19	745706	48385	794091	2.24	0.05	
- NRI	1706200	600532	2306732	6.51	1702600	600532	2303132	6.50	(0.01)	
- Other Directors & Relatives	205000	44000	249000	0.70	90000	-	90000	0.25	(0.45)	
<b>Sub-Total B(2)</b>	<b>4987194</b>	<b>3196210</b>	<b>8183404</b>	<b>23.08</b>	<b>5838455</b>	<b>2370299</b>	<b>8208754</b>	<b>23.15</b>	<b>0.07</b>	

# ANNEXURE TO THE DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN									
(i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Total Public Shareholding (B)=B(1)+B(2)	4987194	3196210	8183404	23.08	5838455	2370299	8208754	23.15	0.07
Total (A+B)	9828334	25626418	35454752	100.00	31271999	4182753	35454752	100.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>9828334</b>	<b>25626418</b>	<b>35454752</b>	<b>100.00</b>	<b>31271999</b>	<b>4182753</b>	<b>35454752</b>	<b>100.00</b>	<b>-</b>

(ii) SHAREHOLDING OF PROMOTERS / PROMOTER GROUP								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Unnathan Shekhar	4248240	11.98	0	4226740	11.92	0	(0.06)
2.	Sudhir D Patil	4156040	11.72	0	4145290	11.69	0	(0.03)
3.	Shashikant R. Shanbhag	4097684	11.56	0	4097684	11.56	0	-
4.	Gopalkrishnan Ramakrishnan	2407108	6.79	0	2362758	6.66	0	(0.13)
5.	Jayashree Ramakrishnan	1792972	5.06	0	1842972	5.20	0	0.14
6.	Karthik Shekhar	116000	0.33	0	116000	0.33	0	-
7.	Sridhar Unnathan	122900	0.35	0	122900	0.35	0	-
8.	Shanthy Laxminarasimhan	180000	0.51	0	180000	0.51	0	-
9.	Vandana Shashikant Shanbhag	110000	0.31	0	110000	0.31	0	-
10.	Lakshmy Shekhar	8400	0.02	0	8400	0.02	0	-
11.	Lata Nayak	4200	0.01	0	4200	0.01	0	-
12.	Sumathi Gopal	3000	0.01	0	3000	0.01	0	-
13.	Anuradha Dayanand Prabhu	9000	0.03	0	9000	0.03	0	-
14.	K S Natarajan	3000	0.01	0	3000	0.01	0	-
15.	Nilkant Gangadhar Amonker	3000	0.01	0	3000	0.01	0	-
16.	Vanita Hiren Kerkar	3000	0.01	0	3000	0.01	0	-
17.	Prabhavati Nilkant Amonker	3000	0.01	0	0	0	0	(0.01)
18.	Gajanan N Amonker	0	0	0	3000	0.01	0	0.01
19.	Marakatham Anandaram	6000	0.02	0	6000	0.02	0	-
20.	Galaxy Emulsifiers Pvt Ltd	543000	1.53	0	543000	1.53	0	-
21.	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sudhir D Patil as Partners of M/s. Galaxy Chemicals	9169804	25.86	0	9171054	25.87	0	0.01
22.	U Shekhar, K Natrajan & Ganesh Kamath as trustees of GSL Employees Welfare Trust	285000	0.80	0	285000	0.80	0	-
	<b>TOTAL</b>	<b>27271348</b>	<b>76.92</b>	<b>0</b>	<b>27245998</b>	<b>76.85</b>	<b>0</b>	<b>(0.07)</b>

## ANNEXURE TO THE DIRECTORS' REPORT

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING:

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.	At the beginning of the year	27271348	76.92	27271348	76.92
2.	Increase (+) /Decrease (-) during the year	(25350)	(0.07)	27245998	76.85
3.	At the End of the year	-	-	27245998	76.85

### (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDR AND ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Hemant Kavthankar	1411200	3.98	1411200	3.98
2.	Jayshree Ramesh	558532	1.58	558532	1.58
3.	Padmanabh B Shanbhag Himanshu P Shanbhag	239400	0.68	239400	0.68
4.	Nalin Pravin Shah Manan Nalin Shah	177200	0.50	177200	0.50
5.	Wilfred D'silva Alice D Silva	119000	0.34	119000	0.34
6.	Sujata Abhay Kelkar	116496	0.33	116496	0.33
7.	Subramanian Velayudhan Pillai	90000	0.25	90000	0.25
8.	Gopalakrishnan Ramakrishnan Kamat U K Legal Guardians of Ashwini & Anubhav B Pai	86168	0.24	86168	0.24
9.	Adarsh Nayyar Manju Nayyar	86116	0.24	86116	0.24
10.	Arjun Rajendran Padma Rajendran	84500	0.24	84500	0.24

### (v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	For Each of the Directors and KMP	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.	U. Shekhar	4248240	11.98	4226740	11.92
2.	G. Ramakrishnan	2357108	6.65	2362758	6.66
3.	Sudhir Patil	4156040	11.72	4145290	11.69
4.	Ravi Venkateswar	-	-	-	-
5.	M. G. Parameswaran	30000	0.08	30000	0.08
6.	Subodh Nadkarni	30000	0.08	30000	0.08
7.	S. Ravindranathan	30000	0.08	30000	0.08
8.	V. Kasturirangan (till September 30, 2016)	50000	0.14	50000	0.14
9.	Nandita Gurjar	-	-	-	-
10.	Nirmal Koshti (w.e.f. October 1, 2016)	132856	0.37	132856	0.37
11.	K. Natarajan (w.e.f. October 1, 2016)	49600	0.14	49600	0.14
12.	Vaijanath Kulkarni (w.e.f. October 1, 2016)	42000	0.12	42000	0.12
13.	Vinayak Shitole	-	-	-	-

## ANNEXURE TO THE DIRECTORS' REPORT

### (vi). INDEBTEDNESS (Amount Rs. in Crore)

#### 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	259.56	2.81	6.47	268.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.54	-	0.89	2.43
Total (i+ii+iii)	261.10	2.81	7.36	271.27
Change in Indebtedness during the financial year				
Addition	28.22	-	-	28.22
Reduction	40.04	0.61	6.39	47.04
Net Change	(11.82)	(0.61)	(6.39)	(18.82)
Indebtedness at the end of the financial year				
i) Principal Amount	247.74	2.20	0.08	250.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.50	-	0.05	1.55
<b>Total (i+ii+iii)</b>	<b>249.24</b>	<b>2.20</b>	<b>0.13</b>	<b>251.57</b>

### (vii). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director and Whole-time Directors (Amount Rs. in Crore)

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors				Total Amount
		Unnathan Shekhar (Managing Director)	Gopalkrishnan Ramakrishnan (Whole Time Director till September 6, 2016)	Ravi Venkateswar (Whole Time Director)	K. Natarajan (Whole Time Director w.e.f. October 1, 2016)	
1.	Gross Salary					
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.15	0.51	1.15	0.56	3.37
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	.*	-	-	.*	.*
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Options	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	0.84	0.36	0.84	0.42	2.46
	- others, specify	-	-	-	-	-
5.	Others (Includes re-tirement benefits and variable pay)	0.10	1.84	0.10	0.05	2.09
	<b>Total (A)</b>	<b>2.09</b>	<b>2.71</b>	<b>2.09</b>	<b>1.04</b>	<b>7.92</b>
	<b>Ceiling as per the Act</b>					<b>17.92</b>

\* Figures less than Rs. 1,00,000

## ANNEXURE TO THE DIRECTORS' REPORT

B. Remuneration to other Directors:						
1. Independent Directors (Amount Rs. in Crore)						
Sr. No.	Particulars of Remuneration	Names of Directors				Total Amount
		M. G. Parameswaran	S. Ravindranath	Subodh S. Nadkarni	Nandita Gurjar	
1.	Fee for attending Board / Committee Meetings	0.11	0.08	0.08	0.06	0.33
2.	Commission	0.08	0.10	0.08	0.08	0.34
3.	Other	-	-	-	-	-
	<b>Total (1)</b>	<b>0.19</b>	<b>0.18</b>	<b>0.16</b>	<b>0.14</b>	<b>0.67</b>

Sr. No.	Particulars of Remuneration	Names of Directors			Total Amount
		Sudhir D. Patil	V. Kasturirangan (upto 30th Sept. 2016)	G. Ramakrishnan (w.e.f. 7th Sept. 2016)	
1.	Fee for attending Board / Committee Meetings	0.02	0.01	0.04	0.07
2.	Commission	0.08	0.04	0.04	0.16
3.	Other	-	-	-	-
	<b>Total (2)</b>	<b>0.10</b>	<b>0.05</b>	<b>0.08</b>	<b>0.23</b>
	<b>Total (B)=(1+2)</b>				<b>0.90</b>
	<b>Total Managerial Remuneration</b>				<b>8.82</b>
	<b>Overall Ceiling as per the Act</b>				<b>17.92</b>

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD (Amount Rs. in Crore)		
Sr. No.	Particulars of Remuneration	Mr. Vinayak Shitole Company Secretary
1.	Gross Salary	
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.56
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	-
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify	-
5.	Others (Includes retirement benefits and variable pay)	0.05
	<b>Total</b>	<b>0.61</b>

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (Under the Companies Act):

None

Customization  
with **C**are



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# INDEPENDENT AUDITOR'S REPORT

## To The Members Of Galaxy Surfactants Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Galaxy Surfactants Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### 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.

### 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. 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.

### 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, of the state of affairs of the Company as at 31st March, 2017 and its profits and cash flows for the year ended on that date.

# INDEPENDENT AUDITOR'S REPORT

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (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 Balance sheet, Statement of Profit and Loss and Cash flow statement 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 control over financial reporting of the Company and the 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 27 relating to Contingent Liabilities and Commitments;
    - ii. The Company has made provision, as required under applicable law or accounting standard, for foreseeable losses, if any, on long term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
    - iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39.

**For P. D. Kunte & Co. (Regd.)**  
Chartered Accountants  
Firm's Registration No.105479W

Navi Mumbai  
Date: 23<sup>rd</sup> June 2017

**D. P. Sapre**  
(Partner)  
Membership No. 40740

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

### Annexure A

#### **Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of even date to the members of Galaxy Surfactants Limited on the financial statements for the year ended March 31, 2017.**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets of the Company have been physically verified by the Management during / at the end of the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (other than goods in transit and stocks with third parties) has been physically verified by the Management during / at the end of the year. In respect of stocks with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. The Company has granted interest free unsecured loan to a party covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding during the year and the year end balance of such loan was Rs. 1.17 Crore.

The aforesaid loan is granted to Galaxy Surfactants Limited – Employees Welfare Trust, which has been settled by the Company for the benefit of its employees. There are no other terms and conditions stipulated in respect of the said loan.

- iv. In respect of loans, investments, guarantees and security, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to Rules prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other statutory dues. There are no amounts outstanding as at March 31, 2017 for period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any dispute, except as follows:

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Name of the Statute	Nature of Dues	Amount Disputed (Rs Crore)	Period to which Dispute relates	Forum where Dispute is Pending
The Central Excise Act, 1944	Excise Duty	3.06	2006-07 to 2010-11, 2013-14	Appellate Tribunal (CESTAT)
		1.50	2012-13	Commissioner (Appeals)
		0.01	1990-91	Superintendent of Central Excise on remand by CESTAT
Service Tax under Finance Act, 1994	Service Tax	0.02	2010-11 & April 2011 to Sept 2013	CESTAT
		0.92	May 2014 to July 2015	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax and Penalty	1.74	2009-10 2011-12	Commissioner of Income Tax (Appeals)
Gram-panchayat Tax	Property Tax	0.59	2014-15 to 2016-17	Gram Panchayat Talaja

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not borrowed from financial institutions or issued debentures.
- ix. During the year, the Company has not raised any money by way of initial public offer, further public offer (including debts instruments). In our opinion and according to information and explanations given to us, the term loans have been applied for the purposes for which these were taken.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employee has been noticed or reported during the course of our audit.
- xi. The managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company for the year under audit.
- xiii. According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company for the year under audit.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company for the year under audit.

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company for the year under audit.

**For P. D. Kunte & Co. (Regd.)**  
Chartered Accountants  
Firm Registration No. 105479W

Navi Mumbai  
Date: 23<sup>rd</sup> June 2017

**D. P. Sapre**  
(Partner)  
Membership No. 40740

### Annexure B

#### **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 Surfactants Limited** ("the Company") as of March 31, 2017 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 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 (ICAI).

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.

#### **Auditor's 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 authorisations of management and directors of the company; and

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

According to the information and explanations given to us and based on our audit of test of controls, in our opinion, the Company has adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the 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 P. D. Kunte & Co. (Regd.)**  
Chartered Accountants  
Firm Registration No. 105479W

Navi Mumbai  
Date: 23<sup>rd</sup> June 2017

**D. P. Sapre**  
(Partner)  
Membership No. 40740

# BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars	Note	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	1	35.45	35.45
Reserves and surplus	2	530.46	440.27
<b>Non- Current Liabilities</b>			
Long term borrowings	3	116.64	155.97
Deferred tax liabilities (Net )	4	24.32	20.04
Other long term liabilities	5	0.23	0.23
Long term provisions	6	8.73	7.88
<b>Current Liabilities</b>			
Short term borrowings	7	93.97	65.74
Trade payables	8	223.95	153.59
Other current liabilities	9	62.13	70.45
Short term provisions	10	2.04	6.99
<b>TOTAL</b>		<b>1,097.92</b>	<b>956.61</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11	289.49	235.00
Intangible assets	11	3.43	3.12
Capital work-in-progress		9.66	45.61
Non-current investments	12	217.65	217.65
Long term loans and advances	13	36.03	24.29
<b>Current Assets</b>			
Inventories	14	197.44	131.91
Trade receivables	15	287.58	225.47
Cash and bank balances	16	4.99	8.53
Short term loans and advances	17	31.85	42.87
Other current assets	18	19.80	22.16
<b>TOTAL</b>		<b>1,097.92</b>	<b>956.61</b>

Notes A, B and 1 to 40 form an integral part of the Financial Statements

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
 Chartered Accountants

**For and on behalf of the Board**

**D. P. SAPRE**  
 Partner  
 Mem. No. 40740

**U. SHEKHAR**  
 Managing Director

**K. NATARAJAN**  
 Executive Director & COO

Navi Mumbai  
 Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
 Executive Director –  
 Finance & CFO

