



August 14, 2020

National Stock Exchange of India Ltd., Listing Compliance Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Symbol: GALAXYSURF	BSE Limited, Listing Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 540935
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Dear Sir/ Madam,

Subject: Submission of Annual Report for the Financial Year 2019-20.

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Pursuant to the above mentioned regulation we are hereby enclosing Annual Report for the financial year 2019-20 together with the Notice of 34th Annual General Meeting of the Company to be held on Tuesday, September 8, 2020 at 3:00 P.M. (IST) through Video Conferencing or Other Audio Visual Means.

The Company has sent above documents to the members by email on August 14, 2020.

This is for your information and records.

Yours faithfully,

For **Galaxy Surfactants Limited**

Niranjan Ketkar

Company Secretary

M. No. A20002

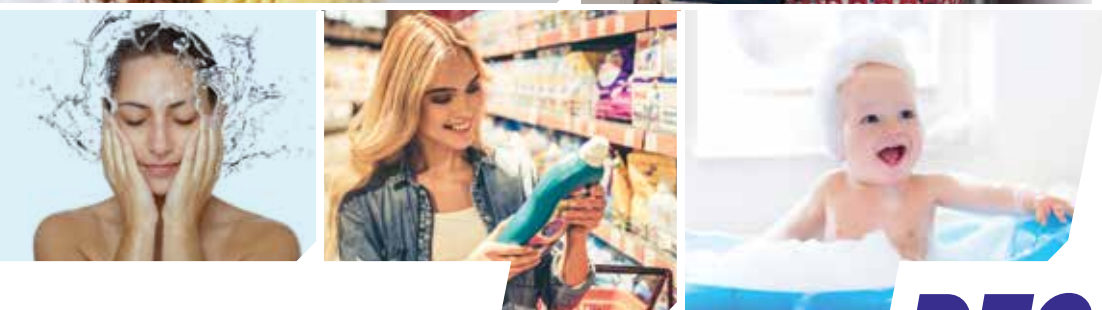
Encl: As above

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Galaxy Surfactants Limited

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DECADES **OF MAKING A DIFFERENCE**

ANNUAL REPORT | 2019-20

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To view this report online, please visit:
www.galaxysurfactants.com

Corporate Information

BOARD OF DIRECTORS

S. Ravindranath, Chairman,
Non-Executive Independent Director
U. Shekhar, Managing Director
K. Ganesh Kamath,
Executive Director (Finance) & CFO
K. Natarajan, Executive Director & COO
G. Ramakrishnan, Non-Executive Director
Dr. Nirmal Koshti, Non-Executive Director
Vaijanath Kulkarni, Non-Executive Director
Subodh Nadkarni,
Non-Executive Independent Director
M.G. Parameswaran,
Non-Executive Independent Director
Nandita Gurjar,
Non-Executive Independent Director
Uday K. Kamat, Non-Executive Director
Shashikant Shanbhag, Non-Executive Director

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

Stakeholders' Relationship Committee:

M.G. Parameswaran, Chairman
G. Ramakrishnan
K. Ganesh Kamath

Corporate Social

Responsibility Committee:

U. Shekhar, Chairman
K. Ganesh Kamath
M.G. Parameswaran

Risk Management Committee:

Vaijanath Kulkarni, Chairman
K. Ganesh Kamath
K. Natarajan
Sesha Samba Murty Garikiparthi
Abhijit Damle

COMPANY SECRETARY & COMPLIANCE OFFICER:

Niranjan Ketkar

REGISTRAR & TRANSFER AGENT:

Link Intime India Pvt. Ltd.
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.
Phone: 022 - 4918 6000
e-mail: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE:

C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai - 400 703, Maharashtra
CIN: L39877MH1986PLC039877

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12A and 14 Millenium Business Park,
Mahape, Navi Mumbai - 400 710, Maharashtra
Phone: 022 - 2761 6666 / 3306 3700
e-mail: investorservices@galaxysurfactants.com

AUDITORS:

Deloitte Haskins & Sells LLP

PLANTS

Tarapur

Plot No. N-46/1 & 2; W-67 (B); G-59, M-3
M.I.D.C. Tarapur, Post Boisar - 401 506,
Maharashtra.

Taloja

Plot No. V-23, M.I.D.C. Taloja, Panvel,
Dist. Raigad, Pin - 410 208, Maharashtra.
Plot No. 1, Village Chal, CIDCO, Near M.I.D.C.
Taloja, Panvel Dist. Raigad, Pin - 410 208,
Maharashtra.

Jhagadia

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

BANKERS

Standard Chartered Bank
IDBI Bank Limited
Citi Bank NA
DBS Bank India Limited
Société Générale
The Hongkong & Shanghai Banking
Corporation Limited
The Saraswat Co-operative Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited

Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make are forward-looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realisation of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

EXCELLING AT XL

XL – The Roman Numeral which denotes 40 exemplifies our Journey of Excellence which began in 1980...

As we turn 40, we take this opportunity to thank our families, friends, stakeholders and every member who has been a part of the Galaxy Family. We are grateful for your support. It is our successful partnership and your unshakeable faith in us that has ensured we reach this milestone.

Thank you for everything

As we gear up for the next decade, this year will test all our learnings and experience acquired over the past 4 decades. These are unprecedented times which shall test the resilience, character, sustainability and consistency of our Business Model.

But, we are ready for it. We are confident that together, we will yet again win and emerge stronger than before.

The Nation needs us to stand up today and we as an organisation have been doing just that - serving our customers, people and society during these catastrophic times.

“ There are decades where nothing happens; and there are weeks where decades happen.

-Vladimir Lenin

Precisely within 25 weeks, the World has undergone a sea change. As the World and the nation grapple through the worst pandemic in decades, desperate times call for desperate measures.

But it is times like these that give rise to opportunities for people and businesses to stand up and shine. This adversity too has seen the emergence of our new-age warriors. Warriors who are fighting 24x7 on ground against the deadly pandemic to safeguard the nation and get it back on its feet. We thank these new-age warriors – Our Doctors, Medical Fraternity, Police and Administration, our Government and all other authorities and people who have been tirelessly serving the nation to come out of this pandemic. We would like to also acknowledge and thank our 'COVID-YODHAS' who have been working 24x7 ensuring all the necessary support to our customers, people and society as a whole. They are our real Heroes.

Thank You

Galaxy Surfactants Ltd.



MESSAGE FROM THE MANAGING DIRECTOR

“ Those who look only to the past or the present are certain to miss the future.

– John F Kennedy



“

Our COVID ‘Yodhas’ as we internally call our members from the Plant, Operations and Logistics not only fought through the various risks and lockdown restrictions but also ensured we kept on delivering and fulfilling our customers’ needs 24x7.

Dear Ladies and Gentlemen,

2019-20 might have ended on a sombre note and our ‘today’ is filled with uncertainty; but let me assure you, the future holds promise. I hope you and your families are safe, healthy and secure.

Ladies and Gentlemen, these are unprecedented times. As I look back, it has only taken 25 weeks for the World to come to a standstill.

As Vladimir Lenin had once said, **“There are decades where nothing happens; and there are weeks where decades happen.”**

Within 25 weeks we have experienced a pandemic, which has combined the effects of the 1918 Spanish Flu with the economic recession of 2008. The rhetoric has completely changed from optimism to caution to pessimism.

It has brought about a change that will not only impact our today; but which shall live on and shall also impact our future. Change that has not only brought the world economy to a grinding halt; but which has also disrupted lives across the globe. Within weeks we have experienced what people had not experienced for decades.

Unprecedented Times call for Unprecedented Measures. The lockdown imposed by countries across the Globe as well as by our Government on March 23rd to protect lives, impacted business operations adversely. But, it also

gave rise to our new-age Warriors – Warriors on ground which comprise our Doctors, Police Staff, Administration and other authorities who have selflessly been fighting for our lives and our country. We thank these warriors. They are our real heroes.

Daily lives, though came to a standstill, essential products and services were still the need of the hour. It was time for our customers to stand up and deliver the ‘Essential’ products required for one’s lives. To enable and equip our customers, Galaxy was ready. This was about our nation and our people. Our COVID ‘Yodhas’ as we internally call our members from the Plant, Operations and Logistics not only fought through the various risks and lockdown restrictions but also ensured we kept on delivering and fulfilling our customers’ needs 24x7. This has not been easy. Right from restrictions imposed by local authorities on travelling to work to restrictions at ports and unavailability of transportation mediums, operations were severely impacted, but as they say there is always light at the end of the tunnel – things have not only improved since Lockdown 1.0; but we do see normalcy returning sooner than later. We thank our COVID Yodhas for braving through this storm valiantly.

In these grim times, ladies and gentlemen, I would like to share some positive news with you. The year 2020 marks the 40th year since inception for your Company. The journey which began in 1980, has now completed 4 decades. 4 decades which has seen our profitability compound at a CAGR of 28.5% from ₹ 1 Lakh in 1980 to ₹ 230 Crores as of 2019-20 and our Revenues multiplied by 21,683 times. But more than the financial numbers, these 4 decades have been about the sustainable partnerships and relationships which we have built and nurtured with all our stakeholders – relationships which have not only stood the test of time; but also enabled our growth over the past 4 decades. We thank all our stakeholders for their continued support and cooperation.

Moving on from the last 4 decades to the last decade. The last decade has seen your Company grow at a CAGR of 10.9% in volume terms, 16.3% in EBITDA terms and 19.8% in PAT terms, maintaining our threshold ROCE of 22% for 7/10 years. Both our segments i.e. Performance Surfactants and Specialty Care Products have seen volume growth in excess of 10% during this period.

As we enter the next decade, the last year of this decade 2019-20 was a relatively mixed year for us. I say mixed, while all our segments and regions registered growth, this growth was relatively subdued in the second half of the year. While our Performance Surfactants business grew at 6% in volumes, Specialty grew at 1.7% after a spectacular 2018-19. Overall, volumes grew at 4.4%. Egypt made a strong comeback registering a 22.2% growth in volumes over the previous year which primarily drove the Performance Surfactants volume growth. Specialty business though started off on a strong note registering a 10% volume growth in H-1, the same on account of seasonality in Q-3 and outbreak of COVID-19 in Q-4 registered a decline of 6% in H-2.

Lack of adequate credit for the distribution channels along with reduction in Inventory days impacted business in India which remained sluggish and flat for the year. Rest of the World markets which had outperformed last year grew 2.8% in volumes. This was mainly on account of the decline of 11.7% it experienced in H-2 FY 2019-20 due to the lower offtake of Specialty Care Products in Q-3 on account of seasonality and on account of the outbreak of COVID-19 in Q-4, which severely impacted the developed nations initially.

Africa Middle East and Turkey (AMET) made a strong comeback this year registering a 9.4% volumes growth mainly driven by the robust performance registered by our local Egypt market.

While Business has been relatively mixed, business operations too were adversely impacted by the Lockdown imposed by the Government on March 23rd 2020 which completely wiped out our last week's sales for Q4 2019-20. The major impact though will be seen in Q-1 2020-21, where due to supply chain disruptions, our ability to service the underlying demand got severely constrained.



While our Performance Surfactants business grew at 6% in volumes, Specialty grew at 1.7% after a spectacular 2018-19. Overall volumes grew at 4.4%.

The blast which took place at our M-3 unit at Tarapur resulted in 3 casualties. While this will have an adverse impact on the business in Q-1 FY 2020-21, more than that, this has left an indelible blot on our illustrious 40 years journey which till April 13th 2020, had not seen any serious incidents involving casualties. While as an organisation, we have always given Safety the topmost priority and our safety standards till date are commensurate to the best-in-class, this incident has taken us back to the drawing board. Right from implementation of Behavioural-Based Safety for all employees to refining and improving the Safety SOPs to framing new SOPs for operating under the COVID-19 scenario to conducting safety audits and evaluations by the Safety Teams, we are leaving no stone unturned to ensure such incidents do not happen in the future ever again. Basis the insights derived from the investigation, we have launched Project Abhayatam – A Fearless, New Beginning. This project comprises an 8-step review mechanism by a Team of subject specialists within Galaxy. This will strengthen and enhance the Design, Operations, Safety and Skill levels of all our plant personnel across the organisation and enable us to identify the areas requiring improvement in Safety. Post the identification, course correction shall involve automation to monitor and control the critical operations across the organisation. While loss of lives cannot be compensated for, all necessary support – financial, emotional and social have been extended to the families of the deceased. The deceased, Shamir Khoja, Vijay Sawant and Runal Raut will always remain part of the Galaxy family and we shall forever remain indebted to the contributions made by them.

Looking ahead, while demand for Performance Surfactants remains fairly stable, cut-down on discretionary spending along with hoarding of cash may impact new launches and sales of existing premium products, adversely impacting our Specialty Care business. But we remain hopeful, and I say that as, the situation month-on-month has been improving – We hope this continues. Monsoons, pick-up in consumption globally and relaxation of lockdowns

will be crucial for this momentum to sustain and rise going ahead. A positive, though has been our Egypt Plant which faced no disruption/shutdown on account of the pandemic. Therefore we believe the recovery and momentum seen in Egypt should sustain.

CAPEX planned for our Specialty Products remains on track, though execution and operationalisation will get delayed by 6-9 months. This year began with the operationalisation of our performance surfactants plant at Jhagadia. While nobody could foresee the rise in demand for performance surfactants on account of the pandemic, it is our ahead of the curve CAPEX planning and execution that has held us and is holding us again in good stead today, as the demand for performance surfactants rises.