**V. SHITOLE**  
 Head - Resource Mobilisation &  
 Utilisation Process & Company  
 Secretary



## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars	Note	2016-2017	2015-2016
<b>INCOME</b>			
Revenue from operations	19	1,570.03	1,395.90
Less : Excise duty		86.70	69.61
Sale of Products (Net)		1,483.33	1,326.29
Other operating revenue		18.22	16.87
Revenue from operations (Net)		1,501.55	1,343.16
Other income	20	15.18	8.52
<b>TOTAL REVENUE</b>		<b>1,516.73</b>	1,351.68
<b>EXPENDITURE</b>			
Cost of materials consumed	21	1,120.11	889.72
Purchase of stock-in-trade	22	16.12	14.82
Changes in inventories of finished goods, work-in-process and stock-in-trade	23	(41.71)	13.21
Employee benefit expenses	24	74.07	70.12
Other expenses	25	146.77	153.40
<b>TOTAL EXPENSES</b>		<b>1,315.36</b>	1,141.27
<b>Profit Before Finance Costs, Tax, Depreciation and Amortisation</b>		<b>201.37</b>	210.41
Finance costs	26	20.59	24.62
<b>Profit Before Tax, Depreciation and Amortisation</b>		<b>180.78</b>	185.79
Depreciation & amortisation	11	25.37	22.96
<b>Profit Before Tax</b>		<b>155.41</b>	162.83
Tax expenses			
- Current tax		48.83	57.71
- Deferred tax		4.28	(0.51)
- Prior year tax adjustments		(0.69)	-
Total tax expenses		52.42	57.20
<b>Profit for the year</b>		<b>102.99</b>	105.63
<b>Earnings per Share</b>	31		
Equity shares of face value Rs. 10 each			
- Basic		29.05	29.79
- Diluted		29.05	29.79

Notes A, B and 1 to 40 form an integral part of the Financial Statements

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
 Chartered Accountants

**For and on behalf of the Board**

**D. P. SAPRE**  
 Partner  
 Mem. No. 40740

**U. SHEKHAR**  
 Managing Director

**K. NATARAJAN**  
 Executive Director & COO

Navi Mumbai  
 Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
 Executive Director –  
 Finance & CFO

**V. SHITOLE**  
 Head - Resource Mobilisation &  
 Utilisation Process & Company  
 Secretary

# CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
<b>A. Cash Flow from Operating Activities</b>				
Profit before tax		155.41		162.83
<b>Adjustments for:</b>				
<b>Add:</b>				
Depreciation	25.37		22.96	
Finance cost	20.59		24.62	
Loss on sale/discarding of assets	0.05	46.01	0.47	48.05
<b>Less:</b>				
Dividend income	-*		-*	
Interest income	(2.61)	(2.61)	(4.53)	(4.53)
<b>Operating Profit before Working Capital Changes</b>		198.81		206.35
<b>Working Capital Changes</b>				
<b>Adjusted for:</b>				
Inventories	(65.53)		13.72	
Trade receivables	(62.11)		23.23	
Loans and advances and other assets	6.62		3.78	
Trade payables and other liabilities	69.72		10.99	
Other provisions	0.55	(50.75)	(0.07)	51.65
<b>Cash Generated from Operations</b>		148.06		258.00
Taxes paid		(52.04)		(60.57)
<b>Net Cash Flow from Operating Activities (A)</b>		96.02		197.43
<b>B. Cash Flow from Investing Activities</b>				
Capital expenditure		(44.65)		(54.28)
Sale of fixed assets		0.39		7.48
Purchase of non-current investments (Net)		-*		(97.89)
Dividend income		-*		-*
Interest income		2.61		4.53
<b>Net Cash Flow used in Investing Activities (B)</b>		(41.65)		(140.16)
<b>C. Cash Flow from Financing Activities</b>				
Net borrowings		(18.79)		5.02
Finance cost		(20.57)		(24.41)
Equity dividend paid (including dividend tax)		(17.07)		(38.41)
<b>Net Cash Flow used in Financing Activities (C)</b>		(56.43)		(57.80)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>		(2.06)		(0.53)
Cash and cash equivalents - opening balance		6.68		7.21
Unrealised foreign exchange gain/(loss)	0.03		0.05	
Cash and cash equivalents - closing balance	4.59	4.62	6.63	6.68
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		(2.06)		(0.53)

\* Figures less than Rs. 1,00,000

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
 Chartered Accountants

**For and on behalf of the Board**

**D. P. SAPRE**  
 Partner  
 Mem. No. 40740

**U. SHEKHAR**  
 Managing Director

**K. NATARAJAN**  
 Executive Director & COO

Navi Mumbai  
 Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
 Executive Director –  
 Finance & CFO

**V. SHITOLE**  
 Head - Resource Mobilisation &  
 Utilisation Process & Company  
 Secretary

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### A. Corporate Information

Galaxy Surfactants Ltd (“the Company”) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing and marketing surfactants and specialty chemicals for the Personal and Home Care Industry. The Company produces a range of vital cosmetic ingredients including active ingredients, UV protection and functional products. The Company’s products cater to some of the largest global brands in the FMCG sector and find applications in skin care, hair care, oral care, body wash, sun care, household cleaners and fabric care segments.

### B. Significant Accounting Policies adopted in preparation of Financial Statements

#### (a) Basis for preparation of financial statements:

##### (i) Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except wherever stated otherwise.

##### (ii) Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively and revised, in current and future periods.

#### (b) Revenue Recognition:

##### Sale of Goods

Domestic sales are recognised at the point of dispatch of goods when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are net of returns. Sales are stated net of trade discounts and taxes on sale.

Export sales are recognised when significant risks and rewards in respect of ownership of goods are transferred to the buyer as per the terms of the contract.

Export entitlements are recognised as income when the right to receive the same as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate realisation.

##### Other Income

Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognised on time proportionate basis taking into account amount involved and rate of Interest.

#### (c) Fixed Assets/Intangible Assets:

Fixed assets/intangible assets are stated at cost of acquisition or construction less accumulated depreciation or amortisation. The cost of fixed assets includes all costs incidental to acquisition or construction including taxes, duties (net of CENVAT and set-off), cost of installation and commissioning, interest on borrowings attributable to acquisition of fixed assets and other indirect expenses incurred up to trial run.

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## **(d) Depreciation:**

Depreciation on fixed assets is provided on straight line basis as per useful lives specified in Schedule II to Companies Act, 2013.

Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Leasehold land is amortised over the primary period of lease.

Intangible assets are amortised on a straight line basis over their useful lives.

## **(e) Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower. Cost of inventories is arrived at on weighted average basis. The cost of manufactured products comprises direct costs and production overheads at pre-determined rates and excise duty, where applicable. Goods in transit are stated at actual cost incurred upto the date of Balance Sheet.

## **(f) Investments:**

Investments in overseas subsidiaries (being long term) are stated at cost on the basis of rates prevailing as on the date of investment. Other long term investments are stated at cost. Provision is made for diminution in the value of investments where, in the opinion of the Board of Directors, such diminution is other than temporary. Short term investments are stated at lower of cost and market value.

## **(g) Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transactions. Foreign currency assets and liabilities are converted at contracted/year-end rates as applicable. Exchange differences on settlement/conversion are recognised in the Statement of Profit and Loss. Wherever forward contracts are entered into, the premium is dealt with in the Statement of Profit and Loss over the period of the contracts.

## **(h) Research & Development:**

Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to relevant fixed assets.

## **(i) Employee Benefits:**

(i) Short term employee benefits are recognised as expense in the Statement of Profit and Loss of the year in which service is rendered.

(ii) Contribution to defined contribution schemes such as Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.

(iii) The Company makes annual contribution to Employees Group Gratuity cum Life Assurance Scheme in respect of qualifying employees and the same is recognised as an expense in the Statement of Profit and Loss. Additional liability, if any, in respect of gratuity and liability in respect of leave encashment is recognised on the basis of valuation done by an independent actuary applying project unit credit method. The actuarial gain/loss arising during the year is recognised in the Statement of Profit and Loss of the year.

## **(j) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets up to the date the assets are ready for intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### **(k) Taxation:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period, after taking into account MAT credit, if any, as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **(l) Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

### **(m) Impairment of Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount and the difference is recognised in the Statement of Profit and Loss.

### **(n) Provisions and Contingent Liabilities:**

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>1</b>	<b>Share Capital</b>		
	<b>Authorised:</b>		
	5,00,00,000 Equity Shares of Rs. 10 each	50.00	50.00
	(Previous Year : 5,00,00,000 Equity Shares of Rs. 10 each)	50.00	50.00
	<b>Issued, Subscribed and Paid-up:</b>		
	3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up		
	(Previous Year : 3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up)	35.45	35.45
	<b>TOTAL</b>	<b>35.45</b>	<b>35.45</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:**

Equity Shares	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Balance at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Add: Issue of bonus shares during the period	-	-	-	-
Balance at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

**b. Rights, Preferences and Restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders..

**c. Aggregate number of bonus shares allotted during the period of immediately preceding 5 years:**

Particulars	Aggregate Number of Shares	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserves	1,77,27,376	1,77,27,376

**d. Details of shareholders holding more than 5% shares in the Company:**

**Equity Shares**

Name of Shareholders	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,71,054	25.87	91,69,804	25.86
Unnathan Shekhar	42,26,740	11.92	42,48,240	11.98
Sudhir D. Patil	41,45,290	11.69	41,56,040	11.72
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	24,07,108	6.79
Jayashree Ramakrishnan	18,42,972	5.20	17,92,972	5.06
	2,58,46,498	72.90	2,58,71,848	72.97

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>2 Reserves and Surplus</b>			
<b>Capital Reserve:</b>			
Balance as at the beginning of the year and as at the end of the year*		2.11	2.11
	(A)	2.11	2.11
*Capital subsidy received from the Government of Maharashtra under the package scheme of incentives.			
<b>Securities Premium Reserve:</b>			
Balance as at the beginning of the year and as at the end of the year		0.20	0.20
	(B)	0.20	0.20
<b>General Reserve:</b>			
Balance as at the beginning of the year		26.38	26.38
Add: Transfer from the statement of profit and loss		-	-
Balance as at the end of the year	(C)	26.38	26.38
<b>Surplus in Statement of Profit and Loss:</b>			
Balance as at the beginning of the year		411.58	331.55
Add: Profit for the year		102.99	105.63
Less: Appropriations			
Interim dividend [Per share <b>Rs. 3</b> (Previous year : Rs.5)]		10.64	17.73
Special/Final dividend (Refer Note 2.1) [Dividend per share <b>Rs. 3</b> (Previous Year : Rs.1)]		-	3.54
Tax on dividend (Refer Note 2.1)		2.16	4.33
Balance as at the end of the year	(D)	501.77	411.58
<b>TOTAL (A+B+C+D)</b>		<b>530.46</b>	440.27

- 2.1 The Board of Directors of the Company have proposed a dividend of Rs. 3 per equity share for the year ended 31st March, 2017. The dividend will be paid after the approval of shareholders at the Annual General Meeting. As per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the balance sheet date, the balance in Profit and Loss account would have been lower by Rs. 12.80 Crores and Short Term Provision would have been higher by Rs. 12.80 Crores (both including dividend distribution tax of Rs. 2.17 Crores).

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>3 Long Term Borrowings</b>		
<b>Secured:</b>		
<b>Term Loans from Banks</b>		
Rupee loans	52.92	72.07
Foreign currency loans	62.13	81.71
	<b>115.05</b>	153.78
<b>Unsecured:</b>		
Deferral sales-tax liability	1.59	2.19
	<b>1.59</b>	2.19
<b>TOTAL</b>	<b>116.64</b>	155.97

3.1 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present & future movable assets, and by second pari passu charge created by hypothecation of current assets, both present and future.

3.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
<b>Indian Rupee Loans</b>		
Term Loan <b>Rs. NIL</b> (31st March 2016: Rs. 0.93 Crore)	BBR+ 2.25%	20 quarterly instalments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan I & II amounting to <b>Rs. 26.64 Crore</b> (31st March 2016: Rs. 40 Crore)	PLR - 3.75% for both I & II	I - 12 Quarterly instalments of Rs. 1.67 Crore each commencing from April 2016. II - 12 Quarterly instalments of Rs. 1.67 Crore each commencing from May 2016.
Term Loan <b>Rs. NIL</b> (31st March 2016: Rs. 1.25 Crore)	PLR - 3 %	20 quarterly instalments of Rs. 1.25 Crore each commenced from July 2011
Term Loan <b>Rs. 1.50 Crore</b> (31st March 2016: Rs. 8.75 Crore)	PLR - 5%	20 quarterly instalments of Rs. 1.50 Crore commenced from Sept 2012
Term Loan <b>Rs. 13.93 Crore</b> (31st March 2016: Rs.15 Crore)	10.60%	20 Quarterly instalments with moratorium of 18 months commencing from April 2017
Term Loan <b>Rs. 30.00 Crore</b> (31st March 2016: Rs.30.00 Crore)	PLR - 3.75 %	Quarterly instalments with a moratorium of 8 quarters from the date of first disbursement commencing from 30th June 2018
<b>Foreign Currency Loan</b>		
Term Loan <b>Rs. 81.70 Crore</b> (31st March 2016: Rs.97.89 Crore)	3M LIBOR +1.90%	10% each at the end of every 6 months from the date of disbursement & 20% at the end of 60 months commenced from June 2016

\*BBR - Bank Base Rate      PLR - Prime Lending Rate

3.3 Deferral sales-tax liability denotes interest-free sales tax deferral under The Package Schemes of Incentives of 1988 and 1993 formulated by the Government of Maharashtra. Sales tax deferral liability under the 1988 Scheme is repayable after 12 years in 6 annual installments and in case of 1993 Scheme after 10 years in 5 annual installments from the initial date of deferral of liability.



## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>4</b>	<b>Deferred Tax Liabilities (Net)</b>		
	<b>Deferred Tax Liabilities:</b>		
	On difference between book depreciation and tax depreciation	<b>31.10</b>	25.42
	<b>Deferred Tax Assets:</b>		
	Employee retirement benefits	<b>(3.59)</b>	(3.39)
	Others	<b>(3.19)</b>	(1.99)
	<b>TOTAL</b>	<b>24.32</b>	20.04

<b>5</b>	<b>Other Long Term Liabilities</b>		
	Security deposits	<b>0.23</b>	0.23
	<b>TOTAL</b>	<b>0.23</b>	0.23

<b>6</b>	<b>Long Term Provisions</b>		
	Employee retirement benefits		
	Leave encashment	<b>4.30</b>	3.37
	Gratuity	<b>4.43</b>	4.51
	<b>TOTAL</b>	<b>8.73</b>	7.88

<b>7</b>	<b>Short Term Borrowings</b>		
	<b>Working capital loans from banks</b>		
	<b>Secured:</b>		
	Rupee Loans (Refer Note 7.1 & 7.2)	<b>58.12</b>	38.95
	Foreign currency loans (Refer Note 7.1 & 7.2)	<b>35.85</b>	26.79
	<b>TOTAL</b>	<b>93.97</b>	65.74

7.1 Working Capital Loans from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future, and second pari passu charge created by mortgage of immovable properties located at Talaja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.