2019-20 also saw your Company winning several reputed awards in the areas of:

- ▶ Innovation – The Gold award at HPCI for our oil soluble surfactant GalSoft TILS (G)
- ▶ Human Resources – Certification as a Great Place to Work for the 2nd time
- ▶ Intellectual Property – Excellent use of IP in Innovation Award at the IP Summit to finally
- ▶ My own nomination as a finalist at the EY Entrepreneur of the Year Awards 2019

To conclude with, an operating cash flow in excess of ₹ 300 Crores, ROCE of 23.5% and PAT growth of 20.6%, awards and recognitions for our performance in multiple areas and growth across segments and regions, this has been a good end to the last decade.

Ladies and Gentlemen, as responsible citizens of this nation, we believe it is critical that businesses give back to the society and the nation that creates them.

Our Corporate Social Responsibility Policy has been formulated with a view to ensure the holistic development of the community and the environment. Various CSR initiatives in the field of healthcare, education, social upliftment, women empowerment, environmental protection, conservation and restoration were undertaken during the current year. The pandemic saw your Company undertake multiple activities across the country in order to support and enable the society gain access to hygiene through distribution of 1.2 lakh handwash bottles and sanitisers. Food and essentials were also provided to the nearby villages through various distribution drives carried out by our CSR members.

Sustainability forms our Core. A journey which began in 2010-11, shall complete a decade in 2020-21. A decade marked by remarkable work done in the areas of Responsible Care, establishing ZLD (Zero Liquid Discharge) units across all our sites and pioneering Innovation that is sustainable, green and incorporates our patented green technology for manufacturing – all in all a sustainable and environmentally conscious proposition.



Sustainability forms our Core. A journey which began in 2010-11, shall complete a decade in 2020-21. A decade marked by remarkable work done in the areas of Responsible Care.

Work done in the last decade has started bearing fruits. This year, your Company won the NAMC Gold Award for its Jhagadia Unit, has been shortlisted as a finalist for Asia's Best environmental reporting category for 2019 and has also started the assessment of Risks and Opportunities of Climate Change using TCFD recommendations well ahead of the regulatory norms. Sustainability shall be a key monitorable going ahead and as an organisation we are fully conscious and geared up for it. At Galaxy, sustainable and consistent value creation for all our stakeholders remains our motto. We have consistently demonstrated it over the past 4 decades; and the next decade and decades to come shall be no different. We remain committed to growth and the inherent robustness of our business model, sustainable relationships built over the years and our people give us the confidence to achieve lot more in the decades to come.

But to succeed tomorrow, one needs to work today, and work for the next decade has already begun. The next decade shall see the rise of 'Persistence' – Growth driven by:

- ▶ Premiumisation
- ▶ Ecommerce
- ▶ Regulations
- ▶ Sustainability and Safety
- ▶ Innovation
- ▶ Supplier Integration
- ▶ Trade
- ▶ Emerging Opportunities
- ▶ New-age Technologies that shall power unmatched consumer experience
- ▶ Customised Consumption
- ▶ Engagement with all Stakeholders

On that futuristic, optimistic and positive note, ladies and gentlemen, thank you once again for being part of this journey.

Thank you,
Yours sincerely,

U. SHEKHAR
Managing Director

4 DECADES OF MAKING A DIFFERENCE

What if I told you that daily 9/10 Indian consumers, who either consume a toothpaste or a shampoo or body wash or liquid detergent, use this company's ingredients at least once in their daily routine? What if I told you here is an Indian company, which has grown at a staggering CAGR of 28.4% in terms of revenues as well as profitability over the last 40 years and today supplies to over 1,750+ customers across 80+ countries, which includes ingredients for some of the most popular brands, not only locally but globally. Quite astonishing isn't it?



Welcome to Galaxy Surfactants Ltd.

One of the leading players in the world of surfactants and specialty care ingredients, exclusively focussed on catering to the Home and Personal Care Industry.



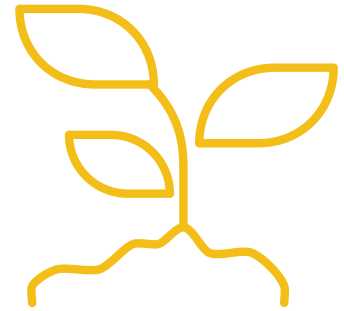
The journey that began in 1980 when 5 friends got together, shall enter its 40th year in 2020. Here is a glimpse of the journey brought to reality by 5 men, who never gave up. Men who stood the test of time, persevered, had the will of steel and the desire to excel at all points of time. A story of commitment, sacrifice, never say die spirit, trust and above all the dream to run a marathon and not just a sprint.



THE INITIAL YEARS...

“ Dream Big. Start Small. But most of all Start.

– Simon Sinek
(Author: Start with Why)



1970s saw the emergence of many entrepreneurs in India, a period marked by license raj and a closed Indian economy. This was the time when 5 men fresh out of college were dreaming to do something big; something on their own but ‘what’, was something that was not yet clear.

A thought put into execution way back in 1979 when all of them left their cushy jobs and signed the letter of commitment titled “My Definite Chief Aim” on 14th February, 1979 and decided to take the plunge and start up in June 1980. The men – U. Shekhar, Geera Ramakrishnan, Shashi Shanbhag, CR Ramakrishna and Sudhir Patil were highly qualified individuals who could have excelled in any company; but as they say, “Entrepreneurs are people who are willing to work 80 hours a week to avoid working 40 hours a week.” These budding entrepreneurs dreamt big and just wanted to do that.



Back then, there were no venture capitalists, PE funds or HNI backers. Bootstrapping was the only option. All of them came from humble non-business backgrounds and while there was slight resistance and hesitation on part of their families initially, eventually it was their backing, support and sacrifice that ensured these budding entrepreneurs take the leap. Thus, on 22nd June, 1980, the journey began at Tarapur with the idea to manufacture a basket of ingredients used in the production of shampoos and toothpastes.

THE LEARNING YEARS...



“ I’m convinced that about half of what separates successful entrepreneurs from the non-successful ones is pure perseverance.

– Steve Jobs

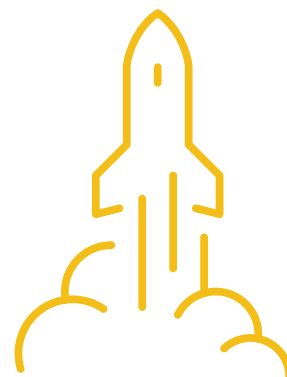
The period from 1980 till 1993 saw a series of ups and downs. While Galaxy was enhancing its reach and recognition among its customers for its quality, reliability and service, gaining traction in terms of revenues; profitability was highly volatile and inconsistent. By 1986, Galaxy had attained leadership position in India; but this was not enough. Multinational customers wanted local suppliers who could scale up and meet their demands which were largely being imported. But, scalability back then was an issue and the reliance on just one facility made the business more complicated and testing. The cost of capital was exorbitantly high and from 1980 till 1993 while the revenues grew from ₹ 12 Lakhs to ₹ 5.5 Crores, net profit did not cross ₹ 1 Crore till 1995, with the Company only incurring losses from 1987-91. Inconsistent profits ensured no funding from the banks. These were testing times.



THE GIANT LEAP OF FAITH...

“ Everyone can tell you the risk. An entrepreneur can see the reward.

– Robert Kiyosaki



1991-94 saw the liberalisation of the Indian economy. Finally, India was opening up to the world. The time had come to bet on the Indian growth story. The shampoo market was exploding and MNCs wanted reliable local suppliers. Globalisation and Liberalisation meant plethora of opportunities for the Indian Players, not just locally but globally. Having persevered and somehow sailed through the toughest years without giving up, it was time to go all out and bet for the future. The time was ripe to take the giant leap of faith.

In 1994-95, Galaxy's turnover was ₹ 20 Crores and PAT ₹ 1.02 Crores. To fund the next leg of growth and be a relevant supplier to its multinational customers, Galaxy had to scale up quickly. But funding was an issue. To match up to the opportunity size, an investment of ₹ 45 Crores had to be made; equivalent to 2.25x its revenues. Galaxy as an organisation was at crossroads.

Not the ones to limit their vision based on their current resources, undeterred by what the world said, the founders gave in their all. The banks and private equity funds could not see the vision - the picture of the future which the founders were passionate about, therefore did not fund the idea. But faith bestowed by family, friends, relatives and acquaintances ensured Galaxy took the giant leap. Thus began the expansion exercise in 1995.

1997 saw Galaxy setup its first globally commensurate state-of-the-art sulphonation technology; a continuous process plant at Taloja; capacity of which was 2x of the Indian demand back then. The hunger and willingness to continuously improve, adopt the best practices of manufacturing and quality resulted in Galaxy becoming one of the earliest adopters of TPM & TQM; world-class manufacturing processes and concepts popularised and imbibed by the best-in-class Japanese companies.



India was opening up in a big way. The Home and Personal Care market was undergoing a sea change. MNCs and emerging regional players wanted reliable, scalable, quality-oriented and committed partners. Galaxy, post its expansion, not only fulfilled the requisite conditions; but also ensured it maintained its domestic leadership position which it had attained way back in 1986. Explosive growth and the huge opportunity that India presented led to significant investments in the Home and Personal Care sector. Galaxy too played its part in ensuring the consumption boom never lost momentum. Basic ingredients manufactured by Galaxy which found application in practically all the shampoos, toothpastes, detergents, toilet cleaners and conditioners, ensured the sustenance of this trend.



Exports were gaining traction. Strong domestic as well as export demand led to the next leg of expansion. A new plant was setup at Taloja EOU in 2004. Driven by the six sigma concept of doing things right the first time, this was not only the first time in Galaxy's history a plant was setup by its own projects team but it was also setup right the very first time; a competency unheard of back then.

From being just a domestic player in 1994-95, Galaxy by 2008 (in 13 years) was supplying to 60 countries. Its revenues grew from ₹ 20 Crores to ₹ 382 Crores and net profit from ₹ 1.02 Crores to ₹ 26 Crores at a CAGR of 28%.

But this was not enough. The founders and the team at Galaxy knew things and trends in the home and personal care space were changing at a rapid speed and it was about time Galaxy made its next move.

INNOVATION AND GALAXY...

“ The enterprise that does not innovate inevitably ages and declines. And in a period of rapid change such as the present, the decline will be faster.

- Peter Drucker



The year was 2008. Global markets were in turmoil. Businesses were shutting down and few were willing to invest. Survival was the mantra. Back home, while the surfactants division was doing well, the Galaxy team had different plans. They knew to stay relevant and to bring about the next leg of step-up growth, getting into newer specialty molecules and expanding globally was the need of the hour.



▲ Jhagadia Plant



▲ Egypt Plant

Despite the uncertainty and volatility, the founders knew the time was ripe to make it large once again. While others backed off, Galaxy over the next 4 years invested ₹ 500 Crores in setting up new Greenfield projects in Jhagadia and Egypt, which brought it closer to its customers in Africa, Middle East, Turkey and established Galaxy as an Indian MNC with global scale. Acquiring a specialty proteins division in USA and developing its new specialty molecules basket comprising mild surfactants, sunscreens, non-toxic preservatives, syndet and transparent bathing bars, set it up for the next decade of growth (2010-20); yet again backing its vision and conviction with full force.

Innovation at Galaxy has always been at the forefront. Since inception, innovation has been the key to Galaxy's success.

As Mr. U. Shekhar

(Founding Member and MD) says:

“Right from our inception, Innovation Research and Development of new products and technologies have been one of our key strengths. At Galaxy, Innovation has driven Transformation

and Growth and enabled us to create value for our customers. Innovation for us is a combination of what is desirable to the end consumer along with what is acceptable in the marketplace combined with technology which results in path-breaking products. It is thinking before we have to react and follow; hearing the customer's inner voice before it is loud heard by all across the marketplace. Innovation is all about creating value for your customers.”



It was way back in 2008, when the categories of baby care, facial care, men's grooming, trends of sulphate-free and paraben-free products were starting to gain momentum in the developed markets. Joint development projects with some of its key customers, a robust innovation funnel model to convert emerging trends, concepts into products and a powerful R&D team to crack new chemistries ensured Galaxy is future-ready and ahead of the curve.

The last 10 years 2010-20 have seen Galaxy's specialty revenue grow 5x from ₹ 193 Crores in 2009-10 to ₹ 1,000+ Crores in 2019-20. The Preservatives portfolio which addresses the 'Paraben Free' trend has grown from ₹ 20 Crores in 2008-09 to ₹ 250+ Crores in 2019-20. Mild Surfactants, specialty ingredients which address the 'sulphate free' trend have become a ₹ 100 Crore portfolio for Galaxy today.

“ Don't find customers for your products, find products for your customers.

— Seth Godin

Galaxy, when it comes to innovation, is at the cutting-edge of technology. As the ‘Naturals’ trend gathers steam globally, Galaxy apart from its existing portfolio of specialty products has now come up with products which are not only ‘green, mild and safe’, but also employ green technology i.e. products which can be produced sustainably in an environmentally-friendly manner; all in all a complete value proposition for all its customers as well as end consumers. Galaxy’s new launches GLI 21 – unique patented green mild amino acid based surfactant (mildest of all) and Galguard Tetra, Trident and NT range of Paraben, Chlorine & Formaldehyde Free Non Toxic Preservatives are products for the future which shall find application in the emerging categories of facial care, baby care, body wash, men’s grooming, cosmetics, premium hair care and natural products – disruptive ingredients for the ever changing and dynamic Home and Personal Care.