7.2 Rate of Interest for rupee loans ranging from 5.10% p.a. to 6.50% p.a. and for foreign currency loans from 1.10% p.a to 3.80% p.a.

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>8</b>	<b>Trade Payables</b>		
	Dues of Micro, Small and Medium Enterprises (Refer Note 8.1)	2.36	2.84
	Others (Refer Note 8.2)	221.59	150.75
	<b>TOTAL</b>	<b>223.95</b>	<b>153.59</b>

8.1 Disclosure of outstanding dues of Micro, Small and Medium Enterprise under trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on 31st March, 2017 to Micro, Small and Medium Enterprises on account of principal or interest (Previous year: Rs. Nil).

8.2 Others include:

Payable to subsidiary company **Rs. 0.18 Crore** ( Previous year: Rs. 1.77 Crore) (Refer Note 36)

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>9</b>	<b>Other Current Liabilities</b>		
	<b>Current Maturities of :</b>		
	-Long term loans (Refer Note 3.1 and 3.2)	38.72	40.05
	-Fixed deposits (Refer Note 9.1)	-	6.41
	-Deferral sales-tax liability (Refer Note 3.3)	0.60	0.61
	Interest accrued but not due on borrowings	0.76	1.86
	Interest accrued and due on borrowings	0.74	0.57
	Advance from customers	4.50	5.28
	Unclaimed dividend (Refer Note 9.2)	0.36	0.57
	Unclaimed redeemed 12% preference capital	-	0.03
	Unclaimed matured deposits and interest accrued thereon	0.13	0.07
	Creditors for capital expenditure	1.50	3.09
	Statutory liabilities	9.43	3.90
	Due to employees	5.25	7.74
	Other liabilities	0.14	0.27
	<b>TOTAL</b>	<b>62.13</b>	<b>70.45</b>

9.1 Includes **Rs. NIL** (Previous Year: Rs. 0.37 Crore) due to related parties. (Refer Note 36)

9.2 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>10</b>	<b>Short Term Provisions</b>		
	Income tax (Net of advance tax)	-	0.39
	Proposed dividend (Refer Note 2.1)	-	3.54
	Tax on proposed dividend (Refer Note 2.1)	-	0.73
	<b>Employee Retirement Benefits</b>		
	Leave encashment	0.90	1.38
	Gratuity	1.14	0.95
	<b>TOTAL</b>	<b>2.04</b>	<b>6.99</b>

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 11. Fixed Assets

Figures in Rs. Crore

Particulars	Gross Block			Depreciation / Amortization			Net Block		
	As at 1 <sup>st</sup> April 2016	Additions during the year	Deletions during the year	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	For the year	Deletions	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Tangible Assets:</b>									
Leasehold Land	18.95	-	-	18.95	2.61	0.20	-	16.14	16.34
Buildings (Refer Note 11.1)	98.60	24.73	-	123.33	30.07	3.99	-	89.27	68.53
Plant & Equipment	328.66	50.93	0.35	379.24	192.82	16.05	0.19	208.68	135.84
Furniture & Fixtures	16.69	1.06	0.01	17.74	8.23	1.88	-*	10.11	8.46
Vehicles	4.70	0.55	0.44	4.81	2.27	0.51	0.17	2.61	2.43
Office Equipment	15.27	1.96	0.01	17.22	11.87	1.67	0.01	13.53	3.40
<b>Sub Total (A)</b>	482.87	79.23	0.81	561.29	247.87	24.30	0.37	271.80	235.00
<b>Intangible Assets:</b>									
Software	8.72	1.38	-	10.10	5.86	1.04	-	6.90	2.86
Technical know how	0.30	-	-	0.30	0.04	0.03	-	0.07	0.26
<b>Sub Total (B)</b>	9.02	1.38	-	10.40	5.90	1.07	-	6.97	3.12
<b>TOTAL (A+B)</b>	<b>491.89</b>	<b>80.61</b>	<b>0.81</b>	<b>571.69</b>	<b>253.77</b>	<b>25.37</b>	<b>0.37</b>	<b>278.77</b>	<b>238.12</b>
Previous Year	493.88	14.15	16.14	491.89	238.99	22.96	8.18	253.77	254.89

11.1 Buildings includes shares in Co-operative Society of Rs. -\* (Previous Year: Rs. -\*).

11.2 Pre-operative costs - Refer Note 35

\*Figures less than Rs. 1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>12</b>	<b>Non Current Investments (At cost - fully paid unless otherwise stated)</b>		
<b>1</b>	<b>Trade Investments - Unquoted</b>		
<b>(i)</b>	<b>Investment in Equity Shares</b>		
	<b>Subsidiary Companies</b>		
	Galaxy Chemicals Inc. 12,000 shares of face value US \$ 0.01 each (Previous Year : 12,000 shares)	0.46	0.46
	Galaxy Holdings (Mauritius) Ltd. 5,00,000 shares of face value US \$1 each (Previous Year : 5,00,000 shares)	2.37	2.37
		<b>2.83</b>	2.83
<b>(ii)</b>	<b>Investment in Preference Shares</b>		
	<b>Subsidiary Company</b>		
	Galaxy Holdings (Mauritius) Ltd. 3,94,00,000 shares of face value US \$1 each (Previous Year : 3,94,00,000 shares)	214.79	214.79
		<b>214.79</b>	214.79
<b>2</b>	<b>Non-Trade Investments</b>		
<b>i)</b>	<b>Investment in Equity Instruments</b>		
<b>a)</b>	<b>Quoted</b>		
	Union Bank of India 7,200 shares of Rs. 10 each (Previous Year : 7,200 shares)	0.01	0.01
		<b>0.01</b>	0.01
<b>b)</b>	<b>Unquoted</b>		
	The Saraswat Co-operative Bank Ltd. 2,000 shares of Rs. 10 each (Previous Year : 2,000 shares)	.*	.*
	The North Kanara G.S.B. Co-operative Bank Ltd. 15,000 shares of Rs. 10 each (Previous year : 15,000 shares)	0.02	0.02
	Shamrao Vithal Co-operative Bank Ltd. 1,000 shares of Rs. 25 each (Previous Year : 1,000 shares)	.*	.*
		<b>0.02</b>	0.02
<b>ii)</b>	<b>Investment in Government or Trust Securities</b>		
	<b>Unquoted</b>		
	National Savings Certificates	.*	.*
	Kisan Vikas Patra	.*	.*
		.*	.*
<b>iii)</b>	<b>Other Investments</b>		
	<b>Unquoted</b>		
	Tarapur Environment Protection Society 7,729 Shares of face value of Rs. 100 each (Previous Year : 7,729 shares)	.*	.*
	Narmada Clean Tech Ltd. 3,00,000 shares of Rs. 10 each (Previous Year : 63,900 shares)	.*	.*
		.*	.*
	<b>TOTAL</b>	<b>217.65</b>	<b>217.65</b>
	Aggregate amount of Quoted Investments	0.01	0.01
	Market Value of Quoted Investments	0.12	0.09
	Aggregate amount of Unquoted Investments	<b>217.64</b>	217.64

\*Figures less than Rs. 1,00,000

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>13 Long Term Loans and Advances</b>		
Unsecured, considered good:		
Capital advances	2.25	2.96
Security deposits	3.49	4.68
Loan to related party (Refer note 36)	1.17	1.17
Advances recoverable in cash or kind for value to be received	21.40	11.26
Income tax payments (Net of provisions)	7.72	4.22
<b>TOTAL</b>	<b>36.03</b>	24.29

<b>14 Inventories</b>		
(At lower of cost or net realisable value)		
Raw materials [Including in transit of <b>Rs. 12.69 Crore</b> (Previous year: Rs. 15.88 Crore)]	73.22	50.48
Work-in-process	45.42	26.92
Packing materials [Including in transit of <b>Rs. 0.17 Crore</b> (Previous year: Rs. 0.22 Crore)]	3.76	3.46
Finished goods [Including in transit of <b>Rs. 10.84 Crore</b> (Previous year: Rs. 8.15 Crore)]	60.83	39.58
Stock-in-trade [Including in transit of <b>Rs. 0.46 Crore</b> (Previous year: Rs. 1.00 Crore)]	5.66	3.71
Consumables, stores & spares [Including in transit of <b>Rs. 0.05 Crore</b> (Previous year: Rs. 0.06 Crore)]	8.55	7.76
<b>TOTAL</b>	<b>197.44</b>	131.91

<b>15 Trade Receivables</b>		
Outstanding for a period exceeding 6 months from the date they were due for payment		
Unsecured, considered good	0.79	1.02
Other trade receivables		
Unsecured, considered good	286.79	224.45
Unsecured, considered doubtful	0.92	-
	287.71	224.45
Less: Provision for doubtful debts	(0.92)	-
	286.79	224.45
<b>TOTAL</b>	<b>287.58</b>	225.47

15.1 Includes **Rs. 60.68 Crore** (Previous year: Rs. 50.62 Crore) receivable from subsidiaries. (Refer Note 36)

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>16</b>	<b>Cash and Bank Balances</b>		
	<b>Cash and Cash Equivalents:</b>		
	Cash on hand	0.26	0.30
	Balance with banks in current accounts	4.37	6.38
		4.63	6.68
	<b>Other Bank Balances:</b>		
	Term deposits with maturity less than 3 months (Refer Note 16.2)	0.01	0.49
	Term deposits with maturity more than 3 months but less than 12 months (Refer Note 16.1)	-	0.76
	Unclaimed dividend accounts	0.35	0.57
	Unclaimed preference capital redemption account	-	0.03
		0.36	1.85
	<b>TOTAL</b>	<b>4.99</b>	<b>8.53</b>

16.1 Includes margin money against term loans **Rs. NIL** (Previous Year: Rs. 0.05 Crore).

16.2 Includes deposits pledged with sales Tax Authorities Rs. -\* (Previous Year: Rs. -\*)

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>17</b>	<b>Short Term Loans and Advances</b>		
	Unsecured, considered good :		
	Security deposits	0.33	0.10
	Loans and advances to related parties	2.27	4.66
	Income tax refund receivable	0.12	0.12
	Advances recoverable in cash or kind for value to be received considered good	29.13	37.99
	Advances recoverable in cash or kind for value to be received considered doubtful	0.53	0.09
		29.66	38.08
	Less: Provision of doubtful advances	(0.53)	(0.09)
		29.13	37.99
	<b>TOTAL</b>	<b>31.85</b>	<b>42.87</b>

<b>18</b>	<b>Other Current Assets</b>		
	Interest accrued on deposits	0.23	0.24
	Export incentives	19.57	21.90
	Other receivables	-	0.02
	<b>TOTAL</b>	<b>19.80</b>	<b>22.16</b>

\* Figures less than Rs. 1,00,000

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	2016-2017	2015-2016
<b>19</b>	<b>Revenue from Operations</b>		
	Sale of products (Gross)	1,570.03	1,395.90
	Less : Excise duty	86.70	69.61
	Sale of products (Net)	1,483.33	1,326.29
	<b>Other Operating Revenues</b>		
	Export incentives	18.22	16.87
	<b>Revenue from Operations</b>	<b>1,501.55</b>	<b>1,343.16</b>

<b>19.1</b>	<b>Particulars of Sale of Products</b>		
	Organic surface active agents/preparations	1,244.61	1,076.47
	Fatty alkanolamides/fatty acid esters	68.07	51.84
	Specialty chemicals	257.27	267.54
	Others	0.08	0.05
	<b>TOTAL</b>	<b>1,570.03</b>	<b>1,395.90</b>

<b>20</b>	<b>Other Income</b>		
	<b>Interest Income on:</b>		
	-Term deposits	0.04	0.37
	-Others (Refer Note 20.1)	2.57	4.16
	Dividend on non-current investments	-*	-*
	Scrap sales	1.09	0.94
	Liabilities no longer required written back	1.81	-
	Foreign exchange differences (Net)	6.09	-
	Commission received (Refer Note 36)	1.02	1.15
	Miscellaneous income	2.56	1.90
	<b>TOTAL</b>	<b>15.18</b>	<b>8.52</b>

20.1 Includes **Rs. 2.21 Crore** (Previous Year : Rs. 2.88 Crore) overdue interest received from subsidiaries (Refer note 36)

<b>21</b>	<b>Cost of Materials Consumed</b>		
	Raw materials	1,071.90	838.78
	Packing materials	48.21	50.94
	<b>TOTAL</b>	<b>1,120.11</b>	<b>889.72</b>

<b>21.1</b>	<b>Particulars of Materials Consumed</b>		
	Acids, alkalies and amines	94.58	95.17
	Fatty alcohol, fatty acid, oils and ethylene oxide	887.82	642.82
	Other raw materials	89.50	100.79
	Packing materials	48.21	50.94
	<b>TOTAL</b>	<b>1,120.11</b>	<b>889.72</b>

<b>21.2</b>	<b>Value of Materials consumed</b>	<b>Rs. Crore</b>	<b>%</b>	<b>Rs. Crore</b>	<b>%</b>
	Imported	693.61	62	511.09	57
	Indigeneous	426.50	38	378.63	43
	<b>TOTAL</b>	<b>1,120.11</b>	<b>100</b>	<b>889.72</b>	<b>100</b>

\* Figures less than Rs. 1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	2016-2017	2015-2016
<b>22</b>	<b>Purchase of Stock-in-trade</b>		
	Speciality chemicals	16.12	14.82
	<b>TOTAL</b>	<b>16.12</b>	<b>14.82</b>
<b>23</b>	<b>Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade:</b>		
	<b>Inventories at the beginning of the year</b>		
	Finished goods	39.58	42.05
	Work-in-process	26.92	35.73
	Stock-in-trade	3.71	5.64
		<b>70.21</b>	<b>83.42</b>
	<b>Inventories at the end of the year</b>		
	Finished goods	60.83	39.58
	Work-in-progress	45.42	26.92
	Stock-in-trade	5.67	3.71
		<b>111.92</b>	<b>70.21</b>
	<b>(Increase)/Decrease in Inventories</b>	<b>(41.71)</b>	<b>13.21</b>
<b>24</b>	<b>Employee Benefits Expenses:</b>		
	Salaries, wages and allowances	62.51	60.17
	Contribution to provident and other funds	6.85	4.98
	Workmen and staff welfare expenses	4.71	4.97
	<b>TOTAL</b>	<b>74.07</b>	<b>70.12</b>
<b>24.1</b>	<b>Managerial Remuneration included under Employee Benefit Expenses:</b>		
	<b>Remuneration Paid to Managing Director and Whole-Time Directors</b>		
	Salaries and allowances	3.77	4.42
	Commission	2.46	3.27
	Contribution to provident and other funds	0.31	0.39
	<b>TOTAL</b>	<b>6.54</b>	<b>8.08</b>



## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	2016-2017	2015-2016
<b>25</b>	<b>Other Expenses</b>		
	Consumption of stores and spare parts, consumables	6.95	7.95
	Power and fuel	31.53	29.82
	Water charges	0.90	0.82
	Repairs and maintenance:		
	- Plant and machinery	4.41	7.08
	- Building	0.25	0.19
	- Others	2.05	2.03
	Rent (including storage charges)	1.89	1.79
	Insurance	3.88	3.72
	Rates and taxes	4.43	6.75
	Travelling and conveyance	9.19	8.28
	Freight and forwarding	41.93	50.39
	Legal and professional fees	11.50	11.03
	Discount and commission on sales	2.32	1.26
	CSR expenditure (Refer Note 38)	2.33	1.75
	Donations	.*	.*
	Directors' sitting fees	0.40	0.29
	Prov for Doubtful Debts	0.92	-
	Prov for Doubtful Advances	0.44	0.09
	Commission to non-executive directors	0.51	0.38
	Loss on sale/discard of fixed assets (net)	0.05	0.47
	Foreign exchange differences (Net)	-	0.50
	REACH registration expenses (Net)	-	0.34
	Bank charges	1.53	1.63
	Printing & stationery, postage	2.71	2.75
	Royalty	0.14	0.13
	Miscellaneous expenses	16.51	13.96
	<b>TOTAL</b>	<b>146.77</b>	<b>153.40</b>

25.1	Value of Stores and Spares Consumed	Rs. Crore	%	Rs. Crore	%
	Imported	0.07	1.01	0.19	2.39
	Indigenous	6.88	98.99	7.76	97.61
	<b>TOTAL</b>	<b>6.95</b>	<b>100</b>	<b>7.95</b>	<b>100</b>

25.2	Payment to Auditors included under Legal and Professional Fees#		
	Audit fees	0.25	0.24
	Other services	0.01	0.02
	Out of pocket expenses	0.01	0.02
	<b>TOTAL</b>	<b>0.27</b>	<b>0.28</b>
	#Excludes service tax		

26	Finance Costs		
	Interest expense	20.28	21.14
	Other borrowing cost	0.31	3.48
	<b>TOTAL</b>	<b>20.59</b>	<b>24.62</b>

\* Figures less than Rs. 1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 27 Contingent Liabilities and Claims not provided for:

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
(a) Counter guarantees given to banks	10.97	10.41
(b) Corporate guarantees given to bank in connection with borrowings by subsidiary company	132.53	159.68
(c) Letter of credit outstanding	15.99	8.05
(d) Claims against the Company not acknowledged as debts		
- Excise duty & service tax	7.27	5.44
- Income tax	3.74	2.00
- Sales tax	1.33	1.24
- Custom duty	8.06	0.32
- Cess on electricity	Nil	0.95
(e) Custom duty liability in case of non-fulfilment of export obligation	0.13	0.05
(f) <b>Customer Claim</b> : No provision has been made in respect of claim of Euro 0.08 Crore (equivalent to Rs. 5.54 Crore) made by one of the overseas customers on account of quality issues in respect of third party trading material supplied by the Company. The Company has made a provision of Rs. 0.92 Crore (USD 0.01 Crore) in respect of the amount due from the said customer in respect of subsequent supplies to the said overseas customer	5.54	Nil

## 28 Estimated amount of contracts remaining to be executed on Capital Account:

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Contracts remaining to be executed (Net of advances)	2.92	9.80

## 29 Other Details:

Particulars	2016-2017	2015-2016
<b>(a) Earnings in Foreign Currencies:</b>		
F.O.B value of exports	749.58	721.95
Guarantee commission	1.02	1.15
Interest	2.21	2.88
Other recoveries	32.34	46.24
<b>(b) Value of Imports on CIF Basis:</b>		
Raw materials and packing materials	661.79	487.07
Traded goods	9.32	9.16
Capital goods	1.58	5.41
Consumable & stores	0.12	0.37
<b>(c) Expenditure in Foreign Currency:</b>		
Travelling & conveyance	0.99	0.55
Commission on exports	1.01	0.56
Professional fees	1.59	0.93
Exhibitions, subscription, membership and seminar	2.47	2.20
Interest and processing charges on borrowings	0.68	1.74
REACH registration expenses (Net)	-	0.33
Freight, forwarding & clearing charges	3.86	4.80
Other expenses	2.22	3.21

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 30 Derivative Instruments:

The Company uses forward exchange contracts to hedge its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The following are the outstanding exchange contracts entered into by the Company as at the year end:

#### Forward Exchange Contracts outstanding as at the year end:

Figures in Rs. Crore

Currency	Type	Cross Currency	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
USD	Sell	INR	19.44	83.60
EUR	Sell	INR	-	5.73
USD	Buy	INR	1.65	-

#### Currency Option contracts outstanding as at the year end:

Currency	Type	Cross Currency	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
USD	Buy	INR	1.25	1.50

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
		Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
Trade receivables	USD	1.98	128.50	1.11	73.25
	EUR	0.07	5.16	0.01	1.30
Other receivables	USD	0.04	2.32	0.07	4.70
	EUR	-	-	-*	0.01
Cash & bank balances	USD	-*	0.06	-*	0.18
	EUR	-*	0.22	-*	0.29
	GBP	-*	0.06	-	-
	TRL	-*	0.02	-	-
Trade payables	USD	1.72	111.36	1.03	68.07
	EUR	-*	0.16	-*	0.21
	GBP	-*	-*	-*	0.02
Other payables	USD	0.01	0.66	0.01	0.47
	EUR	-*	0.05	-*	0.06
Borrowings	USD	0.48	31.34	0.29	19.67
	EUR	0.07	4.51	0.09	7.13

### 31 Earnings Per Share (EPS):

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Net profit after tax (Rs. Crore)	102.99	105.63
Weighted average number of equity shares outstanding during the year	3,54,54,752	3,54,54,752
Nominal value of equity shares (Rs.)	10	10
Earnings per Share basic and diluted (Rs.)	29.05	29.79

\*Figures less than Rs.1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 32. Disclosure Pursuant to Section 186 (4) of the Companies Act, 2013:

### a. Investments made

The same are classified under respective heads. (Refer Note 12)

### b. Guarantees/Securities given

The same are classified under respective heads for purposes of guarantees given for loan availments from banks by subsidiaries/ associate Companies. (Refer Note 27)

### c. Loans given

Figures in Rs. Crore

Particulars	Loan Balance as on	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Galaxy Surfactants Limited – Employees’ Welfare Trust	1.17	1.17

The above loan given is interest free and has been classified under Long Term Loans & Advances. The aforesaid loan is granted to Galaxy Surfactants Limited – Employees’ Welfare Trust, which has been given by the Company for the benefit of the employees. (Refer Note 13)

## 33. Disclosure as per Accounting Standard 15 (Revised) – Employee Benefits:

The Company has adopted Revised Accounting Standard on Employee Benefits (AS-15) issued by the Institute of Chartered Accountants of India. The following disclosures are made as required under AS-15:

### a) Defined Contribution Plan:

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Company has recognised **Rs. 3.48 Crore** for the period (Previous Year : Rs. 3.18 Crore) being Company’s contribution to Provident Fund and ESIC contribution, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss (Refer Note 24).

### b) Defined Benefit Plans:

#### General Description of Defined Benefit Plans

##### Gratuity Plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the “Gratuity Act, 1972” and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

##### Leave Plan

Under the leave benefit plan, employees are entitled to 30 days of leave for every completed year of service, which they can avail during their service period. The plan is not funded by the Company. Eligible employees can carry forward and encash leave on separation from the service as per the Company’s rules

The following table summarize the funded status and amounts recognised in the Balance Sheet and the components of net benefit/ expense recognised in the Statement of Profit and Loss for the respective plans.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### i. Changes in the Obligation:

Figures in Rs. Crore

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Present value of the obligation as at beginning of the year	13.14	12.13	4.76	4.51
Interest cost	0.87	0.77	0.32	0.29
Past Service Cost	-	-	-	-
Current service cost	0.95	0.70	0.55	0.49
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Benefits paid	(2.39)	(1.48)	(1.08)	(0.32)
Actuarial (gain) / loss on obligations	2.28	1.02	0.64	(0.21)
Present value of the obligation as at end of the year	14.85	13.14	5.20	4.76

### ii. Fair value of Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Present value of plan assets as at beginning of the year	7.69	6.36	-	-
Expected return on plan assets	0.47	0.37	-	-
Actuarial gain / (loss) on plan assets	0.17	0.16	-	-
Contributions	1.37	0.98	-	-
Benefits paid	(0.42)	(0.18)	-	-
Fair value of plan assets as at end of the year	9.28	7.69	-	-
<b>Return on Plan Assets:</b>				
Expected return on plan assets	0.47	0.37	-	-
Actuarial gain/(loss) on plan assets	0.17	0.16	-	-
Actual return on plan assets	0.64	0.53	-	-
<b>The actual return on Plan Assets:</b>				
Actual returns on plan assets administered by LIC of India	0.64	0.53	-	-

### iii. Amount recognised in the Balance sheet:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Present value of funded obligation as at end of the year	14.85	13.14	-	-
Fair value of plan assets as at end of the year	9.28	7.69	-	-
Present value of unfunded obligation as at end of the year	-	-	5.20	4.76
Net liability recognized in the balance sheet	5.57	5.46	5.20	4.76

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

#### iv. Percentage of each category of Plan Assets to fair value of Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Insurer managed funds	100%	100%	-	-

#### v. Expenses recognised in the Statement of Profit and Loss:

Figures in Rs. Crore

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Current service cost	0.95	0.70	0.55	0.49
Interest cost	0.87	0.77	0.32	0.29
Expected return on plan assets	(0.47)	(0.37)	-	-
Net actuarial (gain) / loss to be recognized	2.11	0.86	0.65	(0.21)
Expenses recognized in the statement of profit and loss	3.46	1.96	1.52	0.57

#### vi. Principal actuarial assumptions:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Discount rate	7.25%	7.80%	7.25%	7.80%
Expected rate of return on plan assets	7.25%	7.80%	-	-
Attrition rate	5.00%	5.00%	5.00%	5.00%
Average salary escalation rate	7.00%	7.00%	7.00%	7.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The actuarial calculations used to estimate defined benefit obligations and expenses are based on above assumptions, which if changed, would affect the defined benefit obligation's size, funding requirements and expense.

Estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### vii. Experience adjustments

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Gratuity</b>					
Defined benefit obligation	14.85	13.14	12.13	8.26	8.74
Fair value of plan assets	9.28	7.69	6.36	5.79	5.42
Surplus / (deficit)	(5.57)	(5.46)	(5.78)	(2.47)	(3.32)
Actuarial adjustments on plan liabilities	1.61	1.02	0.86	(0.55)	0.54
Actuarial adjustments on plan assets	(0.17)	(0.16)	(0.12)	0.01	-*
<b>Leave Encashment</b>					
Defined benefit obligation	5.20	4.76	4.51	3.13	3.21

\*Figures less than Rs.1,00,000

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 34 Segment Reporting (Accounting Standard 17):

- a. Primary segment : Business segment  
The Company is engaged in the manufacture of specialty chemicals which is considered as the only business segment.
- b. Secondary segment : Geographical segment

Figures in Rs. Crore

	Segment Revenues	2016-2017	2015-2016
A.	Revenues within India	782.61	624.50
B.	Revenues outside India	787.42	771.40
	<b>Gross sale of products</b>	<b>1570.03</b>	<b>1395.90</b>

### 35 Pre-operative Costs

All pre-operative costs directly attributable to new projects undertaken are accumulated as expenditure during construction period and are capitalised in the year of completion of project. Capital work-in-progress as at the year end includes the following balance of expenditure during construction period:

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Opening Balance</b>	<b>3.15</b>	0.49
<b>Additions during the Year</b>		
Interest & other finance charges	1.23	1.71
Personnel cost	0.44	0.84
Travelling & conveyance	0.04	0.05
Insurance charges	.*	-
Professional fees	-	0.06
<b>Total pre-operative expenses</b>	<b>4.86</b>	3.15
Less : Capitalised during the year	4.86	-
<b>Balance as at the year end</b>	<b>-</b>	3.15

\*Figures less than Rs.1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## 36 Disclosure as per Accounting Standard 18 – Related Parties:

### a) Names of the related parties and nature of relationship

#### Direct Subsidiaries:

Galaxy Chemicals Inc.

Galaxy Holdings (Mauritius) Ltd.

#### Step down Subsidiaries

Galaxy Chemicals (Egypt) S.A.E

Rainbow Holdings GmbH

TRI-K Industries Inc

### Key management personnel and their relatives:

Key Management Personnel- Whole-Time Directors	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife
	Mr. Karthik Shekhar, Son
	Ms. Nandini Shekhar, Daughter
Mr. G. Ramakrishnan (till 6th sept '16)	Mrs. Jayashree Ramakrishnan, Wife
	Mr. Amit Ramakrishnan, Son
	Mr. Akaash Ramakrishnan, Son
Mr. K. Natarajan (w.e.f. 1st October 2016)	Mrs. Parvathy Natarajan, Wife
	Ms. Pavithra Natarajan, Daughter
	Ms. Namrata Natarajan, Daughter
Mr. R Venkateswar	Mrs. Geetha Venkateswar, Wife
	Mrs. Priyanka Venkateswar, Daughter
	Ms. Sneha Venkateswar, Daughter

### Entities over which key management personnel are able to exercise significant influence:

Galaxy Emulsifiers Private Limited
Galaxy Finsec Private Limited
Osmania Traders Private Limited
Galaxy Chemicals [Partnership Firm]
Galaxy Estates & Holdings [Partnership Firm]
Galaxy Investments [Partnership Firm]
Shubh Estates & Properties [Partnership Firm]
Galaxy Surfactants Limited – Employees' Welfare Trust



# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

## b) The related party transactions are as under:

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>1</b>	<b>Income:</b>								
	<b>a Sales:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	108.69	102.51						
	TRI-K Industries Inc.	72.33	66.58						
	<b>b Guarantee Commission:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	1.02	1.15						
	<b>c Interest :</b>								
	Galaxy Chemicals (Egypt) S.A.E.	2.14	2.88						
	TRI-K Industries Inc.	0.08	-*						
<b>2</b>	<b>Expenditure:</b>								
	<b>a Purchases:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	0.52	0.12						
	TRI-K Industries Inc.	3.66	4.18						
	<b>b Interest :</b>								
	TRI-K Industries Inc.	0.04	-*						
	Galaxy Chemicals (Egypt) S.A.E.	-	-*						
	<b>c Other Expenses:</b>								
	TRI-K Industries Inc.	0.14	0.19						
	<b>d Managerial Remuneration:</b>								
	U. Shekhar					2.09	1.95		
	G. Ramakrishnan					1.33	1.95		
	R. Venkateswar					2.09	1.95		
	K Natarajan					1.04	-		
	<b>e Interest on Fixed Deposits:</b>								
	Galaxy Chemicals			-	0.09				
	U. Shekhar					-	0.17		
	Karthik Shekhar							-	0.01