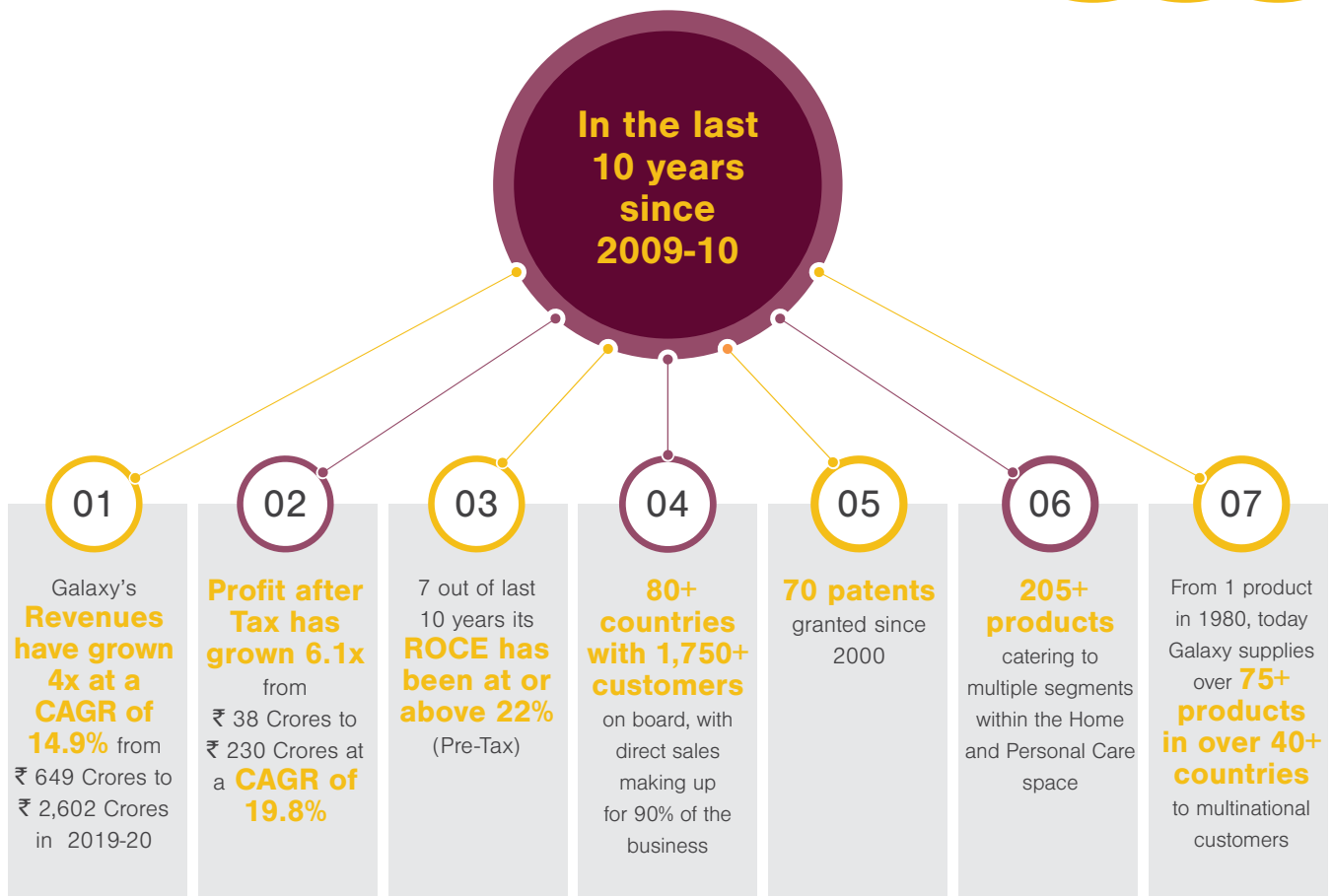
The emergence of E-Commerce has given wings and revived the entrepreneurial spirit in India. Galaxy today is at the centrestage of the home and personal care e-commerce ecosystem fuelling the dreams of an entrepreneurial India and creating value for the end consumers.

As Mr. U. Shekhar
(Founding Member and MD) says:

“Value has many dimensions and one of them is convenience. Convenience that enriches the experience and enhances the standard of living of the end consumer, convenience that is sustainable, clean and environment-friendly and finally convenience that is customised and innovative. Today, E-Commerce channel looks at providing this convenience and value to the end consumers. The E-Commerce channel has not only ensured greater awareness among consumers; but also enabled companies to easily forge one-on-one relationships with end consumers, thus giving them the scope to deliver tailor-made customised solutions thereby enriching the consumer experience. This is value, value for which consumers do not mind paying extra. The combination of Innovation and E-Commerce has enabled the emergence

of niche specialised players which cater the various sub-segments of the Home and Personal Care Industry. These new players, also known as micro-market players, are companies that have found a clear position in the Beauty and Personal Care industry and have been able to reach out to the nation as well as the world at large through the E-Commerce channels. With E-Commerce expected to double in the coming years globally, these companies stand to gain significantly. Galaxy today is working very closely with multiple start-ups, E-Commerce players and niche home and personal care companies catering to the emerging categories of baby care, face care, men’s grooming and premium home and personal care segments. Personally, it gives us immense satisfaction that we are able to contribute and fuel the entrepreneurial spirit in this country.”

VALUE CREATION AT ALL LEVELS...



To conclude, Galaxy in the last 40 years has slowly but steadily created value not only for its customers; but also for its 1,550+ employees, vendors, investors and the society at large



GIVING BACK TO THE SOCIETY...

“ We rise by lifting others.

- Robert Ingersoll



Giving back to the society is the core principle that governs Galaxy's Corporate Social Responsibility activities. 'Water Conservation' lies at the heart of it. Galaxy believes provision of clean drinking water and availability of water for one's livelihood are the basic rights of every individual on this earth. With these principles in mind, Galaxy has been one of the pioneers in the Indian Chemical Industry when it comes to Water Management, both within as well as outside its premises.



When it comes to 'Water'; various initiatives with respect to Water Harvesting, Water Conservation, Provision of Clean Drinking Water, Sanitation and Rain Water Harvesting have been undertaken over the past few years. Installation of 50+ Water filters, 1,900+ Handwashing stations and 300+ Toilet blocks have resulted in provision of clean drinking water and proper sanitation facilities for the community at large. Galaxy's initiatives have positively impacted the lives of over 2 lakh people and saved water which can meet the water requirements of at least 22 lakh people for a day.

Sustainability is the way of life at Galaxy. To ensure safety, health, environmental protection, stringent safety measures have been established and safety incidents are tracked and addressed on continuous basis. Zero liquid discharge, a concept now gaining prominence, had been implemented way back in 2013-14 at Galaxy and from May 2017, all its plants have become zero liquid discharge plants. With a clear roadmap in mind, focus and vision, Galaxy is determined towards making a positive impact and further difference to our society in the coming years.

“ Infinite growth of material consumption in a finite world is an impossibility.

- E.F. Schumacher

To summarise the journey in the words of
Mr. U. Shekhar

**“4 C’s have been instrumental in our journey
and contributed towards our success.**

Character

Which is being transparent and open, envisioning and dreaming ahead of the curve and finally conducting the business with utmost integrity.



Competitiveness

Adhering to Global Quality Standards, being agile and nimble-footed and supplying to customers globally; operating at a global scale.



Competence

Creating, mentoring and retaining a talented team which proactively meets complex and ever changing business needs.



Comfort

Honouring our commitments and delivering consistent performance over the years in terms of our quality, delivery and financials.

As I look back, striking hard when the iron is hot, i.e. Investing Big during times of uncertainty, Innovation, Customers, People, Technology and our exclusive focus on the Home and Personal Care Space have held us in good stead and ensured we keep growing each and every year for the past 40 years. Innovation has ensured we not only capitalise on the emerging trends but also remain relevant to our customers from MNC’s to niche e-commerce players and generate value for them. Innovation differentiates us from others and customers are the backbone of our business. In their growth and success lies our growth story. As Michael LeBoeuf says, “A satisfied customer is the best business strategy of all.” Closeness to our customers, hearing their voice and acting accordingly, direct marketing, on time delivery of superior customised products and strong emphasis on innovation has ensured we have a satisfied group of 1,750+ customers. Customers seek value and by generating the same, we have been able to occupy the minds of our customers. People are our most important pillar. We believe people are our sources and not resources. A robust pipeline of talent, professionalism at all levels, multi-dimensionality, structured and unstructured challenges and promoting people at all levels from within has ensured we have a motivated and passionate group which strives to achieve greater heights for this organisation. Technology has over the years proven to be a differentiating factor for us. It has further sharpened our competitive edge. Emphasis on in-house R&D, in-house projects team, flexible manufacturing aided by continuous improvement, imbibing the best manufacturing and quality

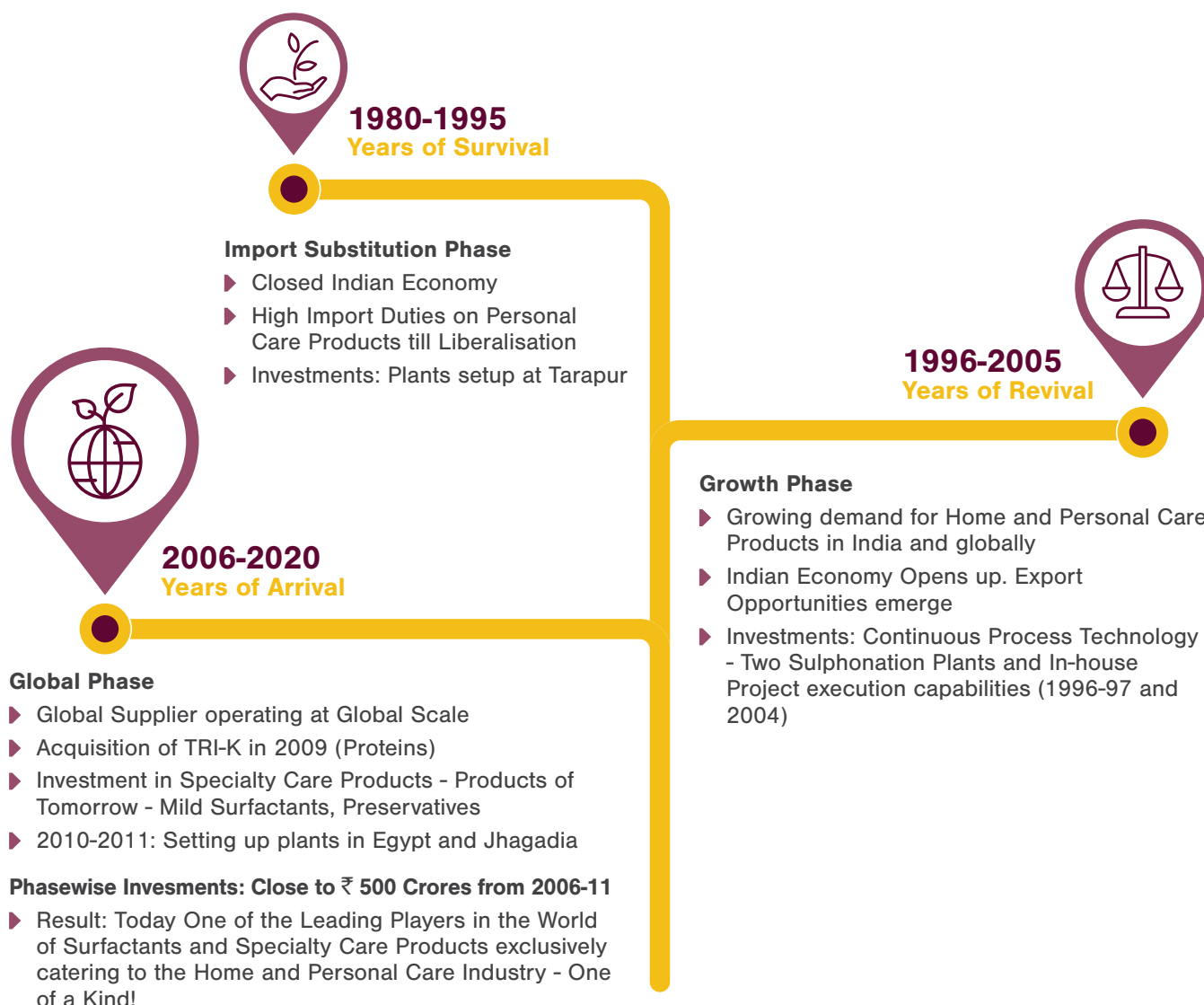
practices at each step and striving for least cost at each stage has ensured that technology differentiates us from others. Finally, as Michael Porter had said, “Strategy is choosing what not to do”, we, at Galaxy, strongly believe and agree with this. Our core competence lies in catering to the Home and Personal Care industry. Today, we possess expertise and experience in this area and by focussing on the same at all times, good or bad, we have ensured complete focus, dedication and commitment, not only to ourselves but also towards all our stakeholders. Yet we remain hungry at all times to learn more. This hunger fuels us to do more, excel at everything we do. Focus has ensured we continuously develop ourselves in terms of technology, products, customers, supply chain as well as people solely to service the Home and Personal Care space – a space which not only offers high growth visibility but also is one of the least affected during bad times. As Steve Jobs had said, “Manage the Top Line: Your Strategy, your people and your products, and the bottom line will follow”, over the last 40 years we have just about done that. Finally, it’s all about enhancing our stakeholders’ value sustainably and consistently. We are thankful to this country and the society at large which has bestowed its faith on us at different points of time and ensured our rise. As Galaxy enters the next decade, we believe innovation, creative disruption, consistency, integrity and governance will be the key creators and drivers of value over the next decade. These are exciting times and with a clear vision, learnings acquired over the years and competent team, we are ready for the next leap.”

GALAXY SURFACTANTS

- the journey of grit, perseverance, patience, will and above all a strong vision and conviction. As Galaxy enters the next decade, stronger than ever, here is a real-life story that will inspire many.



THE TRANSFORMATIONAL JOURNEY



Ahead of the Curve Investments: Our Inherent Strength

Our

- ▶ Exclusive focus – Catering to the Home and Personal Care space
- ▶ Decade-old Reliable and Sustainable Partnerships with our reputed Customers as a focussed value chain participant in the high-end home care and personal care value chain cutting across products, categories and geographies – A one of a kind one-stop shop!
- ▶ Robust Innovation Funnel Model
- ▶ Committed Stakeholders and
- ▶ Global and Local Customer Base cutting across multinationals, regional leaders and niche emerging players

Have enabled and equipped us in developing the art of understanding the end consumer markets and investing ahead of the curve, thus gaining the first mover advantage. This inherent strength has not only enabled us to become a global player; but has also been one of the critical success factors that has enabled your Company to transform its growth trajectory.

Did you know?

In the last 40 years, Galaxy Surfactants has compounded its Profitability (PAT) at a CAGR of 28.5% growing 23000x from ₹ 1 Lakh in 1980 to ₹ 230 Crores in 2019-20

Investment in Taloja (1996-97 and 2004)

Investments at Taloja were undertaken to setup our Sulphonation (Performance Surfactants), betaines, esters and alkanolamides capacities. These were prima facie undertaken with a view to cater to the Indian Home and Personal Care industry as well as gain traction in the export markets (2004). 1996-97 saw your Company moving from batch to continuous process manufacturing. 2004 was historic as technological capabilities acquired over the year's ensured in-house execution of the entire Sulphonation project – an edge your Company has developed and sharpened over the last two decades.

While the Indian Home and Personal Care market grew 2.4x from 1996-2005 at a CAGR of 10%, economic growth led to the market accelerating and growing at a CAGR of 11.5%, thus becoming 3x of its size in the next 10 years [2005-15]. Today, the Indian Home and Personal Care market is approximately a USD 20 Billion Market.

Investment in Egypt (2010)

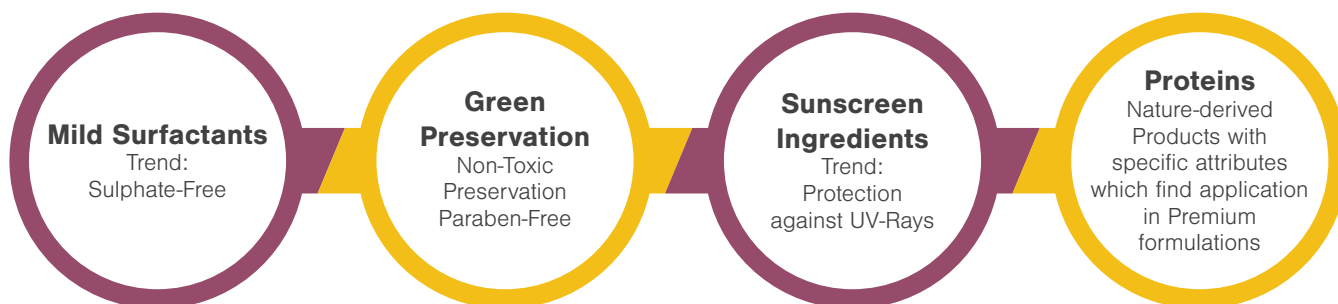
Your Company has always collaborated and worked closely with all its customers. Continuous intense engagements across various aspects of the value chain have enabled your Company to gain insights and respond accordingly to the developing consumer as well as customer needs, thus facilitating us to remain ahead of the curve.

One such move was the decision to setup a manufacturing base in Egypt. In 2009, multinational customers were gearing up to enter Africa by setting up manufacturing plants in Egypt. The growth prospects, the presence of multinational customers combined with the lack of reliable local suppliers presented a unique opportunity for your Company.

Despite the Arab Spring, our capacity came on board in 2011 and thus began the journey of catering to the Home and Personal Care markets of Africa, Middle East and Turkey. Presence in one of the largest markets of this region (Egypt) has only aided growth and the Home and Personal Care Market here has grown 4.5x in the last 10 years (2010-20). From less than 5% in 2010, the local Egypt Volumes today constitute 14.6% of the Total Volumes.

Investment in Specialty Care Products (2006-2010)

The Innovation Funnel Model adopted by your Company at the start of the 21st Century combined with the acquisition of TRI-K in 2009 along with the greenfield expansion at Jhagadia in 2010 have borne fruits in the last 10 years. Since 2010, our specialty care product revenues have grown 5x at a CAGR of 18% and today make up for 39% of the total revenues. Addition of premium specialties like preservatives, mild surfactants, proteins, sunscreens and Syndets to the portfolio have aided the EBITDA/MT which has improved from ₹ 10,437/MT in 2010 to ₹ 16,716/MT in 2020 growing at a CAGR of 4.8% (2010-20).



Did you know?

The Premium Beauty and Personal Care Market today constitute 20% of the Global Beauty and Personal Care Market

The Next Decade: Growth Drivers

Existing Business to address Emerging Trends

As the affordability quotient rises globally, trends playing out currently in the developed markets will gain traction in the developing markets. To name a few:

- ▶ Upgradation: Bar Detergents and Handwash Powders to Premium Detergents
- ▶ Upgradation: Powder to Liquid – Dishwashing as well as Laundry Care
- ▶ Mass to Masstige to Premium Beauty and Personal Care Products

- ▶ Growing consciousness among consumers – adoption of products which incorporate safer, greener and milder ingredients
- ▶ Increased spending on Home, Beauty and Personal Care products

Apart from this, to drive the next leg of growth, your Company has invested ₹ 400 Crores in the last 2 years and will be investing another ₹ 120 Crores in the ensuing year, totalling to ₹ 520 Crores of investment over the 3-year period (2018-21). These investments have been made completely from internal accruals.

Investment in 2018-19 (Performance Surfactants)

This year began with the operationalisation of our Performance Surfactants plant at Jhagadia. The onset of COVID-19 has accelerated the demand for health and hygiene products. Growing awareness about health, home care and hygiene has resulted in an increased demand for our performance surfactants. Thus, the timely investment at Jhagadia will ensure we are well equipped and ready to address this growing need.

Investment Coming Up for - Products of Tomorrow

Execution of CAPEX planned for our Specialty Products remains on track, though execution and operationalisation will get delayed by 6-9 months on account of the constraints posed by the pandemic. But we remain confident and optimistic about our specialty portfolio comprising Green Preservatives, Mild Surfactants and Sunscreens which we believe will drive the next leg of growth by addressing the emerging categories and needs.

Emerging Categories



Baby Care

Our Products: GLI 21, Mild Surfactants, Non-Toxic (Green) Preservatives



Naturals Segment

Our Products: GLI 21, Mild Surfactants, Vegetable Proteins, Non-Toxic (Green) Preservatives



Premium Sulphate-Free Products

Our Products: GLI 21, Mild Surfactants, Non-Toxic (Green) Preservatives



Men's Grooming

Our Products: GLI 21, Mild Surfactants, Non-Toxic (Green) Preservatives, Blends



Premium Home Care and Migration from lower end Surfactants to Premium Performance Surfactants in Laundry and Dishwashing

Emergence of multiple well-funded start-ups as well as private labels will help in accelerating these trends across the globe.

Did you know?

The Indian Premium Laundry market has grown 2.6x in the last 10 years at a CAGR of 10% [2010-20], ahead of the total laundry market which has grown at a CAGR of 8%, thus implying the shift from bar detergents to premium laundry as income levels rise.

Conclusion

To summarise, while the last 4 decades have seen your Company enhance its global reach and visibility, innovation and technological capabilities, product spread and categories participation, positioning itself as a reliable one-stop shop solutions provider for the Home and Personal Care industry, we believe the best decades are yet to come.

GALAXY OF TODAY!

A Journey that began in 1980 shall enter its 40th year in 2020. This journey started with five men who never gave up – men who had the will of steel and desire to excel at all points. It is their commitment, sacrifice, never say die spirit, trust, and above all, the dream to run a marathon that has created the Galaxy of Today!

205+

Product Grades



1,750+

Customers Globally



80+

Countries



7

Manufacturing Units with 5 in India 1 in Egypt and USA each



70

Patents Granted since 2000



1,550+

Employees across all Facilities



SINCE 2009-10 HAS GROWN

2.8X VOLUMES

CAGR 10.9%

4.5X EBITDA

CAGR 16.3%

6.1X PAT

CAGR 19.8%

With 5x Growth in Specialty Revenues



**In
Cosmetics
Bangkok
2019**



**Cosmo
Tech 2019**



**HPCI
2020**



**Analyst
Meet**

LOOKING BACK WITH PRIDE



**Reliable
Supplier
Recognition**

Presented by Henkel: For our cooperative approach efforts and quality of service, always strive for excellence, providing effective solutions, the highest quality products with even better customer service



**Strategic
Business Partner
on Global
Outlook 2020**

Presented by Marico during their annual event "SAMYUT" in Kolkata on 7th February 2020



**Innovation Award
– Gold at HPCI
2020**

HPCI, for our innovative product Galsoft TiLS (G) addressing the aspects of Safety, Sustainability, Performance, Naturalness and Mildness



**Gold - National
Awards for
Manufacturing
Competitiveness
(NAMC) 2019**

NAMC, Jhagadia Plant



Great Place to Work-Certified™ for Nov 2019 – Dec 2020

Great Place to Work® Institute, This certification was awarded to us for our good culture and people practices. Every year, more than 10,000 organisations from over 60 countries partner Great Place to Work® Institute for assessment, benchmarking and planning actions to strengthen their workplace culture.



IP Excellence in India 2019

Questel Orbit, Questel awards the companies significantly contributing in the domain of IP



Mr. U. Shekhar nominated Finalist in EY Entrepreneur Of The Year (EOY) 2019 Awards

Organised by EY: For his Outstanding entrepreneurial achievements



Excellent Use of IP in Innovation

Transformance forum, our 'Green Catalyst' patent (anhydride catalyst, Patent no. US 9,187,407 B2) won "Excellent Use of IP in Innovation" Award in Chemical manufacturing category. We received the award at IP Summit, recently held by Transformance Forum.

MAKING A DIFFERENCE IN THE SOCIETY AND ECOSYSTEM

Corporate Social Responsibility makes an organisation socially accountable to itself, to all its stakeholders and to the community at large. We, at Galaxy believe, as a responsible Company, our successes go beyond the financial growth and the value addition we make to our immediate stakeholders. It encompasses the positive difference we make to the lives around us and how much we can give back to the society and the environment. Our Corporate Social Responsibility (“CSR”) policy is formulated keeping in view the holistic development of the community and the environment, which are directly impacted by our operations. We try to touch as many lives as possible through our CSR initiatives manifested through upliftment, support, enlightenment, relief and development work.



₹3.32 CRORES

your Company spent on CSR activities in 2019-20

₹40 LAKHS

your Company donated to Prime Minister CARES Fund

COVID-19 Support

The unprecedented health crisis brought about by the outbreak of COVID-19 pandemic created havoc in the humanitarian and the socio-economic landscape of the country. Your Company stood by its employees, the communities and the COVID-19 warriors during the crisis, providing the best possible support.

We distributed hygiene kits and food packets to nearby communities and distributed medical equipment and Personal Protective Equipment (PPE), sanitiser, masks and liquid handwash to frontline COVID-19 warriors. Beyond that, we also distributed food packets, medical equipment and hygiene kits through our NGO partners. In total, we distributed 973 litres of hand sanitiser, 17,071 litres of handwash and 500 PPE to hospitals, police service and gram panchayats, banks, municipalities and MIDC areas in various areas of Maharashtra including Mumbai. Further, we provided food to 3,581 members belonging to the daily wage earners groups and underprivileged communities.

Galaxy is committed to promote a cleaner and safer environment. In alignment with our business strategy, Galaxy combining the power of science and technology with passion to innovate, aims to advance sustainable development by collaborating with all its stakeholders. Galaxy started its Sustainability Journey in 2010-11.

Environmental Performance

We believe that Galaxy's Sustainability Goals reflect our determination towards a more sustainable future. We focus in areas of climate change: energy, greenhouse gases, renewable energy, tree plantation; water; packaging waste and life cycle assessment.

Supplier Sustainability

We engage continuously with our supply chain partners to improve the operational efficiency and integrate sustainability considerations into our value chain. We scaled our strategic engagements and communications with our suppliers on the sustainability agenda during the year. Conscious efforts were taken to inculcate the culture of sustainability among local suppliers. We also conducted periodic site assessments, and reviewed the performance of non-financial indicators of our suppliers.

Responsible Care journey

We have Responsible Care® certification for facilities in India that promotes safe and sustainable practices. We have also initiated adoption of 7th Code-Security Code under the voluntary requirements of Responsible Care.

Product Responsibility

"Consumer to Chemistry" is the Innovation Philosophy of Galaxy. This Philosophy encourages us to perform proactive research by identifying consumer insights and needs by analysing market trends and by having strategic intellectual tie-ups with our customers. Our study adds value to the 'end consumers', resulting in significant growth of our customers' business.