\*Figures less than Rs.1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	Nandini Shekhar							-*	0.03
	Jayashree Ramakrishnan							-*	0.02
	Others							-*	0.03
<b>f</b>	<b>Dividend / Interim Dividend:</b>								
	Galaxy Chemicals			<b>3.67</b>	8.25				
	Galaxy Emulsifiers Pvt. Ltd.			<b>0.22</b>	0.49				
	Galaxy Surfactants Limited - Employees' Welfare Trust			<b>0.11</b>	0.26				
	U. Shekhar					<b>1.69</b>	3.81		
	G. Ramakrishnan					<b>0.94</b>	2.11		
	K Natarajan					<b>0.02</b>	-		
	Jayashree Ramakrishnan							<b>0.72</b>	1.66
	Others							<b>0.05</b>	0.21
<b>3</b>	<b>Unsecured Loans:</b>								
<b>a</b>	<b>Fixed Deposit Received</b>							-	-
<b>b</b>	<b>Fixed Deposit Repaid:</b>								
	Galaxy Chemicals			-	1.90				
	U. Shekhar					-	3.30		
	Karthik Shekhar							-	0.25
	Nandini Shekhar							<b>0.14</b>	0.18
	Jayashree Ramakrishnan							<b>0.07</b>	0.59
	Lakshmy Shekhar							<b>0.16</b>	-
<b>c</b>	<b>Balances as at year end:</b>								
	Nandini Shekhar							-	0.14
	Jayashree Ramakrishnan							-	0.07
	Lakshmy Shekhar							-	0.16
<b>d</b>	<b>Interest accrued but not due on Fixed Deposits:</b>								
	Nandini Shekhar							-	0.05
	Lakshmy Shekhar							-	0.05

\*Figures less than Rs. 1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>4</b>	<b>Investments:</b>								
<b>a</b>	<b>Balance as at Year end:</b>								
	Galaxy Chemicals Inc.	<b>0.46</b>	0.46						
	Galaxy Holdings (Mauritius) Ltd	<b>217.15</b>	217.15						
<b>5</b>	<b>Trade Receivables:</b>								
<b>a</b>	<b>Balance as at Year end:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	<b>50.41</b>	41.02						
	TRI-K Industries Inc.	<b>10.27</b>	9.60						
<b>6</b>	<b>Trade Payables:</b>								
<b>a</b>	<b>Balance as at Year end:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	-	-*						
	TRI-K Industries Inc.	<b>0.18</b>	1.77						
<b>7</b>	<b>Loans and Advances:</b>								
<b>a</b>	<b>Expenses incurred on behalf of Related Parties:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	<b>0.22</b>	0.28						
	TRI-K Industries Inc.	<b>0.24</b>	0.38						
<b>b</b>	<b>Balance as at year end:</b>								
	Galaxy Chemicals (Egypt) S.A.E.	2.16	4.35						
	TRI-K Industries Inc.	0.11	0.31						
	Galaxy Surfactants Ltd - Employees' Welfare Trust			<b>1.17</b>	1.17				

\*Figures less than Rs.1,00,000

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

		Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
			2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
8	a	<b>Bank Guarantee given on behalf of Related Parties:</b>								
		Galaxy Chemicals (Egypt) S.A.E.	-	-						
	b	<b>Corporate/SBLC Guarantee as at year end:</b>								
		Galaxy Chemicals (Egypt) S.A.E.	132.53	159.68						

## 37 Operating Leases:

Assets taken on operating lease:

The Company has entered into Operating Lease agreements towards use of godowns, offices and residential premises for its employees. Most of the lease agreements provide for cancellation by either party with a notice period of 30 days. Lease rental payments recognised in the Statement of Profit and Loss for the year are **Rs. 0.97 Crore** (Previous Year Rs. 0.91 Crore).

## 38 Details of CSR Expenditure

The details of expenditure incurred on Corporate Social Responsibility (CSR) activities are as below:

Figures in Rs. Crore

Particulars	In Cash	Yet to be Paid	Total
<b>I. Gross amount required to be spent by the Company during the year</b>	-	-	<b>2.82</b>
<b>II. Amount spent during the year on:</b>			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	2.33	-	<b>2.33</b>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 39 SBN Disclosure:

Figures in Rs. Crore

Particulars	SBN's	Other Denomination Notes	Total
Closing balance as at 8 November 2016	0.11	0.05	0.16
Add: Receipts for permitted transactions	-	0.07	0.07
Less: Payments for permitted transactions	0.01	0.06	0.07
Less: Deposited in bank	0.10	-	0.10
Closing balance as at 30 December 2016	-	0.06	0.06

### 40 Previous Year Figures:

The figures for the previous year have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
*Chartered Accountants*

**For and on behalf of the Board**

**D. P. SAPRE**  
*Partner*  
*Mem. No. 40740*

**U. SHEKHAR**  
*Managing Director*

**K. NATARAJAN**  
*Executive Director & COO*

Navi Mumbai  
 Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
*Executive Director-Finance  
 & CFO*

**V. SHITOLE**  
*Head - Resource Mobilisation &  
 Utilisation Process & Company  
 Secretary*

We participated in In-Cosmetics Global and In-Cosmetics Asia during the year. These are 2 of the top exhibitions in our industry and was held in London and Bangkok. These events bring together the world's leading personal care ingredients specialists and they showcase the most diverse range of innovative cosmetic ingredients and technologies.



Our stall in In-Cosmetics London being inaugurated by our customer Mr Antonio Padilla of Quimidroga, Director of Cosmetics.

In-Cosmetics Stall at London



In-Cosmetics Stall at Bangkok

## **INDEPENDENT AUDITORS REPORT**

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

### **To the Members of Galaxy Surfactants Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **Galaxy Surfactants Limited** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company together with the subsidiaries referred as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding 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 Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the Companies included in the Group and of its associates, the governing body of the jointly controlled entity and Trustee of the trust where the Holding Company is a beneficiary are responsible for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these Consolidated 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 Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors as well as evaluating the overall presentation of the financial statements.

## INDEPENDENT AUDITORS REPORT

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors are sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Other Matters

We did not audit the standalone financial statements of three of the subsidiaries whose financial statements reflect total assets of Rs. 15.38 Crore as at March 31, 2017, total revenue of Rs. 43.64 Crore and net cash inflows amounting to Rs. 13.05 Crore for the year ended on that date, as considered in the Consolidated Financial Statements. These standalone financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these entities in the Group, is based solely on the reports of their auditors.

These subsidiaries are located outside India and their financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

### Report on Other Legal And Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - d) In our opinion, the Consolidated Balance sheet, Consolidated Statement of Profit and Loss and Consolidated Cash flow statement 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 of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2017 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 control over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". None of the subsidiary companies are incorporated in India under Companies Act, 2013 and accordingly we have reported on adequacy of internal control over financial reporting only in case of the Holding Company.



## INDEPENDENT AUDITORS REPORT

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

- 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 Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 relating to Contingent Liabilities and Commitments;
  - ii. The Group has made provision as required under applicable law or accounting standard, for foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. The Holding Company has provided requisite disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 36. None of the subsidiary companies are incorporated in India under Companies Act, 2013 and accordingly disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 do not apply to these subsidiary companies.

**For P.D. Kunte & Co. (Regd.)**  
Chartered Accountants  
Firm Registration No.: 105479W

**D. P. Sapre**  
(Partner)  
Membership No. 40740

Place: Mumbai  
Date: 23<sup>rd</sup> June 2017

**Annexure A**

**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 Surfactants Limited** ("the Holding Company") as of March 31, 2017 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 Holding Company's management is responsible for establishing and maintaining internal financial controls based on 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 (ICAI).

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 Holding 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding 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 authorisations of management and directors of the company; and (3) provide reasonable

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS

assurance regarding prevention or timely detection of unauthorised 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**

According to the information and explanations given to us and based on our audit of test of controls, in our opinion, the Holding Company has adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the 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. None of the Subsidiary Companies are incorporated in India under Companies Act, 2013 and accordingly we have reported on adequacy of internal control over financial reporting only in case of the Holding Company.

For **P.D. Kunte & Co. (Regd.)**  
Chartered Accountants  
Firm Registration No.: 105479W

**D. P. Sapre**  
(Partner)  
Membership No. 40740

Place: Mumbai  
Date: 23<sup>rd</sup> June 2017

## CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars	Note	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	1	35.45	35.45
Reserves and surplus	2	534.50	406.25
<b>Non-Current Liabilities</b>			
Long term borrowings	3	129.61	194.25
Deferred tax liability (Net )	4	21.71	18.67
Other long term liabilities	5	0.68	2.52
Long term provisions	6	8.73	7.88
<b>Current Liabilities</b>			
Short term borrowings	7	204.14	142.36
Trade payables	8	247.94	185.63
Other current liabilities	9	91.70	100.26
Short term provisions	10	2.19	7.17
<b>TOTAL</b>		<b>1,276.65</b>	<b>1,100.44</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	11	464.74	424.94
Intangible assets	11	7.81	10.82
Capital work-in-progress		10.32	50.75
Non-current investments	12	0.03	0.03
Long term loans and advances	13	39.19	30.03
<b>Current Assets</b>			
Inventories	14	317.42	235.77
Trade receivables	15	346.28	250.19
Cash and bank balances	16	25.75	16.38
Short term loans and advances	17	44.95	57.53
Other current assets	18	20.16	24.00
<b>TOTAL</b>		<b>1,276.65</b>	<b>1,100.44</b>

Notes A, B and 1 to 37 form an integral part of the Consolidated Financial Statements

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
 Chartered Accountants

**For and on behalf of the Board**

**D. P. SAPRE**  
 Partner  
 Mem. No. 40740

**U. SHEKHAR**  
 Managing Director

**K. NATARAJAN**  
 Executive Director & COO

Navi Mumbai  
 Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
 Executive Director –  
 Finance & CFO

**V. SHITOLE**  
 Head - Resource Mobilisation &  
 Utilisation Process & Company  
 Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars	Note	2016-2017	2015-2016
<b>INCOME</b>			
Revenue from operations	19	2,224.83	1,848.74
Less : Excise duty		86.70	69.61
Sale of Products (Net)		2,138.13	1,779.13
Other operating revenue		22.68	22.30
Revenue from operations (Net)		2,160.81	1,801.43
Other income	20	11.44	5.87
<b>TOTAL REVENUE</b>		<b>2,172.25</b>	<b>1,807.30</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	21	1,515.06	1,114.76
Purchase of stock-in-trade	22	52.55	70.27
Changes in inventories of finished goods, work-in-process and stock-in-trade	23	(42.34)	15.01
Employee benefit expenses	24	143.27	144.42
Other expenses	25	223.94	224.97
<b>TOTAL EXPENSES</b>		<b>1,892.48</b>	<b>1,569.43</b>
<b>Profit Before Interest, Tax, Depreciation and Amortization</b>		<b>279.77</b>	<b>237.87</b>
Finance costs	26	27.47	31.19
<b>Profit Before Tax, Depreciation and Amortization</b>		<b>252.30</b>	<b>206.68</b>
Depreciation & amortization	11	48.34	45.22
<b>Profit Before Tax</b>		<b>203.96</b>	<b>161.46</b>
Tax expenses			
-Current tax		56.24	60.60
-Deferred tax		2.97	(0.27)
-Prior year tax adjustments		(0.69)	-
Total tax expenses		58.52	60.33
<b>Profit for the year</b>		<b>145.44</b>	<b>101.13</b>
<b>Earnings per Share</b>		<b>29</b>	
Equity shares of face value Rs. 10 each			
-Basic		41.02	28.52
-Diluted		41.02	28.52

Notes A, B and 1 to 37 form an integral part of the Consolidated Financial Statements

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
Chartered Accountants

**D. P. SAPRE**  
Partner  
Mem. No. 40740

Navi Mumbai  
Date: 23<sup>rd</sup> June 2017

**For and on behalf of the Board**

**U. SHEKHAR**  
Managing Director

**G. KAMATH**  
Executive Director –  
Finance & CFO

**K. NATARAJAN**  
Executive Director & COO

**V. SHITOLE**  
Head - Resource Mobilisation &  
Utilisation Process & Company  
Secretary

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

Figures in Rs. Crore

Particulars		31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
<b>A.</b>	<b>Cash Flow from Operating Activities</b>				
	Profit before tax		203.96		161.46
	<b>Adjustments for:</b>				
	<b>Add:</b>				
	Depreciation	48.34		45.22	
	Finance cost	27.47		31.19	
	Loss on sale/discarding of assets	0.03	75.84	0.47	76.88
	<b>Less:</b>				
	Dividend income	-*		-*	
	Interest income	(0.36)	(0.36)	(1.70)	(1.70)
	<b>Operating Profit before Working Capital Changes</b>		279.44		236.64
	<b>Working Capital Changes</b>				
	<b>Adjusted for:</b>				
	Inventories	(81.64)		10.21	
	Trade receivables	(96.10)		(28.92)	
	Loans and advances and other assets	12.24		(5.50)	
	Trade payables and other liabilities	64.46		19.19	
	Other provisions	0.49	(100.55)	(0.10)	(5.12)
	<b>Cash Generated from Operations</b>		178.89		231.52
	Taxes paid		(59.30)		(61.77)
	<b>Net Cash Flow from Operating Activities (A)</b>		119.59		169.75
<b>B.</b>	<b>Cash Flow from Investing Activities</b>				
	Capital expenditure		(48.58)		(61.74)
	Sale of fixed assets		0.41		7.49
	Foreign currency translation reserve		(0.95)		(6.46)
	Dividend income		-*		-*
	Interest income		0.36		1.70
	<b>Net Cash Flow used in Investing Activities (B)</b>		(48.76)		(59.01)
<b>C.</b>	<b>Cash Flow from Financing Activities</b>				
	Net borrowings		(15.42)		(40.88)
	Finance cost		(27.47)		(31.19)
	Equity dividend paid (including dividend tax)		(17.08)		(38.41)
	<b>Net Cash Flow used in Financing Activities (C)</b>		(59.97)		(110.48)
	<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)</b>		10.86		0.26
	Cash and cash equivalents - opening balance		14.19		13.93
	Unrealised foreign exchange gain/(loss)	0.03		0.05	
	Cash and cash equivalents - closing balance	25.02	25.05	14.14	14.19
	<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>		10.86		0.26

\* Figures less than Rs. 1,00,000

As per our Report attached  
**For P.D. Kunte & Co. (Regd.)**  
Chartered Accountants

**For and on behalf of the Board**

**D. P. SAPRE**  
Partner  
Mem. No. 40740

**U. SHEKHAR**  
Managing Director

**K. NATARAJAN**  
Executive Director & COO

Navi Mumbai  
Date: 23<sup>rd</sup> June 2017

**G. KAMATH**  
Executive Director –  
Finance & CFO

**V. SHITOLE**  
Head - Resource Mobilisation &  
Utilisation Process & Company  
Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### A. Basis of Consolidation

The consolidated financial statements relate to Galaxy Surfactants Limited (the Company) and its subsidiary companies. The Company and its subsidiaries constitute the Group.

#### a) Basis of Accounting:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company, i.e., for the year ended 31st March, 2017.
- (ii) The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

#### b) Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiary companies have been consolidated on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit as per applicable Accounting Standards in India.
- (ii) The excess of the Company's portion of equity as at the dates on which the investments in subsidiary companies are made over the cost to the Company of its investment in subsidiaries is recognised in the financial statements as "Capital Reserve on Consolidation".
- (iii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its separate financial statements. Differences, if any, in accounting policies have been disclosed separately.
- (iv) The operations of the Company's subsidiaries are considered as non-integral operations for the purpose of consolidation.
- (v) Rates applied for conversion of foreign currency:
  - (a) For Balance Sheet - year end rate of respective currency except for share capital and pre incorporation reserves which have been converted at the rate prevailing on the date of acquisition of the subsidiaries.
  - (b) For Statement of Profit and Loss in case of subsidiaries held throughout the year - average rate for the year.
  - (c) For Statement of Profit and Loss in case of subsidiary whose operations commenced from part of the year - average rate for the period of operations of such subsidiary.
- (vi) Exchange differences arising on consolidation are recognised in Foreign Currency Translation Reserve.

#### (c) Particulars of Subsidiaries:

Name of the Company	Country of Incorporation	Percentage of Voting Power as at 31 <sup>st</sup> March, 2017
Galaxy Chemicals Inc.	USA	100%
Galaxy Holdings (Mauritius) Ltd.	Mauritius	100%
Galaxy Chemicals (Egypt) S.A.E.	Egypt	100%
Rainbow Holdings GmbH	Germany	100%
TRI-K Industries Inc.	USA	100%

**B. Significant Accounting Policies adopted in preparation of Consolidated Financial Statements**

**(a) Basis for preparation of financial statements:**

(i) Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except wherever stated otherwise.

(ii) Use of Estimates:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively and revised, in current and future periods.

**(b) Revenue Recognition:**

**Sale of Goods:**

Domestic sales are recognised at the point of dispatch of goods when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are net of returns. Sales are stated net of trade discounts and taxes on sale.

Export sales are recognised when significant risks and rewards in respect of ownership of goods are transferred to the buyer as per the terms of the contract.

Export entitlements are recognised as income when the right to receive the same as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate realisation.

**Other Income:**

Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognised on time proportionate basis taking into account amount involved and rate of Interest.

**(c) Fixed Assets / Intangible Assets:**

Fixed assets/intangible assets are stated at cost of acquisition or construction less accumulated depreciation or amortisation. The cost of fixed assets includes all costs incidental to acquisition or construction including taxes, duties (net of CENVAT and set-off), cost of installation and commissioning, interest on borrowings attributable to acquisition of fixed assets and other indirect expenses incurred up to trial run.

**(d) Depreciation & Amortisation:**

Depreciation has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions/ deletions during the year is provided on pro-rata basis from/up to the date of such addition/ deletion.

Leasehold land is amortised over the primary period of lease.

Intangible assets are amortised on a straight line basis over their useful lives.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

**(e) Inventories:**

Inventories are valued at cost or net realisable value, whichever is lower. Cost of inventories is arrived at on weighted average basis. The cost of manufactured products comprises direct costs and production overheads at pre-determined rates and excise duty, where applicable. Goods-in-transit are stated at actual cost incurred upto the date of Balance Sheet.

**(f) Investments:**

Long term investments are stated at cost. Provision is made for diminution in the value of investments where, in the opinion of the Board of Directors, such diminution is other than temporary. Short term investments are stated at lower of cost and market value.

**(g) Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transactions. Foreign currency assets and liabilities are converted at contracted/year-end rates as applicable. Exchange differences on settlement/conversion are recognised in the Statement of Profit and Loss. Wherever forward contracts are entered into, the premium is dealt with in the Statement of Profit and Loss over the period of the contracts.

The assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and items of income and expenditure are translated at the average exchange rate for the period. Exchange differences arising on consolidation are recognised in the Foreign Currency Translation Reserve until the disposal of net investment.

**(h) Research and Development:**

Revenue expenditure on research and development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to relevant fixed assets.

**(i) Employee Benefits:**

- (i) Short term employee benefits are recognised as expense in the Statement of Profit and Loss of the year in which service is rendered.
- (ii) Contribution to defined contribution schemes such as Provident Fund and Family Pension Fund are charged to the Statement of Profit and Loss.
- (iii) The Company makes annual contribution to Employees Group Gratuity cum Life Assurance Scheme in respect of qualifying employees and the same is recognised as an expense in the Statement of Profit and Loss. Additional liability, if any, in respect of gratuity and liability in respect of leave encashment is recognised on the basis of valuation done by an independent actuary applying project unit credit method. The actuarial gain/loss arising during the year is recognised in the Statement of Profit and Loss of the year.

**(j) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such assets up to the date the assets are ready for intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

**(k) Taxation:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period after taking into account MAT credit, if any, as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provision is determined based on the local tax laws.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **(l) Earnings per Share:**

Basic earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

### **(m) Impairment of Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset, or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount and the difference is recognised in the Statement of Profit and Loss.

### **(n) Provision and Contingent Liabilities:**

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation.

Contingent Liabilities are disclosed when the Company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>1</b>	<b>Share Capital</b>		
	<b>Authorised:</b>		
	5,00,00,000 Equity Shares of Rs. 10 each	50.00	50.00
	(Previous Year : 5,00,00,000 Equity Shares of Rs. 10 each)	50.00	50.00
	<b>Issued, Subscribed and Paid-up:</b>		
	3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up		
	(Previous Year : 3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up)	35.45	35.45
	<b>TOTAL</b>	<b>35.45</b>	<b>35.45</b>

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:**

Equity Shares	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Balance at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Add: Issue of bonus shares during the period	-	-	-	-
Balance at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

**b. Rights, Preferences and Restrictions attached to Equity Shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Aggregate number of bonus shares allotted during the period of immediately preceding 5 years:**

Particulars	Aggregate Number of Shares	
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserves	1,77,27,376	1,77,27,376

**d. Details of shareholders holding more than 5% shares in the Company:**

**Equity Shares**

Name of Shareholders	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,71,054	25.87	91,69,804	25.86
Unnathan Shekhar	42,26,740	11.92	42,48,240	11.98
Sudhir D. Patil	41,45,290	11.69	41,56,040	11.72
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	24,07,108	6.79
Jayashree Ramakrishnan	18,42,972	5.20	17,92,972	5.06
	2,58,46,498	72.90	2,58,71,848	72.97

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>2 Reserves and Surplus</b>			
<b>Capital Reserve:</b>			
Balance as at the beginning of the year and as at the end of the year*		2.11	2.11
	<b>(A)</b>	<b>2.11</b>	2.11
*Capital subsidy received from the Government of Maharashtra under the package scheme of incentives.			
<b>Capital Reserve on Consolidation:</b>			
Balance as at the beginning of the year and as at the end of the year		3.11	3.11
	<b>(B)</b>	<b>3.11</b>	3.11
<b>Securities Premium Reserve:</b>			
Balance as at the beginning of the year and as at the end of the year		0.20	0.20
	<b>(C)</b>	<b>0.20</b>	0.20
<b>Foreign Currency Translation Reserve:</b>			
Balance as at the beginning of the year		37.06	31.49
Add: Net adjustment for the year		(4.39)	5.56
Balance as at the end of the year	<b>(D)</b>	<b>32.67</b>	37.05
<b>General Reserve:</b>			
Balance as at the beginning of the year		26.38	26.38
Add: Transfer from the statement of profit and loss		-	-
Balance as at the end of the year	<b>(E)</b>	<b>26.38</b>	26.38
<b>Surplus in Statement of Profit and Loss:</b>			
Balance as at the beginning of the year		337.40	261.87
Add: Profit for the year		145.44	101.13
Less: Appropriations			
Interim Dividend [Per share <b>Rs. 3</b> (Previous year : Rs.5)]		10.64	17.73
Special/Final dividend (Refer Note 2.1) [Dividend per share <b>Rs. 3</b> (Previous Year : Rs.1)]		-	3.54
Tax on dividend (Refer Note 2.1)		2.17	4.33
Balance as at the end of the year	<b>(F)</b>	<b>470.03</b>	337.40
<b>TOTAL (A+B+C+D+E+F)</b>		<b>534.50</b>	406.25

- 2.1 The Board of Directors of the Company have proposed a dividend of Rs. 3 per equity share for the year ended 31st March, 2017. The dividend will be paid after the approval of shareholders at the Annual General Meeting. As per the requirements of revised AS 4, the Company is not required to provide for dividend proposed/declared after the balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the balance sheet date, the balance in Profit and Loss account would have been lower by Rs. 12.80 Crores and Short Term Provision would have been higher by Rs. 12.80 Crores (both including dividend distribution tax of Rs. 2.17 Crores).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>3 Long Term Borrowings</b>		
<b>Secured:</b>		
<b>Term Loans from Banks</b>		
Rupee loans	52.92	72.07
Foreign currency loans	62.13	84.65
<b>Term Loans from Others</b>	12.97	35.33
	<b>128.02</b>	192.05
<b>Unsecured:</b>		
Deferral sales-tax liability	1.59	2.20
	1.59	2.20
<b>TOTAL</b>	<b>129.61</b>	194.25

- 3.1 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present & future movable assets, and by second pari passu charge created by hypothecation of current assets, both present and future.
- 3.2 Term loans from others are secured by a first charge created over movable and immovable assets (other than working capital assets) of Galaxy Chemicals (Egypt) S.A.E., assignment of insurance policies over those assets and a corporate guarantee by the Ultimate Holding Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

#### 3.3 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
<b>Indian Rupee Loans</b>		
Term Loan <b>Rs. Nil</b> (31st March 2016: Rs. 0.93 Crore)	BBR+ 2.25%	20 quarterly instalments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan I & II amounting to <b>Rs. 26.64 Crore</b> (31st March 2016: Rs. 40 Crore)	PLR - 3.75% for both I & II	I - 12 Quarterly instalments of Rs. 1.67 Crore each commenced from April 2016. II - 12 Quarterly instalments of Rs. 1.67 Crore each commenced from May 2016.
Term Loan <b>Rs. Nil</b> (31st March 2016: Rs. 1.25 Crore)	PLR - 3 %	20 quarterly instalments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan <b>Rs. 1.50 Crore</b> (31st March 2016: Rs. 8.75 Crore)	PLR - 5%	20 quarterly instalments of Rs. 1.50 Crore commenced from Sept 2012.
Term Loan <b>Rs. 13.93 Crore</b> (31st March 2016: Rs.15 Crore)	10.60%	20 Quarterly instalments with moratorium of 18 months commencing from April 2017.
Term Loan <b>Rs. 30.00 Crore</b> (31st March 2016: 30.00 Crore)	PLR - 3.75%	Quarterly instalments with a moratorium of 8 quarters from the date of first disbursement commencing from 30th June 2018.
<b>Foreign Currency Loan</b>		
Term Loan <b>Rs. 81.70 Crore</b> (31st March 2016: Rs.97.89 Crore)	3M LIBOR +1.90%	10% each at the end of every 6 months from the date of disbursement & 20% at the end of 60 months commenced from June 2016.
Term Loan of <b>Rs.12.97 Crore</b> (31st March 2016: Rs. 26.50 Crore)	6M LIBOR + 3.6%	12 half yearly instalments of USD 0.1 Crore each commenced from June 2012.
Term Loan of <b>Rs.21.62 Crore</b> (31st March 2016: Rs. 30.92 Crore)	6M LIBOR + 3.5%	12 half yearly instalments of USD 0.07 Crore each commenced from March 2014.

\*BBR - Bank Base Rate      PLR - Prime Lending Rate

3.4 Deferral sales-tax liability denotes interest-free sales tax deferral under The Package Schemes of Incentives of 1988 and 1993 formulated by the Government of Maharashtra. Sales tax deferral liability under the 1988 Scheme is repayable after 12 years in 6 annual installments and in case of 1993 Scheme after 10 years in 5 annual instalments from the initial date of deferment of liability.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>4</b>	<b>Deferred Tax Liabilities (Net)</b>		
	<b>Deferred Tax Liabilities:</b>		
	On difference between book depreciation and tax depreciation	<b>32.28</b>	27.73
	<b>Deferred Tax Assets:</b>		
	Employee retirement benefits	<b>(3.59)</b>	(3.39)
	Others	<b>(6.98)</b>	(5.67)
	<b>TOTAL</b>	<b>21.71</b>	18.67
<b>5</b>	<b>Other Long Term Liabilities</b>		
	Security deposits	<b>0.23</b>	0.23
	Deferred rent	-	0.34
	Other liabilities	<b>0.45</b>	1.95
	<b>TOTAL</b>	<b>0.68</b>	2.52
<b>6</b>	<b>Long Term Provisions</b>		
	<b>Employee Retirement Benefits:</b>		
	Leave encashment	<b>4.30</b>	3.37
	Gratuity	<b>4.43</b>	4.51
	<b>TOTAL</b>	<b>8.73</b>	7.88
<b>7</b>	<b>Short Term Borrowings</b>		
	<b>Working Capital Loans from Banks</b>		
	<b>Secured:</b>		
	Rupee loans (Refer Note 7.1 and 7.3)	<b>58.12</b>	38.95
	Foreign currency loans (Refer Note 7.2 and 7.3)	<b>146.02</b>	103.41
	<b>TOTAL</b>	<b>204.14</b>	142.36

7.1 Working Capital Loans from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future, and second pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.

7.2 Foreign currency working capital loans in respect of subsidiary companies are secured by:

- Assignment of insurance policies on the inventories and second charge by way of commercial mortgage created on movable assets of the subsidiary company and a corporate guarantee by the Holding Company.
- All accounts receivables, inventories, equipments & furniture in case of another subsidiary.

7.3 Rate of Interest for rupee loans ranging from 5.10% p.a. to 6.50% p.a. and for foreign currency loans from 1.10% p.a to 5.34% p.a.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

*Figures in Rs. Crore*

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>8</b>	<b>Trade Payables</b>		
	Dues of Micro, Small and Medium Enterprises (Refer Note 8.1)	2.36	2.83
	Others	245.58	182.80
	<b>TOTAL</b>	<b>247.94</b>	<b>185.63</b>

8.1 Disclosure of outstanding dues of Micro, Small and Medium Enterprise under trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on 31st March, 2017 to Micro, Small and Medium Enterprises on account of principal or interest (Previous year: Rs. Nil).