Sustainable & Responsible Chemistry is integral to our product and process innovation wherein we follow a holistic approach based on the principles of green chemistry, employing renewable feedstock to develop milder, biodegradable, non-toxic products.

Design Innovation (NPT Projects)

Focus on creating a safe, economical and efficient manufacturing facility.

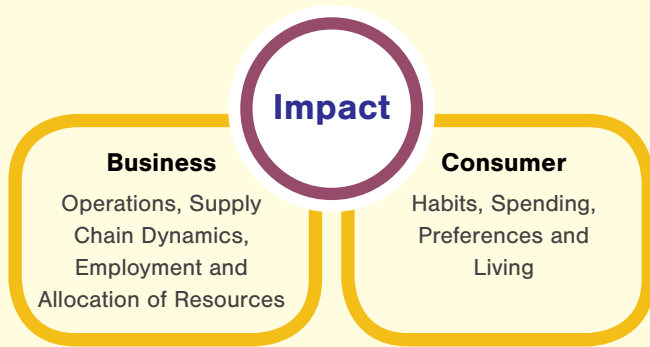
Behaviour Change

Influencing employees to adopt sustainable living. We deeply believe that awareness and engagement can enhance the capability to contribute efficiently in creating a better world. Several activities, competitions and programmes were organised to create awareness, involve and move towards our commitment of a cleaner and greener environment.



THE POST-COVID WORLD

Today as the world grapples with the COVID-19 pandemic and the environment overall remains sombre and grim, we believe, the economic disruptions and human sufferings caused by the pandemic may have a lasting impact on mankind.



Looking ahead, we believe, this year will pose a new set of challenges for your company. The ‘challenges’ may emerge on account of a slowing demand or supply-led disruptions caused by the pandemic. But like every challenge brings with itself a new beginning, we remain confident that this too shall pass and will only make us stronger going ahead.

Demand Side Outlook

While the growing awareness about health and hygiene and the work from home culture shall aid the demand for ‘essentials’, lower consumer spending on account of job losses and hoarding of cash driven by ‘fears’ of the pandemic/job loss in the near future, may impact the demand for premium products. An uncertain environment and a slowing demand may also delay the launches of new premium products planned for this year.

A positive though has been the growing need for disinfectants, surface cleaners and handwashes. With new players entering these categories and faster pace of approvals and launches, this may be a long-term positive for your company.

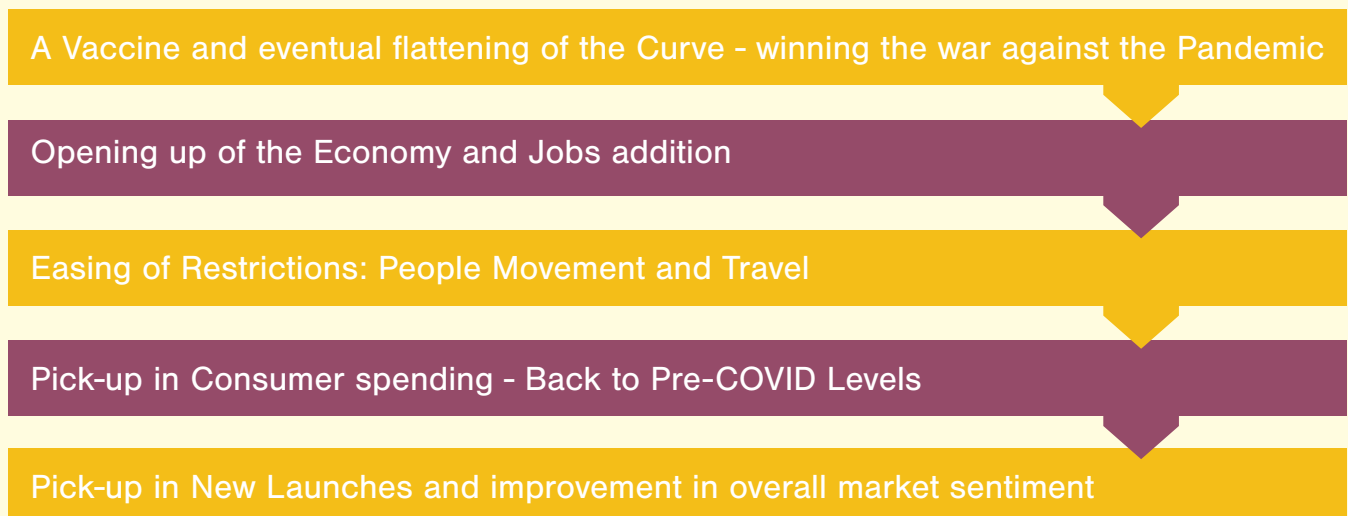
Demand variability risk is another aspect which needs to be tracked. Uncertainty posed by the intermittent lockdowns, restrictions on movement and spending may result in intermittent slack or spikes in demand and this may impact scheduling and production.

Supply Side Outlook



The sudden imposition of the lockdown impacted our business. While the trade-off is between lives and livelihood, the multiplicity of factors involved and the degree of variability makes the situation complex. This has disrupted the supply chain, adversely impacting production, operations and people

What can change this?



Addressing COVID: Best-in-Class Safety Practices

● Best Practices adopted – Pre-COVID

which will hold us in good stead and enable us to face this pandemic with strength:

- ▶ Provision of Personal Protective Equipment – Helmet, pair of safety goggles, shoes and 5 pairs of uniform. Specialised protective equipment such as gloves, aprons, ear plugs, masks are also provided depending on the nature of work
- ▶ Safety showers installed at all places
- ▶ Emergency PPEs like heat suit, Scaba, gas masks, Diphoterine solution are also available in specific areas
- ▶ Safety Circle meetings happen periodically to share information on chemicals, handling, incidents and other learnings
- ▶ Periodic mock drills are conducted to be ready for emergency response
- ▶ Intense classroom trainings and tool-box talks (daily) are conducted to ensure there are proper checks and adoption of best practices
- ▶ Cardinal Rules, Emergency Preparedness trainings are imparted to all employees during entry into the Company. Refresher trainings are provided every 3 years

● Getting Ready for COVID:

Safety Protocols under the supervision of the Conversion (Manufacturing) Head have been designed and implemented which include

- ▶ Disinfection of all Plant Units
- ▶ Temperature Checks and sanitisation before entering the premises
- ▶ Immunity Build-up Diets for the Workers
- ▶ Disinfection of Transportation mediums employed to get the workers
- ▶ Social Distancing measures at all points
- ▶ Provision of Sanitisation Facilities at all Check Points. Ensuring there is periodic washing of hands and continuous use of Face masks
- ▶ Provision of Hand Sanitisers and Hand washes for labourers
- ▶ Educating all plant members about COVID and best practices to ensure health and safety at all points
- ▶ Check list with elaborate procedures for starting up post shutdowns for very unit

- ▶ Employing the best-in-class start up and shut down procedures which have been defined and employed at all points – even before COVID set in
- ▶ Key safety and maintenance personnel are available at all points of time
- Implementation of Behaviour Based Safety Program across all units. BBS encourages everyone to be part of the Safety journey, make it part of one's life and exercise the same by making safety observations and immediate spot corrections on the go. Has been covered for all employees at all levels
- Adopting 'Work from Home' practice as far as possible for all corporate employees to ensure safety

Addressing COVID: Galaxy for the Society – Major initiatives

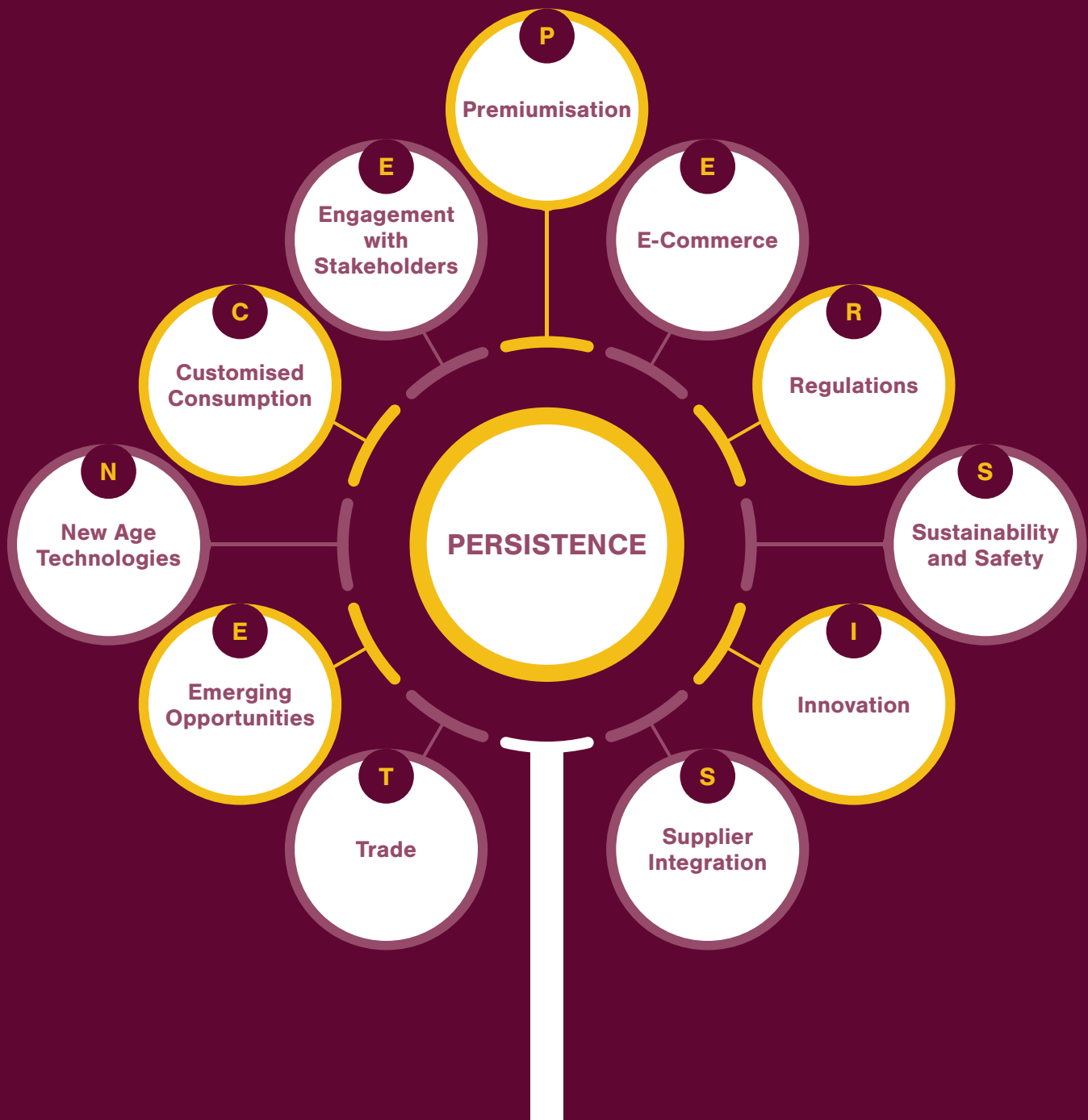
- 3-Pronged Strategy – Local Communities + COVID Warriors + Underprivileged Section of the Society in Collaboration with NGOs
- Local Communities – Led by our In-house CSR Team
- ▶ Target nearby Villages and Communities
- ▶ Distribution of Hygiene Kits and Food Packets
- ▶ Campaign 1: Talodara Village –
 - Addressing 700 families - distributing personal hygiene kits (Liquid Soap + Bar Soap + Face Mask) & 260 Food Packets among 260 Families
- COVID Warriors – Distribution of > 1 Lakh Hand wash Bottles at Hospitals in Mumbai, Thane Municipal Corporation, Police and Administration staff at multiple locations in Mumbai and among underprivileged sections through NGOs in Chennai
- Community distribution of Sanitisers in collaboration with NGOs

Conclusion

To summarise, while the economic outlook remains uncertain and dynamic, we believe the collective efforts will yield positive results sooner than later. While challenges remain, we are certain that this will only make us stronger. The inherent stability of the home and personal care industry, our wide customer base and strong product portfolio are likely to ensure normalcy sooner than later.

WHAT LIES AHEAD: THE DECADE OF 'PERSISTENCE'

As we enter the next decade, we believe 11 trends of today shall have a significant bearing on our tomorrow – the decade of 'Persistence'



P – Premiumisation

Growing awareness and consciousness among consumers, greater connectivity, lifestyle shifts and higher affordability have led to the creation of a new set of consumers; consumers who are willing to pay more for better standard of living.

While premiumisation as a trend has been in the news for the past few years, it is the evolution of the trend that makes it so powerful. Premiumisation started with price, though today, it is all about value; value for which consumers are willing to pay more. It is a package designed for the end consumer that includes personalisation, innovation, incorporation of premium and natural ingredients, diagnostic solutions premium experience and quality – a complete value proposition.

The Premium Beauty and Personal Care industry globally stood at USD 73 Billion in 2019, making up for 20% of the Global Beauty and Personal Care Market. While a significant pickup remains to be seen, a younger population, growing influence of social media and rising share of E-Commerce in the Home and Personal Care sales shall ensure a double digit CAGR over the next 5 years.