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>9</b>	<b>Other Current Liabilities</b>		
	<b>Current Maturities of :</b>		
	- Long term loans (Refer Note 3.1-3.3)	60.34	66.55
	- Fixed deposits(Refer Note 9.1)	-	6.41
	- Deferral of sales-tax (Refer Note 3.4)	0.60	0.61
	Interest accrued but not due on borrowings	1.04	2.31
	Interest accrued and due on borrowings	0.74	0.57
	Advance from customers	11.67	7.55
	Unclaimed dividends (Refer Note 9.2)	0.36	0.57
	Unclaimed redeemed 12% preference capital	-	0.03
	Unclaimed matured deposits and interest accrued thereon	0.13	0.07
	Creditors for capital expenditure	1.50	3.09
	Statutory liabilities	9.91	4.47
	Due to employees	5.25	7.76
	Other liabilities	0.16	0.27
	<b>TOTAL</b>	<b>91.70</b>	<b>100.26</b>

9.1 Includes **Rs. NIL** (Previous Year: Rs. 0.37 Cr) due to related parties. Refer Note 32.

9.2 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

	Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>10</b>	<b>Short Term Provisions</b>		
	Income tax (Net of advance tax)	0.06	0.41
	Proposed dividend ( Refer Note no. 2.1)	-	3.54
	Tax on proposed dividend ( Refer Note no. 2.1)	-	0.73
	<b>Employee Retirement Benefits</b>		
	Leave encashment	0.99	1.54
	Gratuity	1.14	0.95
	<b>TOTAL</b>	<b>2.19</b>	<b>7.17</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

#### 11. Fixed Assets

Figures in Rs. Crore

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As at 1 <sup>st</sup> April 2016	Additions during the year	Adjustments#	Deletions during the year	As at 31 <sup>st</sup> March 2017	For the Year	Adjustments#	Deletions	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Tangible Assets:</b>										
Leasehold Land	23.68	0.01	(0.10)	-	23.59	0.72	(0.09)	-	6.49	17.10
Buildings (Refer Note 11.1)	176.09	24.74	(1.64)	-	199.19	7.54	(0.42)	-	51.59	147.60
Plant & Equipment	512.90	58.90	(3.91)	0.36	567.53	30.45	(1.79)	0.20	283.39	284.14
Furniture & Fixtures	21.03	1.17	(0.09)	0.01	22.10	2.41	(0.06)	-*	13.04	9.06
Vehicles	4.88	0.55	-*	0.43	5.00	0.53	-*	0.17	2.68	2.32
Office Equipment	21.35	2.14	(0.13)	0.01	23.35	2.24	(0.12)	0.01	18.83	4.52
<b>Sub Total (A)</b>	759.93	87.51	(5.87)	0.81	840.76	43.89	(2.48)	0.38	376.02	464.74
<b>Intangible Assets:</b>										
Software	12.47	1.50	(0.08)	-	13.89	1.64	(0.07)	-	10.40	3.49
Trademark	1.59	-	(0.03)	-	1.56	0.43	(0.04)	-	1.56	-
Goodwill	11.66	-	(0.25)	-	11.41	2.35	(0.19)	-	7.32	4.09
Technical know how	0.30	-	-	-	0.30	0.03	-	-	0.07	0.23
<b>Sub Total (B)</b>	26.02	1.50	(0.36)	-	27.16	4.45	(0.30)	-	19.35	7.81
<b>TOTAL (A+B)</b>	<b>785.95</b>	<b>89.01</b>	<b>(6.23)</b>	<b>0.81</b>	<b>867.92</b>	<b>48.34</b>	<b>(2.78)</b>	<b>0.38</b>	<b>395.37</b>	<b>472.55</b>
Previous Year	768.08	17.50	16.50	16.13	785.95	45.22	4.49	8.17	350.19	435.76

# Differences due to changes in exchange rates

11.1 Buildings include shares in Co-operative Society of Rs. -\* (Previous Year : Rs. -\*)

11.2 Pre-operative costs - Refer Note 35

\*Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>12 Non Current Investments</b>		
<b>(At cost - fully paid unless stated otherwise)</b>		
<b>Non Trade Investments</b>		
<b>(Valued at Cost unless stated otherwise)</b>		
<b>i) Investment in Equity Instruments</b>		
<b>a) Quoted</b>		
Union Bank of India 7,200 shares of Rs. 10 each (Previous Year : 7,200 shares)	0.01	0.01
	0.01	0.01
<b>b) Unquoted</b>		
The Saraswat Co-operative Bank Ltd. 2,000 shares of Rs. 10 each (Previous Year : 2,000 shares)	-*	-*
The North Kanara G.S.B. Co-operative Bank Ltd. 15,000 shares of Rs. 10 each (Previous year : 15,000 shares)	0.02	0.02
Shamrao Vithal Co-operative Bank Ltd. 1,000 shares of Rs. 25 each (Previous Year : 1,000 shares)	-*	-*
	0.02	0.02
<b>ii) Investment in Government or Trust Securities</b>		
<b>Unquoted</b>		
National Savings Certificates	-*	-*
Kisan Vikas Patra	-*	-*
	-*	-*
<b>iii) Other Investments</b>		
<b>Unquoted</b>		
Tarapur Environment Protection Society. 7,729 shares of face value of Rs.100 each (Previous Year : 7,729 shares)	-*	-*
Narmada Clean Tech Ltd. 3,00,000 shares of Rs.10 each (Previous Year: 63,900 shares)	-*	-*
	-*	-*
<b>TOTAL</b>	<b>0.03</b>	<b>0.03</b>
Aggregate amount of Quoted Investments	0.01	0.01
Market Value of Quoted Investments	0.11	0.09
Aggregate amount of Unquoted Investments	0.02	0.02

\* Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>13 Long Term Loans and Advances</b>		
Unsecured, considered good:		
Capital advances	2.25	2.96
Security deposits	6.65	10.41
Loan to related party (Refer Note 32)	1.17	1.17
Advances recoverable in cash or kind for value to be received	21.40	11.26
Income tax payments (Net of provisions)	7.72	4.23
<b>TOTAL</b>	<b>39.19</b>	<b>30.03</b>

<b>14 Inventories</b>		
(At lower of cost or net realisable value)		
Raw materials [Including in transit of <b>Rs. 28.65 Crore</b> (Previous year: Rs. 22.76 crore)]	119.02	79.12
Work-in-process	68.45	40.61
Packing materials [Including in transit of <b>Rs. 0.17 Crore</b> (Previous year: Rs. 0.22 Crore)]	6.68	7.40
Finished goods [Including in transit of <b>Rs. 10.84 Crore</b> (Previous year: Rs. 8.15 Crore)]	80.96	59.29
Stock-in-trade [Including in transit of <b>Rs. 4.69 Crore</b> (Previous year: 7.84 Crore)]	29.03	36.76
Consumables, stores & spares [Including in transit of <b>Rs.0.05 Crore</b> (Previous year: Rs.0.06 Crore)]	13.28	12.59
<b>TOTAL</b>	<b>317.42</b>	<b>235.77</b>

<b>15 Trade Receivables</b>		
Outstanding for a period exceeding 6 months from the date they were due for payment		
Unsecured, considered good	0.88	2.39
Other trade receivables		
Unsecured, considered good	345.40	247.80
Unsecured, considered doubtful	1.58	0.57
	<b>346.98</b>	<b>248.37</b>
Less : Provision for doubtful debts	(1.58)	(0.57)
	<b>345.40</b>	<b>247.80</b>
<b>TOTAL</b>	<b>346.28</b>	<b>250.19</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>16 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents:</b>		
Cash on hand	0.28	0.28
Balance with banks in current accounts	24.77	13.91
	<b>25.05</b>	14.19
<b>Other Bank Balances:</b>		
Term deposits with maturity less than 3 months (Refer Note 16.2)	0.01	0.49
Term deposits with maturity more than 3 months but less than 12 months (Refer Note 16.1)	0.33	1.10
Unclaimed dividend accounts	0.36	0.57
Unclaimed preference capital redemption account	-	0.03
	<b>0.70</b>	2.19
<b>TOTAL</b>	<b>25.75</b>	16.38

16.1 Includes margin money against term loans Rs. NIL (Previous Year: Rs. 0.05 Cr).

16.2 Includes deposits pledged with Sales Tax Authorities Rs. -\* (Previous Year: Rs. -\*)

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>17 Short Term Loans and Advances</b>		
Unsecured, considered good:		
Security deposits	0.34	0.10
Income tax refund receivable	3.75	0.12
Advances recoverable in cash or kind for value to be received considered good	40.86	57.31
Advances recoverable in cash or kind for value to be received considered doubtful	0.53	0.09
	<b>41.39</b>	57.40
Less : Provision for doubtful advances	(0.53)	(0.09)
	<b>40.86</b>	57.31
<b>TOTAL</b>	<b>44.95</b>	57.53

<b>18 Other Current Assets</b>		
Interest accrued on term deposits	0.23	0.08
Export incentives	19.56	21.90
Other receivables	0.37	2.02
	<b>20.16</b>	24.00
<b>TOTAL</b>	<b>20.16</b>	24.00

\* Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

	Particulars	2016-2017	2015-2016
<b>19</b>	<b>Revenue from Operations</b>		
	Sale of products (Gross)	2,224.83	1,848.74
	Less : Excise duty	86.70	69.61
	Sale of products (Net)	2,138.13	1,779.13
	<b>Other Operating Revenues</b>		
	Export incentives	22.68	22.30
	<b>Revenues from Operations</b>	<b>2,160.81</b>	<b>1,801.43</b>
<b>20</b>	<b>Other Income</b>		
	<b>Interest Income on:</b>		
	-Term deposits	0.04	0.37
	-Others	0.32	1.33
	Dividend on non-current investments	.*	.*
	Scrap sales	1.09	0.94
	Liabilities no longer required written back	1.81	-
	Foreign Exchange Differences (Net)	1.84	0.27
	Commission received	3.71	1.01
	Miscellaneous income	2.63	1.95
	<b>TOTAL</b>	<b>11.44</b>	<b>5.87</b>
<b>21</b>	<b>Cost of Materials Consumed</b>		
	Raw materials	1,450.99	1,049.79
	Packing materials	64.96	63.30
	Translation difference	(0.89)	1.67
	<b>TOTAL</b>	<b>1,515.06</b>	<b>1,114.76</b>
<b>22</b>	<b>Purchase of Stock-in-trade</b>		
	Surfactants & speciality chemicals	53.21	67.69
	Translation difference	(0.66)	2.58
	<b>TOTAL</b>	<b>52.55</b>	<b>70.27</b>
<b>23</b>	<b>Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade:</b>		
	<b>Inventories at the beginning of the year</b>		
	Finished goods	59.05	67.87
	Work-in-process	40.56	49.61
	Stock-in-trade	36.49	33.63
		<b>136.10</b>	<b>151.11</b>
	<b>Inventories at the end of the year</b>		
	Finished goods	80.96	59.05
	Work-in-process	68.45	40.56
	Stock-in-trade	29.03	36.49
		<b>178.44</b>	<b>136.10</b>
	<b>(Increase)/Decrease in Inventories</b>	<b>(42.34)</b>	<b>15.01</b>

\* Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

Figures in Rs. Crore

Particulars	2016-2017	2015-2016
<b>24 Employee Benefits</b>		
Salaries, wages and allowances	121.07	123.51
Contribution to provident and other funds	10.50	9.05
Workmen and staff welfare expenses	11.70	11.86
<b>TOTAL</b>	<b>143.27</b>	<b>144.42</b>

<b>25 Other Expenses</b>		
Consumption of stores and spare parts	9.36	8.13
Power & fuel	36.02	34.35
Water charges	0.90	0.82
Repairs and maintenance:		
- Plant and machinery	5.24	8.03
- Building	0.82	0.97
- Others	2.32	2.31
Rent (including storage charges)	6.95	6.75
Insurance	7.25	6.82
Rates and taxes	6.42	8.39
Travelling and conveyance	16.85	17.60
Freight and forwarding	73.08	79.30
Legal & professional fees	14.41	14.10
Discount and commission on sales	3.76	2.93
CSR expenditure (Refer Note 34)	2.33	1.75
Donations	0.01	-*
Directors' sitting fees	0.41	0.29
Prov for Doubtful Debts	1.02	-
Prov for Doubtful Advances	0.44	-
Bad debts written off	0.01	-
Commission to non-executive directors	0.81	0.38
Loss on sale/ discard of fixed assets (Net)	0.03	0.47
REACH registration expenses (Net)	0.13	0.48
Bank charges	3.17	2.97
Printing & stationery, postage	2.88	2.97
Royalty	0.14	0.13
Miscellaneous expenses	29.18	25.03
<b>TOTAL</b>	<b>223.94</b>	<b>224.97</b>

<b>26 Finance Costs</b>		
Interest expense	22.95	24.62
Other borrowing cost	4.52	6.57
<b>TOTAL</b>	<b>27.47</b>	<b>31.19</b>

\* Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 27 Contingent Liabilities, Claims not provided for and other Commitments:

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
(a) Counter guarantees given to banks	11.29	10.73
(b) Corporate guarantees given to bank in connection with borrowings by subsidiary company	132.53	159.68
(c) Letter of credit outstanding	15.99	8.05
(d) Claims against the Company not acknowledged as debts		
- Excise duty & service tax	7.27	5.44
- Income tax	3.74	2.00
- Sales tax	1.33	1.24
- Custom duty	8.06	0.32
- Electricity cess	Nil	0.95
(e) Duty liability in case of non-fulfilment of export obligation	0.13	0.05
(f) <b>Customer Claim</b> : No provision has been made in respect of claim of Euro 0.08 Cr. (equivalent to Rs. 5.54 Cr.) made by one of the overseas customers on account of quality issues in respect of third party trading material supplied by the Company. The Company has made a provision of Rs. 0.92 Cr. (USD 0.01 Cr) in respect of the amount due from the said customer in respect of subsequent supplies to the said overseas customer.	5.54	Nil
(g) Manufacturing contract stipulating a minimum specific production volume commitment by September 30th, 2017 with one year grace period- Pending commitment as on 31st March 2017	1.97	21.06

### 28 Estimated amount of contracts remaining to be executed on Capital Account

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Contracts remaining to be executed (Net of advances)	2.92	9.80

### 29 Earnings per share

Particulars	2016-2017	2015-2016
Net profit after tax (Rs. In Cr.)	145.44	101.13
Weighted average number of equity shares outstanding during the year	3,54,54,752	3,54,54,752
Nominal value of equity shares (Rs.)	10	10
Earnings per Share basic & diluted (Rs.)	41.02	28.52

### 30 Segment Reporting (Accounting Standard 17)

- Primary segment: Business segment  
The Company is engaged in the manufacture of speciality chemicals which is considered as the only business segment.
- Secondary segment: Geographical segment

Figures in Rs. Crore

	Segment Revenue	2016-17	2015-16
A.	Revenues within India	782.61	624.50
B.	Revenues outside India	1442.22	1224.24
	<b>Gross sales of products</b>	<b>2224.83</b>	<b>1848.74</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 31 Asset Purchase of Surfactants International, LLC.:

On January 16, 2014, the Company, through its subsidiary TRI-K Industries Inc. entered into an Asset Purchase Agreement (the "Agreement") with Surfactants International, LLC ("SI") for the purpose of expanding its business operations and obtaining the right to service specific clients which SI had relationships with. SI is engaged in the sale and distribution of chemicals for the personal care, household, institutional and special industrial product industries throughout the United States. An amount of USD 0.20 Crore was paid over and above the current assets acquired. This has been treated in the consolidated financial statements as under:

Identifiable Intangible Assets and Goodwill:	USD (Crore)	INR (Crore)
Trademarks / Tradenames	0.02	1.44
Goodwill	0.18	10.54
<b>Total Fair Value of Assets acquired</b>	<b>0.20</b>	<b>11.98</b>

The total acquisition related expense associated with the purchase of assets of SI amounted to \$0.01 Crore (Rs. 0.66 Crore) comprising of legal fees and valuation report expense. Entire amount is expensed and charged to the Statement of Profit and Loss in the year of incurrence.