Premiumisation today is also evident in the Home Care space and the onset of COVID shall only accelerate this. Growing awareness about health, hygiene and home care, rising trend of work from home has led to a surge in demand for home care products. Consumers are willing to pay more for these 'essential' products. Even in the post-COVID world, we expect this trend to continue.

Innovation, launch of eco-friendly home care solutions and complete shift to liquids will be the key factors influencing the home care premiumisation trend in the developed markets. As for the developing markets like India, as washing machines sales gain traction in the T-3/T-4 cities, there will be a marked shift from bar detergents and low end hand wash powders to premium detergents. As for the urban Indian consumer, growing awareness and digitisation shall play a key role and influence the demand for premium fabric care products, liquid detergents and dishwashing products. The Indian Premium Home Care Market is projected to grow at a CAGR of 8.3% for the next 5 years with Premium Powder Detergents driving bulk of it and is projected to make up for 21% of the market from the existing 18%.

While 44% of the consumers prefer premium home and personal care brands, 37% of the consumers prefer premium ingredients over premium brands; cumulatively these shall drive the premiumisation trend and the need for premium ingredients.

Our Premium ingredients such as Mild Surfactants (Sulphate-Free Trend), Non-Toxic Preservatives (Parabens-Free Trend), Sunscreens, Proteins, Syndet soaps and Premium Home Care Ingredients (Low dioxane content, water-efficient and eco-friendly solutions, premium powder detergents and fabric care ingredients) on account of 'premiumisation' will therefore witness significant traction in the next decade.

E – E-Commerce

Digital Engagement is one of the key trends that shall impact the Beauty and Personal Care sales going ahead. While the traditional channels are expected to slowdown, E-Commerce on the back of the ever increasing digital engagement via online applications, social media and artificial intelligence is expected to outperform.

The desire for comfort and convenience has not only opened up huge opportunities for the E-Commerce space today but also, ensured rapid penetration of the mature as well as emerging categories in the Home and Personal Care space. The opportunity is huge as the E-Commerce industry yet is largely starting out in many parts of the world with:

- ▶ Home and Personal Care Online sales being only 6% of total sales in India, whereas the same is 34% in China
- ▶ In USA, E-Commerce channels make up for only 13% of the total Premium Beauty and Personal Care sales
- ▶ When it comes to India, India still is taking baby steps as the Per Capita Spending in India of USD 205 is 1/15th of USA and 1/9th of China
- ▶ With internet penetration picking up in India, the next decade will see more digitally-influenced shoppers, a younger workforce willing to spend and shop more via the E-Commerce channels
- ▶ It is expected that 25-30% of the FMCG Sales will be digitally-influenced in India by 2025

How does it help us?

- ▶ Emergence of Niche Players and Private Labels – While the Multinationals to Non-Multinationals share in the Home and Personal Care space currently stands at 40:60 in the developed markets, the same is completely opposite when it comes to the developing markets with multinationals having 60-66% of the overall Home and Personal Care Market share
- ▶ Rapid pickup of E-Commerce along with funding for various start-ups in the Home and Personal Care space shall ensure emergence of strong private labels in the developing markets going ahead. This shall also create opportunities for companies like ours to collaborate and share our expertise built over the years, thus enabling the rapid growth of niche categories as well as ensuring pick-up of our specialty portfolio in the developing countries

The onset of COVID has only accelerated this story and we believe E-Commerce and Digital Engagement will be the biggest influencers when it comes to the Home and Personal Care space, going ahead in the next decade.



The next decade will see boundaries blurring and the commingling of Regulations, Sustainability, Safety and Innovation.

The growing awareness about sustainability, health and safety has resulted in Consumers looking for brands and ingredients that are ethical, natural and organic. 'Free from claims' based products are on the rise and the need of the hour is to innovate products which are milder, greener, cleaner and safer.

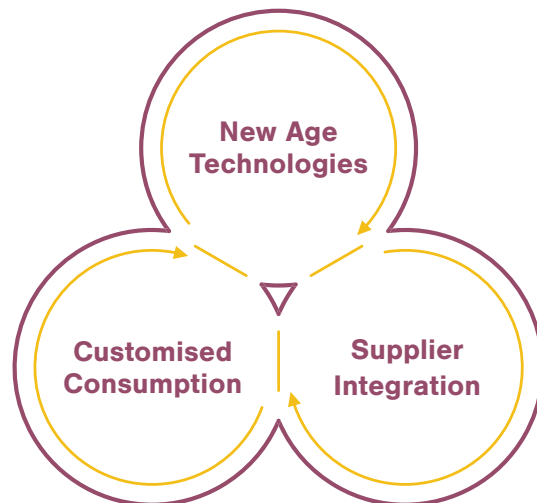
Companies today are reformulating their products and are looking for innovative ingredients such as:

- ▶ Natural or nature-derived preservatives
- ▶ Sulphate-Free Ingredients – Mild Surfactants
- ▶ Ingredients derived from natural renewable feedstocks – APG
- ▶ Ingredients which are bio-degradable, cleaner and safer (plant-based)
- ▶ Low Level of 1,4 dioxane

This is an emerging trend which will bloom in the coming decade.

Did you know?

65% of the Indian Moms make their purchasing decisions for their kids' basis the quality and safety of ingredients.



New Age Technologies to ensure unmatched consumer experience – these shall further gain traction in the coming decade:

- ▶ The growing influence of social media and digital engagement has resulted in more consumers experimenting with the way they want to look, feel, live and thus are opting for more customised products and solutions
- ▶ With multiple beauty, cosmetics, home and hygiene events happening online, digital media has ensured quick access and accessibility
- ▶ Multiple platforms have been setup/verge of being setup by B2B as well as B2C players which provide information and personalised solutions to formulators, customers and end consumers
- ▶ Artificial Intelligence and Data Analytics is being employed to understand the end consumer needs and provide them with ready and personalised home and beauty solutions via smart devices
- ▶ Technology though is not limited to customers and consumers only. The next decade will see technology being employed across the value chain – from the first point of sourcing to the last point of consumption, integrating the complete value chain

One such key integration will be Supplier Integration

The recent blasts in China and onset of COVID-19 have accelerated the need for De-risking and minimisation of Supply Chain Risks by having multiple vendors globally. But this will not be easy. Given the commitments made by multinational companies for safety and sustainability, de-risking will not be about price only. It shall factor in multiple areas and suppliers demonstrating the best practices will only become part of this value chain.

Evaluation will be based on:

- ▶ World-class manufacturing and safety practices
- ▶ Scalability, Superior Quality, Delivery and Reliability
- ▶ Employing best-in-class technology – for production + supply chain and digital integration. Automation shall ensure relationships will not only be limited to price, but integrate to provide complete visibility of flow of goods – services and money
- ▶ Transparent and Reliable Communication

Trade

As we enter the next decade, the growing power tussle between USA and China, China's policies to further strengthen its grip on the Global trade dynamics (OBOR), import – tariffs and deglobalisation laws will be the areas to watch out for. Depending on how they play out, these can present your Company with opportunities as well as challenges.

One such trend which we believe may play out aggressively is the growing influence of India in the Global Chemicals Market. The appeal by the Prime Minister to become 'Aatmanirbhar' will only result in more companies sourcing locally, reputed multinationals investing in India and the world at large sourcing multiple ingredients, intermediaries and value-added products from India.

One Belt One Road Initiative by China

Vocal for Local (Aatmanirbhar Bharat) - The Rise of India

US-China Trade Dynamics

Deglobalisation and Import Tariffs (A Key Risk)

Emerging Opportunities

Rising Middle Class

- ▶ By 2030, the global middle class is expected to touch 5.3 Billion - additional 2 Billion people from 2017
- ▶ China and India together will account for 59% of the Middle Class Consumption
- ▶ India could be the World's largest Middle Class consumer market surpassing both USA and China
- ▶ Middle Class spending is expected to grow from USD 37 Trillion in 2017 to USD 64 Trillion by 2030 accounting for 1/3rd GDP Growth globally

(Source: EU Commission - Growing Consumerism)

Female Employment Dynamics: India

- ▶ Since 2004-05, within the Female Workforce, the percentage of women as salaried employees has increased from 3.7% to 10.5% in rural areas and from 35.6% to 52.1% in Urban Areas indicating more women moving from self employed jobs to regular salaried jobs. With literacy rates rising from 57% in 2004-05 to 69.6% in 2017-18 among females and female workers population ratio only being 16.5%, there is ample scope for growth in the coming decade

(Source: PLFS 17-18)

- ▶ 17% of the Annual Income (average USD 6,000) of a working age Chinese female is spent on Personal Care Products, Apparels and services

Emerging Areas and Categories: Global Trends

- ▶ Growing Digital Engagement
- ▶ Increasing number of Private Labels and Startups in Niche Emerging Categories
- ▶ 3E's - E-Commerce + Emerging Markets + Education = Higher Engagement + Consumer Access and Spending

These emerging opportunities offer significant room and scope for growth in overall Consumption. This in turn will be beneficial for the Home and Personal Care industry.

Engagement with all Stakeholders

This will forever remain an evergreen trend that has influenced and added value and will continue to influence, add value and shape the way businesses are conducted

for decades to come. In the coming decade, we believe the relationships, integration levels and engagements with our multiple stakeholders will only increase, become stronger and more robust. In their success lies our success.

MAKING A DIFFERENCE TO OUR INVESTORS

CONSOLIDATED FINANCIAL PERFORMANCE

5-year track record

₹ Crores

Particulars	FY 2020*	FY 2019*	FY 2018*	FY 2017*	FY 2016
Profit & Loss Account					
Sales (Net of excise duty)	2,563	2,732	2,413	2,138	1,779
Other Income	39	36	31	34	28
EBITDA	375	358	298	282	238
PBIT	313	307	249	235	193
Interest	24	30	31	27	31
Profit Before Taxation	289	277	219	207	161
Profit After Taxation	230	191	158	148	101
Basic Earnings Per Share of ₹ 10 (₹)	64.99	53.87	44.57	41.64	28.52
Dividend Per Share of ₹ 10 (₹)	14.00	8.00	7.00	6.00	6.00
Balance Sheet					
Fixed Assets	814	601	472	466	487
Long-Term Investments	-	-	0.07	0.11	0.03
Net Current Assets	651	602	621	524	386
Total^	1,465	1,203	1,092	991	873
Equity Capital	35	35	35	35	35
Reserves & Surplus	1,032	841	683	539	406
Loan Funds	373	299	349	395	413
Deferred Tax Liability	24	27	24	21	19
Total^	1,465	1,203	1,092	991	873
PAT/ Sales (net of excise duty) (%)	9.0	7.0	6.6	6.9	5.7
Return on Capital Employed (%)	23.5	26.8	23.9	25.2	22.6
Return on Net Worth (%)	23.7	23.9	24.4	28.8	25.2
Net Current Assets to Sales (%)	25.4	22.0	25.7	24.5	21.7
Cash Generated from Operating activities	316	283	145	111	170

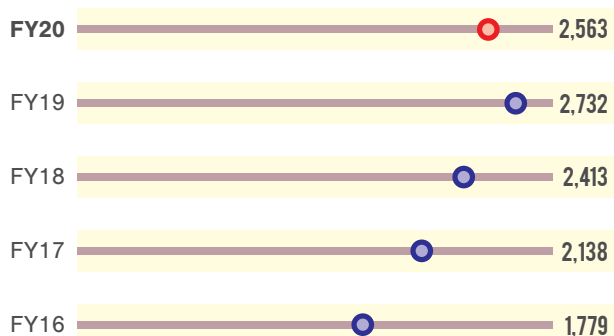
* Nos. are as per Ind-AS and not strictly comparable with previous year figures

^ Figures rounded off to ₹ Crores

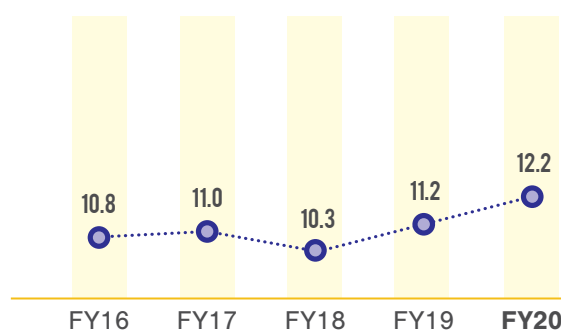
CONSOLIDATED PERFORMANCE TRENDS

Sales

(₹ Crores)

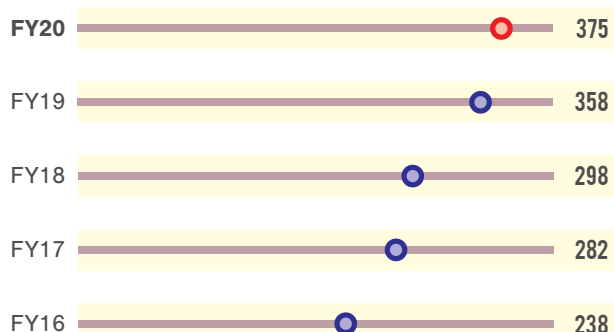


PBIT as % of Sales



EBITDA

(₹ Crores)

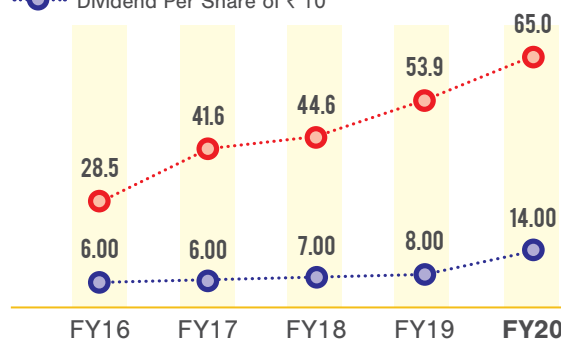


Basic Earnings & Dividend Per Share

(₹)