Trademarks / Tradenames are being amortised over a period of 3 years.

Goodwill is being amortised over a period of 5 years.

### 32 Disclosure as per Accounting Standard 18 – Related Parties:

#### a. Names of the related parties and nature of relationship:

##### Key Management Personnel and their relatives:

Key Management Personnel- Whole-Time Directors	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife
	Mr. Karthik Shekhar, Son
	Ms. Nandini Shekhar, Daughter
Mr. G. Ramakrishnan (till 6th Sept 2016)	Mrs. Jayashree Ramakrishnan, Wife
	Mr. Amit Ramakrishnan, Son
	Mr. Akaash Ramakrishnan, Son
Mr. K. Natarajan (w.e.f. 1st October 2016)	Mrs. Parvathy Natarajan, Wife
	Ms. Pavithra Natarajan, Daughter
	Ms. Namrata Natarajan, Daughter
Mr. V. Kulkarni (w.e.f. 1st October 2016)	Mrs. Bhagyashree Kulkarni, Wife
	Mr. Shaunak Kulkarni, Son
Mr. R. Venkateswar	Mrs. Geetha Venkateswar, Wife
	Mrs. Priyanka Venkateswar, Daughter
	Ms. Sneha Venkateswar, Daughter

##### Entities over which key management personnel are able to exercise significant influence:

Galaxy Emulsifiers Private Limited	Galaxy Estates & Holdings [Partnership Firm]
Galaxy Finsec Private Limited	Galaxy Investments [Partnership Firm]
Osmania Traders Private Limited	Shubh Estates & Properties [Partnership Firm]
Galaxy Chemicals [Partnership Firm]	Galaxy Surfactants Limited – Employees' Welfare Trust



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

- b. The following transactions were carried out with related parties in the ordinary course of business:

*Figures in Rs. Crore*

	Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>1</b>	<b>Expenditure:</b>						
<b>A</b>	<b>Managerial Remuneration:</b>						
	U. Shekhar			2.09	1.95		
	G. Ramakrishnan			1.33	1.95		
	R. Venkateswar			2.09	1.95		
	K. Natarajan			1.04	-		
	V. Kulkarni			0.79	-		
<b>B</b>	<b>Remuneration:</b>						
	Amit Ramakrishnan					0.41	0.55
<b>C</b>	<b>Interest on Fixed Deposits:</b>						
	Galaxy Chemicals	-	0.09				
	U. Shekhar			-	0.17		
	Karthik Shekhar					-	0.01
	Nandini Shekhar					-*	0.03
	Jayashree Ramakrishnan					-*	0.02
	Others					-*	0.03
<b>D</b>	<b>Dividend:</b>						
	Galaxy Chemicals	3.67	8.25				
	Galaxy Emulsifiers Pvt. Ltd.	0.22	0.49				
	Galaxy Surfactants Limited - Employees' Welfare Trust	0.11	0.26				
	U. Shekhar			1.69	3.81		
	G. Ramakrishnan			0.94	2.11		
	K. Natarajan			0.02	-		
	V. Kulkarni			0.02	-		
	Jayashree Ramakrishnan					0.72	1.66
	Others					0.05	0.21
<b>2</b>	<b>Unsecured Loans:</b>						
<b>A</b>	<b>Fixed Deposit repaid:</b>						
	Galaxy Chemicals	-	1.90				
	U. Shekhar			-	3.30		
	Karthik Shekhar					-	0.25
	Nandini Shekhar					0.14	0.18
	Jayashree Ramakrishnan					0.07	0.59
	Lakshmi Shekhar					0.16	-

\* Figures less than Rs. 1,00,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

*Figures in Rs. Crore*

	Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>B</b>	<b>Balances as at year end:</b>						
	Nandini Shekhar					-	0.14
	Jayashree Ramakrishnan					-	0.07
	Lakshmy Shekhar					-	0.16
<b>C</b>	<b>Interest accrued but not due on Fixed Deposits:</b>						
	Nandini Shekhar					-	0.05
	Lakshmy Shekhar					-	0.05
<b>3</b>	<b>Loans and Advances:</b>						
<b>A</b>	<b>Balance as at year end:</b>						
	Galaxy Surfactants Limited - Employees' Welfare Trust	1.17	1.17				

### 33 Leases

#### Operating Leases

- a) Tri-K Industries Inc. has entered into non-cancellable lease agreement for the use of a corporate office, manufacturing facility and storage. The following is the schedule of the future minimum lease payments under this non-cancellable operating lease:

Year ending March 31	Rs. In Crore
2018	3.82
2019	3.40
2020	2.62
2021	2.46
<b>Total Minimum Lease Payments</b>	<b>12.30</b>

Rent expenses for the year 2017 and 2016 amounts to **Rs. 3.34 Crore/- (USD 0.05 Crore)** & Rs.3.15 Crore/- (USD 0.05 Crore)

- b) Galaxy Surfactants Ltd has entered into operating lease agreements towards use of godowns, offices and residential premises for its employees. Most of the lease agreements provide for cancellation by either party with a notice period of 30 days. Lease rental payments recognised in the Statement of Profit and Loss for the year are **Rs. 0.97 Crore** (Previous Year Rs. 0.91 Crore).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

### 34 Details of CSR Expenditure

The details of expenditure incurred by the Holding Company on Corporate Social Responsibility (CSR) activities are as below:

Figures in Rs. Crore

Particulars	In Cash	Yet to be Paid	Total
<b>I. Gross Amount required to be spent by the Company during the year</b>	-	-	<b>2.82</b>
<b>II. Amount Spent during the year on:</b>			
a. Construction/Acquisition of any asset	-	-	-
b. On purpose other than above	2.33	-	<b>2.33</b>

### 35 Pre-operative Costs

All pre-operative costs directly attributable to new projects undertaken are accumulated as expenditure during construction period and are capitalised in the year of completion of project. Capital work-in-progress as at the year end includes the following balance of expenditure during construction period

Figures in Rs. Crore

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Opening Balance</b>	<b>3.15</b>	0.49
<b>Additions during the Year</b>		
Interest & other finance charges	<b>1.23</b>	1.71
Personnel cost	<b>0.44</b>	0.84
Travelling & conveyance	<b>0.04</b>	0.05
Insurance charges	-*	-
Professional fees	-	0.06
<b>Total pre-operative expenses</b>	<b>4.86</b>	3.15
Less : Capitalised during the year	<b>4.86</b>	-
<b>Balance as at the year end</b>	-	3.15

\* Figures less than Rs. 1,00,000

### 36 SBN Disclosure

(Applicable to holding company only since all the subsidiaries are incorporated outside India):

Figures in Rs. Crore

Particulars	SBN'S	Other Denomina- tion Notes	Total
Closing balance as at 8th November 2016	<b>0.11</b>	0.05	0.16
Add: Receipts for permitted transactions	-	0.07	0.07
Less: Payments for permitted transactions	<b>0.01</b>	0.06	0.07
Less: Deposited in bank	<b>0.10</b>	-	0.10
Closing balance as at 30th December 2016	-	0.06	0.06

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

**37 Previous Year Figures:**

Figures pertaining to the subsidiary companies and figures relating to previous year have been reclassified/ regrouped wherever necessary to bring them in line with the Company's financial statements.

As per our Report attached

**For P.D. Kunte & Co. (Regd.)**  
*Chartered Accountants*

**For and on behalf of the Board**

**D. P. SAPRE**

*Partner*

*Mem. No. 40740*

**U. SHEKHAR**

*Managing Director*

**K. NATARAJAN**

*Executive Director & COO*

Navi Mumbai

Date: 23<sup>rd</sup> June 2017

**G. KAMATH**

*Executive Director –  
Finance & CFO*

**V. SHITOLE**

*Head - Resource Mobilisation &  
Utilisation Process & Company  
Secretary*

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Figures in Rs. Crore

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments (Other than in Subsidiaries)	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% share-holding	Country
1	Galaxy Chemicals Inc	USD	64.85	-*	(0.39)	0.30	0.69	-	-	(0.04)	-	(0.04)	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	64.85	217.15	5.17	228.50	6.18	-	-	1.88	0.09	1.79	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	69.29	0.17	(10.95)	6.22	17.00	-	-	(1.14)	-	(1.14)	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	64.85	163.67	(57.86)	369.44	263.63	-	600.28	27.34	-	27.34	-	100%	Egypt
5	TRIK Industries Inc.	USD	64.85	-*	59.12	100.51	41.39	-	263.72	19.20	6.01	13.19	-	100%	USA

\* Figures less than Rs. 1,00,000



## **GALAXY SURFACTANTS LIMITED**

CIN: U39877MH1986PLC039877

Regd. Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400703, India,  
Tel.: 2761 6666; Fax: 2761 5883; E-mail: galaxy@galaxysurfactants.com  
Website: www.galaxysurfactants.com

### **ATTENDANCE SLIP**

(Please fill and handover at the entrance of the meeting hall)

DP ID and Client ID:

Folio No.:

Name of the Member: \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company on Thursday, August 17, 2017 at 2.00 p.m. at the Registered Office of the Company at C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703.

\_\_\_\_\_  
Name of the attending Member/ Proxy

\_\_\_\_\_  
Member's/ Proxy's Signature  
(To be signed at the time of handing over this slip)

#### **Notes:**

1. Shareholder/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand-over at the entrance duly signed.
2. Shareholder/Proxy holder should bring his/her copy of the Notice for reference at the Meeting.





## GALAXY SURFACTANTS LIMITED

CIN: U39877MH1986PLC039877

Regd. Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400703, India,  
Tel.: 2761 6666; Fax: 2761 5883; E-mail: galaxy@galaxysurfactants.com  
Website: www.galaxysurfactants.com

Form No. MGT- 11

### PROXY FORM

[Pursuant to section 105(6) of the Company 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 No./ *Client id:	
*DP id:	

\*Applicable for investors holding shares in electronic form

I/We, being the member(s) of \_\_\_\_\_ Shares of Galaxy Surfactants Limited, hereby appoint:

1. Name:.....

Address:.....

email id:..... Signature:.....

Or failing him

2. Name:.....

Address:.....

email id:..... Signature:.....

Or failing him

3. Name:.....

Address:.....

email id:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on Thursday, August 17, 2017 at 2.00 p.m. at the Registered Office of the Company at C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :-

Sr. No.	Resolutions	For	Against
1.	Receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.		
2.	Confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016-17.		
3.	Appoint a Director in place of Mr. Sudhir Patil (DIN 00264933), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appoint a Director in place of Mr. G. Ramakrishnan (DIN 00264760), who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W/ W-100018) as Statutory Auditors of the Company for a term of consecutive five years.		
6.	Remuneration of M/s. A. B. Nawal & Associates, as Cost Auditors of the Company.		
7.	Appointment of Dr. Nirmal Koshti as Director (DIN 07626499)		
8.	Appointment of Mr. Vajjanath Kulkarni as Director (DIN 07626842)		
9.	Appointment of Mr. K. Natarajan as Director (DIN 07626680)		
10.	Appointment of Mr. K. Natarajan (DIN 07626680) as Executive Director & Chief Operating Officer of the Company		
11.	Appointment of Mr. K. Ganesh Kamath as Director (DIN 07767220)		
12.	Appointment of Mr. K. Ganesh Kamath (DIN 07767220) as Executive Director (Finance) & Chief Financial Officer of the Company		
13.	Maintaining the Register of Members at the office of the Registrar and Share Transfer Agent		
14.	Re-appointment of Mr. Siddharth Patil, son of Mr. Sudhir Patil, Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company, for a period of three years w.e.f. October 1, 2017		
15.	To continue with the employment of Mr. Vajjanath Kulkarni (DIN 07626842), Director of the Company, as Managing Director of Galaxy Chemicals (Egypt) S.A.E., the wholly owned subsidiary of the Company		
16.	Approval for payment of remuneration by wholly owned subsidiary, TRI-K Industries Inc., USA to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company for attending / participating in its Board Meetings		
17.	Approval for payment of remuneration by wholly owned subsidiary, Galaxy Chemicals (Egypt) SAE, Egypt to Mr. G. Ramakrishnan (DIN 00264760), Director of the Company for attending / participating in its Board Meetings		
18.	To continue with the employment of Dr. Nirmal Koshti (DIN 07626499), Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company		
19.	To continue with the employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, a Director of the Company, in TRI-K Industries Inc., USA, the wholly owned subsidiary of the Company		
20.	Initial Public Offering of Equity Shares of the Company by an Offer for Sale		

Signature of Shareholder:.....

Signature of Proxy:.....

Signed this ..... day of ....., 2017

Affix Revenue Stamp
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Notes:

- Member is requested put '✓' tick mark in the appropriate column against the respective resolutions. If any of the column, 'For' or 'Against', left blank, the proxy will be entitled to vote for the resolutions in the manner as he/she think appropriate.
- Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company.
- Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
- This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A proxy need not be a member of the Company.





**GALAXY SURFACTANTS LIMITED**

C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703, India.

Ph: +91-22-27616666/65134444

Website: [www.galaxysurfactants.com](http://www.galaxysurfactants.com) • Email: [galaxy@galaxysurfactants.com](mailto:galaxy@galaxysurfactants.com)