● Basic Earnings Per Share of ₹ 10

● Dividend Per Share of ₹ 10

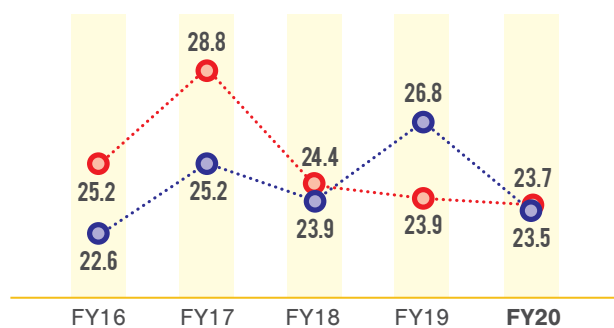


Return on Capital Employed & Return on Net Worth

(%)

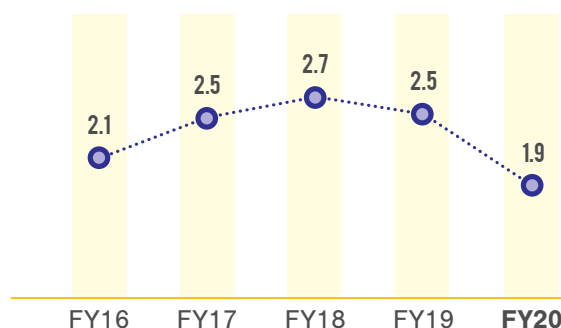
● Return on Capital Employed (%)

● Return on Net Worth (%)



Gross Fixed Assets Turnover

(No. of times)



BOARD OF DIRECTORS

S. Ravindranath

Chairman & Non-Executive Independent Director



Mr. Ravindranath has completed a B.Sc. (Maths and Statistics) followed by a Masters in Operations Research and is a Fellow Member of the Institute of Cost Accountants of India. He brings to the Company extensive expertise and experience, having spent more than 30 years with Unilever, India in various capacities. He has been associated with the Company since 2007.

U. Shekhar

Promoter & Managing Director



Mr. Shekhar is a Chemical Engineer and PGDM from IIM, Calcutta. He has been associated with the Company since 1986.

K. Ganesh Kamath

Executive Director (Finance) & Chief Financial Officer



Mr. Kamath is a qualified CS, CWA and LL.B with over 20 years of experience and has been associated with the Company since 2004.

K. Natarajan

Executive Director & Chief Operating Officer



Mr. Natarajan is a CWA with Advanced Management Program from Harvard Business School and is associated with the Company since 1993.

G. Ramakrishnan

Promoter, Non-Executive Director



Mr. Ramakrishnan is a qualified CA, CWA and CS, has been associated with the Company since 1986.

Dr. Nirmal Koshti

Non-Executive Director



Dr. Koshti holds a Ph.D. in Organic Chemistry (University of Bombay) and brings to the Company extensive post-doctoral research experience. He has been associated with the Company since 1986.



Vaijanath Kulkarni

Non-Executive Director

Mr. Kulkarni is a Chemical Engineer who is currently holding the position of MD of Galaxy Chemicals (Egypt) S.A.E. He has done his Advanced Management Program from Harvard Business School and has been associated with the Company since 1995.



Subodh Nadkarni

Non-Executive Independent Director

Mr. Nadkarni is a qualified CA and CS with 40+ years of experience, including with Godrej and Sulzer. He has been associated with the Company since 2002.



M. G. Parameswaran

Non-Executive Independent Director

Mr. Parameswaran is a Chemical Engineer from IIT Madras, with a PGDM from IIM Calcutta and a PhD from Mumbai University. He has been associated with the Company since 2005.



Nandita Gurjar

Non-Executive Independent Director

Ms. Gurjar has completed a Master's in Psychology and Advanced Management Program from Harvard Business School. She brings over 20 years of experience in the field of IT and Human Resources and has been associated with the Company since 2015.



Uday K. Kamat

Non-Executive Director

Mr. Kamat is a qualified CA and CWA with 15+ years of association with the Company.



Shashikant Shanbhag

Promoter, Non-Executive Director

Mr. Shanbhag is a qualified CA and CWA, has been associated with the Company since 1986.

**STATUTORY
REPORTS**

&

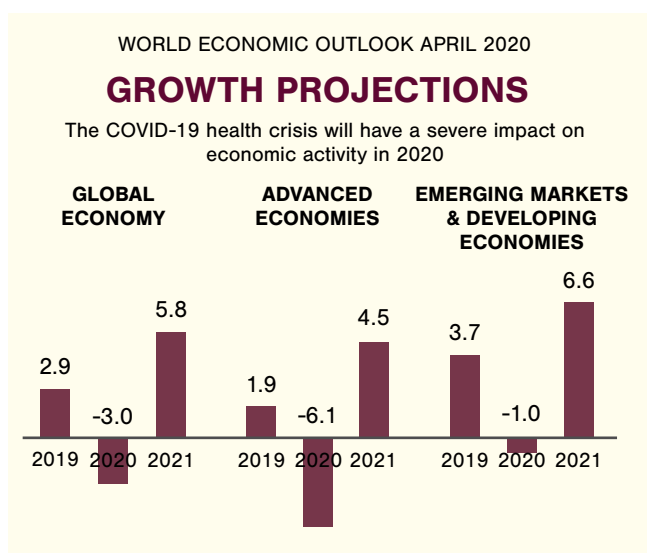
**FINANCIAL
STATEMENTS**

Management Discussion and Analysis

GLOBAL ECONOMIC OUTLOOK

After slowing sharply in the last three quarters of 2018, the pace of global economic activity remained weak in 2019. Momentum in manufacturing activity, in particular, had weakened substantially. Emerging markets like Latin America, the Middle East, and emerging and developing Europe remained under great macro-economic strain. Trade and geopolitical tensions between China and the USA increased uncertainty and posed prominent downside risks leading to subdued pace of global activity.

The onset of COVID-19 pandemic has only compounded the situation. The question of lives vs. livelihoods has left the global economy on a recessionary path. Protecting lives and allowing health care systems to cope with required isolation, lockdowns, and widespread closures to slow the spread of the virus has not only taken a toll on Government budget but has also led to widespread shutdowns and job losses. The health crisis is, therefore, having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the 2008-09 financial crisis.



Nevertheless, the immediate priority remains to contain the fallout from the COVID-19 outbreak, as the cost of doing otherwise can be unimaginable. Because the economic fallout reflects particularly acute shocks in specific sectors, policy support for the affected households and businesses becomes key. Many advanced economies in the world have rolled out support packages for the profoundly affected sectors and workers. While India's stated economic stimulus package is 10% of its GDP, the support is more monetary in nature than fiscal, therefore, it remains to be seen whether more

consumption-inducing measures are announced going ahead. Consumption being the key driver of India's growth needs to get back on track for India's revival.

(Extracts: WEO Outlook October 2019, April 2020)

INDIAN ECONOMY

GDP growth moderated in H1 of FY2019-20, amidst a weak environment for global manufacturing, trade, and demand. Inflation increased from 3.3% in H1 of 2019-20 to 7.35% in December 2019 (due to a temporary increase in food inflation). Reforms like speeding up of the insolvency resolution process, easing of credit, and launch of the National Infrastructure Pipeline were undertaken during 2019-20 to boost investment, consumption, and exports. The 'Tax cut' announcement made in September 2019 was a significant reform undertaken by the Government which not only boosted corporate India's bottom lines but shall also enable India in improving its global competitiveness ranking.

Despite this, the situation on the ground remained bleak, and the Home and Personal Care Industry which was sluggish till December 2019 slowed down considerably in Q4 of 2019-20 with the onset of COVID-19.

The onset of the COVID-19 pandemic just exacerbated the broad slowdown which the economy was undergoing. The pandemic impacted your Company's business in the following ways:

1. Supply Chain Disruption – Across the board disruption right from logistics to availability of manpower for production to clearance and availability of raw materials and finished goods
2. Sudden hoarding of essentials and cut down on discretionary spending:
 - a. The growing awareness of hygiene is a positive for us. While it remains to be seen how sustainable the emerging trends will be, 'work from home' as a concept gaining popularity may result in additional demand for household essentials which includes demand for home care products;
 - b. The cut down on discretionary spending and hoarding of cash driven by fear of the pandemic as well as job losses, may have a detrimental impact on the demand for premium beauty products and cosmetics. Restrictions on travel and work from home can further compound the adverse situation with lower spending on premium products such as sunscreens, sulphate-free products, and high-end cosmetics.

3. Temporary disruption in Demand Visibility – Your Company manufactures ingredients that cater to the Home and Personal Care industry. While demand visibility on most occasions is fairly high, it is events like these that make the visibility hazy. Historically, the Home and Personal Care industry has been one of the firsts to bounce back, therefore, we remain confident of a recovery in the coming three years, though for the coming year, we remain cautious and need to wait for the first half of the year for some clarity to emerge.

The pandemic clearly highlights the need for diversification. In the Chemical Industry, where India's global share is below 4%, China is above 40%. But we believe that, while growth estimates have been slashed across the board, this pandemic if utilised well could pose a blessing in disguise for many chemical companies in India. While China is not a major competitor for your Company, the need for multiple - reliable, high on quality and scalable suppliers shall only fortify in the coming years. In the last four decades, your Company has demonstrated and excelled on all these parameters and these parameters shall now play a very important role in the global procurement strategies of multinational companies.

GLOBAL HOME CARE MARKET

The Global Home Care Market in 2019 stood at USD 160 Billion. It recorded a growth of 1.3% (value) primarily driven by the Laundry and Dishwashing segments. Premium Fabric Care performed well and is expected to do well in the coming years.

The main segments of the Home Care market include:

- Laundry Care which makes up 53% of the total home care industry, and
- Dishwashing and Surface Care which jointly constitute 40%

Growing awareness about hygiene, urbanisation and rising income levels have driven the demand for Home Care products. While growth has fairly been stable, individual segments have seen traction. Trends driving these include Premiumisation, Government campaigns promoting sanitisation globally and the need for natural and more eco-friendly home care products.

In 2019-20, following trends gained traction:

- The need for Greener – Eco-friendly Fabric Care i.e. products that are efficient in fighting stains but require less water and energy
- Convenient pack sizes depending on the price sensitivity of the end consumer – Introduction of low unit pack sizes ensured greater penetration of home care products – premium as well as mass in different parts of the world

Home Care today remains one of the rare categories which finds acceptance among people of all income groups. The onset of the COVID bodes well for the category since it forms part of the 'Essentials'.

Key trends which need to be monitored for the coming years include:

- Down trading – Price sensitivity of consumers in the post-COVID world
- Adoption of Liquid Detergents and Premium Fabric Care in developing markets
- Transition from Bar detergents to Powder detergents to Premium Powder detergents in different parts of the world

GLOBAL PERSONAL CARE MARKET

The Global Beauty & Personal Care Market in 2019 stood at USD 365 Billion. While masstige and premium offerings gained traction in the current year, driven by the concept of 'Premiumisation', mass products remained sluggish. Skin Care as a category did well and this was on the back of the desire for cleaner, natural, and more premium products. But the onset of COVID-19 can have a significant bearing on the industry:

- Travel and Tourism is an important driver when it comes to the demand for mass (Essentials) as well as premium products (Sunscreens, Premium Cosmetics and Beauty Care products) – restrictions on travel and socialising shall have a severe impact on premium products
- Cut down on discretionary spending and migration from premium to masstige products, smaller pack sizes for even the basic essentials shall adversely impact demand for the coming year
- While categories such as toothpaste, basic shampoos, soaps, sanitisers, and hand washes are expected to remain resilient and in some cases grow (sanitisers, hand wash and soaps), overall demand may slowdown on account of lower consumption and downtrading
- Stockpiling of essentials might see a spurt initially but it remains to be seen how much of this demand is sustainable
- E-Commerce channels and private labels listed on these will witness traction but again whether this is tactical or sustainable can only be ascertained after H1 2020-21

While the Beauty and Personal Care industry is primarily considered recession-proof, the unique economic, legislative, and lifestyle factors surrounding consumption in the current circumstances of the COVID-19 pandemic may pose unprecedented challenges for the industry in 2020-21.

INDUSTRY TRENDS

1. Premiumisation & Innovation

Premiumisation within categories remains the key driver going ahead. Skin Care and Cleansing and Hair Care are two segments within the Personal Care space that are driving this. Innovation in the form of introduction of low pack sizes along with new launches has ensured faster adoption.

2. Emerging Categories and E-Commerce

The increasing desire among young consumers globally to experiment and try new beauty and personal care products has led to the emergence of new categories such as 'Premium Face Wash', Baby Care, Hand Wash on account of the pandemic has seen a substantial uptick in demand. New trends have brought in new players – E-Commerce players that focus only on these niche emerging categories. Add to that the influence of Social Media and E-Commerce has also enhanced the speed of penetration and adoption of these categories.

3. Need for cleaner, greener and natural products

In this digital age, consumers today are not only more conscious but also desirous to know what goes into their products. The demand for 'Sulphate-Free', 'Paraben-Free', 'Natural' and 'Organic' products gained further momentum this year.

These trends shall drive the next leg of growth in the Beauty and Personal Care segments. While the COVID-19 pandemic may adversely impact discretionary spending, habitual and conscious consumption will be difficult to break.

Our product portfolio contains products that have been designed in line with these trends and as they gain momentum, our products will gain further traction in line with the trends

SURFACTANTS INDUSTRY INSIGHTS

Global Primary Surfactant demand grew by 1.8% in 2019 from 10.3 Million MT to 10.5 Million MT.

Table: Regional Growth Rates 2019 in %

Region	LABS	AES	AS	AE	Total
North America	3.5	1.4	2.0	2.9	2.0
Latin America	1.6	0.9	-	2.8	1.3
Europe	0.3	1.2	2.2	0.9	0.7
Asia Pacific	1.1	4.3	1.7	4.0	2.2
AMET	0.8	4.0	1.8	5.7	1.3
Global	1.2	2.9	1.8	2.9	1.8

CAHA 2019 Report

AES as a product witnessed traction given the increasing consumption of liquid formulations in China and the growing substitution of LABSA and AOS with AES.

HOME AND PERSONAL CARE IN INDIA

The Indian Home and Personal Care industry experienced a broad-based slowdown in 2019-20 which got exacerbated in the last quarter of the financial year.

While, Home Care as a category saw growth driven by volumes, Beauty and Personal Care growth was on account of value-driven by premiumisation.

Laundry Care, which makes up for 70% of the Home Care category in India grew 6% in value terms driven by 3% volumes growth. While Bar and Low-end Powder detergents yet make up for 70% of the Laundry Care market, the emergence of premium fabric care, liquid detergents, and fabric softeners offer significant room for growth for your Company. Fabric Care as a category is expected to outperform in the next 5 years and with the increasing penetration of washing machines in India, the scope of growth for premium fabric care and liquid detergents is significant.

Dishwashing, Toilet Care, and Surface Care are the other major categories that are part of the Home Care Segment. While these are relatively small as on date, the growing consciousness for hygiene in the post-COVID world can act as a strong trigger for demand going ahead. Demand for disinfectants, multipurpose cleaners, floor cleaners, and liquid dish wash is expected to remain strong even in the post-COVID era. The entry of many private label retail players along with customised pack sizes will only accelerate their adoption.

Beauty and Personal Care market got impacted due to a shift in discretionary spending. While premiumisation in Skin and Hair Care drove value growth, overall volumes remained sluggish. Lack of credit for the distribution channels, reduction in inventory days (de-stocking) impacted volumes. Naturals as a category saw traction in the Skin and Hair Care segments. Going ahead, we believe that any cut down in discretionary spending will impact volumes. Given the inherent 'basic' requirement; demand will always exist but cut down on spending by downtrading to smaller packs or consuming lesser will ensure demand remains sluggish. The impact will be more severe on the premium Hair and Skin Care categories and less severe on basic categories like oral care, basic hair, and skin care.

THE POST-COVID WORLD TRENDS

1. 'Prevention' – The demand driver

Boosting immunity and maintaining health and hygiene will be the mantra in the post-COVID world and unless a vaccine/solution to fight the COVID-19 virus is discovered, proper sanitisation remains the only hope, which shall in turn drive demand for soaps, hand washes, and sanitisers. In today's times, consumers are seeking products that are more natural, preventive, and help in boosting immunity.

2. Home – All-in-One

Stay at Home – Work from Home and Take Care of One and All by staying at Home is the slogan of today. The humble Local Baniya has perhaps made the strongest comeback. Apprehensions concerning the spread of the virus have ensured people either turn to the Local Stores or E-Commerce channels. This shall provide strong growth impetus to the start-ups as well as Private Labels active in the Home and Personal Care space. The desire for branded and safe goods will ensure demand for known brands.

- **Premium within Essentials could witness Traction**

Job losses and hoarding of cash, hoarding of cash have ensured lower discretionary consumption and higher stocking of essentials. With lesser disposable income, value buying may emerge in the coming year. Most categories may witness delayed consumption but for some segments like Home Care; premiumisation and migration towards known and safe brands could be the trend – exact opposite of what is being currently seen. With domestic help becoming an uncertainty now, as far as urban households are concerned, the need for premium cleaning products within laundry care, dishwashing, and surface care could witness traction going ahead.

To conclude, the pandemic in all probabilities will have a lasting impact on human race and this may surely have a bearing on the way consumers behave and consume.

HOME AND PERSONAL CARE IN EGYPT

2019-20 saw stabilisation of the overall Egyptian economy as well as stabilisation of the prices which had got adversely hit due to the sudden devaluation of the currency. The Egypt Home and Personal Care market made a strong comeback. Home Care being the dominant category, grew 13.3% in value terms driven by Laundry Care which grew at 15%. Laundry Care made up for 65% of the Home Care segment. This was primarily driven by the Powder detergents category which saw good demand. The transition from bar detergents to powder as well as liquid detergents was visible. Multinational companies made a comeback and while local companies due to lower pricing witnessed growth, there was no market share change, unlike previous years. An increasing number of women in the workforce along with the rising penetration of washing machines shall drive growth for the laundry care market in Egypt. The lower impact of COVID-19 in Africa and parts of Africa ensured our Egyptian operations do not face any disruptions.

Business Overview

GETTING READY – POST-COVID WORLD INNOVATION AT GALAXY

The constant endeavour of your Company's Innovation Process is to provide high-performing, value-added solutions to the Home and Personal Care industry. Galaxy works in close collaboration with Research & Development teams of the home and personal care product manufacturers, both locally and globally.

Our focus remains on expanding our innovative basket of ingredients which form part of multiple existing as well as emerging categories like UV absorbers, functional macromolecules, non-toxic preservation, mild surfactants for gentle cleansing, and blends. Backed by the principles of Green Chemistry, sustainability is always at the core of Galaxy's innovation efforts.

Some of the significant achievements during the year are as follows:

Focus this year was to address the growing need for 'Non-Toxic Preservation' as your Company believes, preservation given its criticality is going to witness significant transformation with consumers and customers demanding and adopting safer alternatives.

Galguard LipoG, a non-toxic ingredient for preservation, was manufactured at the pilot-scale last year.

Galguard LipoG is made from naturally derived raw materials. This product is REACH registered and is in line with the emerging need for green preservation.

Galguard Tetra, a non-toxic, readily biodegradable preservative system, produced using Galaxy's patented micro-emulsion process, is another product in the pipeline. It is a preservative for personal care products and is compatible with most of the formulations.

Galguard Trident S, a broad spectrum preservative, was launched for personal care products. It is free from any toxic ingredients, which makes it a unique solution for rinse-off and leave-on formulations, including solid formulations.

Innovation has always been our strength and we feel proud to share with you all that this was the third successive year when one of our path-breaking innovations – Galsoft TiLS (G), was awarded at the HPCI Exhibition held at Mumbai. Galaxy received 1st prize in the best innovation category for our next-generation Green, Sulfate-free, EO-free, PEG-free, and Alkanolamide-free, amino acid-based, oil-soluble surfactant 'Galsoft TiLS (G)'.

Innovation and COVID – How are we capitalising on the new normal

The global outbreak of COVID-19 has changed the entire personal care landscape, from consumer behaviour to emerging trends. This is the first time in the history of the personal care world that within 2 months there is a 360° shift in the consumers' needs. Consumers' emphasis on health, hygiene, and sanitation has changed the entire focus of product development in the Home and Personal Care industry.

In the last few months, most of the Global brands have initiated new projects in sanitation and cleansing segments. Some giant's well-known for their premium product ranges have stepped up and immediately got into the development and launch of mass products like hand sanitisers. Most of the other personal care companies big and small joined the league with quick developments of hand washes, liquid soaps, hand sanitisers and so on.

Similarly, the home care industry geared up for sanitisation and various disinfection and surface cleaning formulations. Companies, at all levels have been quick to respond and have come up with new launches addressing the areas of Floor Cleaning, surface Cleaning and specialised cleaning (laptops, door knobs) all with the central concept of disinfection. The Non FMCG players have also initiated projects for these segments, areas where in they were never present before segments. All the Home Care application projects have now gained a central theme of Germ Kill and Safety. Hence, there is increased demand for the development of products like Germ Kill / Anti-Bacterial Laundry Cleansers, Anti-Bacterial Wipes for Upholstery, etc.

COVID-19 is and will continue to result in significant and very evident, quick shifts in the consumer behaviour for Personal and Home Care products and change in the perspective of formulators to design the products. A combination of the use of safe ingredients, with germ kill and sanitisation efficacy, and enhanced value benefit (cost-effective) for easy reach and affordability is a common thought.

Galaxy with its wide range of products in cleansing and sanitisation has been working closely with various customers around the globe in personal as well as home care segments. We have joined hands with the customers to develop various formulation with claims like 99.9% germ kill, antibacterial, effective sanitisation and so on. With our range of products like Galsoft series, Galaxy Benzalkonium Chloride, Galaxy PEG 7 GC, and Galguard range of preservatives, we are working in close collaboration with our customers for developing various sanitising, cleansing and antibacterial products which are enabling us and our customers in the fight against this pandemic.

Galaxy has a strong team of Application scientists who are mind partnering with customers and aiding them to speed up the lab to scale-up process with their formulation expertise.

With our capabilities and various product platforms at Galaxy, we will continue to serve as a one-stop solution which will help the Home and Personal Care industry to deal with the unavoidable dynamics of the current scenario.

PATENTS

Since 2000, a total of 70 patents have been granted to Galaxy. Currently, 15 patents in USA, 2 patents each in China, Japan, Brazil and Russia, 4 in the European Union, and 16 patents in India are being maintained by Galaxy. Galaxy has applied for an aggregate of 16 patents globally, of which 6 applications have been made in India and an aggregate of 10 applications have been made for the patents in US, China, the European Union and Brazil.

In FY 2019-20, a total of 11 patents were granted to Galaxy, of which 6 were granted in India, 3 in USA, and 2 in Brazil.

Your Company received the honour of 'Excellent use of IP in Innovation' for 'Method to produce N-acyl amino acid surfactants using N-acyl amino acid surfactants or the corresponding anhydrides as catalysts' (US9187407 B2) by Transformance Forums on 27th September, 2019.



BUSINESS POSITIONING

Your Company caters to the Home and Personal Care industry. While the Home Care industry reported growth driven by the adoption of premium laundry and greater consumption of essential products pertaining to laundry care, surface care and dishwashing, beauty and personal care remained sluggish (in volume terms). Skin Care driven by consumption of more premium products reported healthy growth and was the primary driver.

Your Company has logged in a 4.4% volume growth for the current year with growth driven by both the segments – Performance Surfactants which registered a growth of 6% and Specialty Care Products which registered a growth of 1.7%. Geographically speaking, while India remained sluggish throughout the year on account of slower than usual consumption, reduction in Inventory days, and lack of credit availability for the distribution channels, Egypt made a strong comeback registering a 22.2% volumes growth driven by the strong growth reported by its Laundry Care market. While the Rest of the World started off well, the second half was slow mainly due to the seasonality effect in Q3 and onset of COVID pandemic in Q4 which impacted the developed markets initially before adversely impacting India.

The year under purview can be broadly divided into 3 parts:

Area	FY 2019	FY 2020	Growth %
Total Volumes (MT)	214,711	224,237	+4.4%
Performance Surfactants	135,337	143,521	+6.0%
Specialty Care	79,374	80,716	+1.7%
India	77,619	78,041	+0.5%
AMET	80,290	87,798	+9.4%
ROW	56,802	58,398	+2.8%

1. **India** – The domestic market registered a 0.5% volume growth for the year under review. While the Home Care market reported a volume growth, Beauty and Personal Care market remained sluggish. The categories in the Home Care segment where your Company's products find application while registered healthy growth (Premium Fabric Care, Liquid Detergents, and Fabric Softeners), given the small base, the positive impact on our overall volumes was small. With Beauty and Personal Care volumes reporting a decline in the current year, overall India business remained flat in volume terms vis-à-vis the previous year.
2. **AMET** – Egypt's comeback ensured the AMET market registers a 9.4% volume growth for the current year. With the growing consciousness of health and hygiene among the African and Middle Eastern consumers as well as the relatively lesser impact of the pandemic in Africa, we believe we can sustain this momentum in the coming year. While the impact on Turkey needs to be seen, overall we remain confident and see this recovery sustaining.
3. **Rest of the World** – After a strong first half, the ROW market ended up with a 2.8% volume growth primarily driven by higher demand for our Non-Toxic Preservatives and Mild Surfactants. But the onset of COVID-19 can cause a broad slowdown in these markets. Q4 saw a marked slowdown given the disruption caused by the pandemic. Cut down on discretionary spending and slower than usual consumption of premium products will have an adverse impact on our Specialty Portfolio which in turn will impact our business in these markets. Despite this blip, we believe the structural story remains intact and once the pandemic fear is through, we expect these markets to bounce back.

Your Company has undertaken various initiatives in 2019-20, which shall have a significant bearing on the business going ahead. Some of them are:

- Commissioning of the new performance surfactants line at Jhagadia
- Development and enhancement of our US Plant (TRI-K) by shifting to a new location which shall not only increase the manufacturing capacity but shall also enhance our warehousing capacity
- Redevelopment of our R&D centre. This is being done to ensure our Innovation team has world-class equipment at their disposal and multiple R&D activities can be undertaken at the same point of time focussing on multiple areas

Looking ahead, while the CAPEX planned for our specialty products remains on track, commissioning of the same will get delayed by 6-9 months and this shall now become operational only in FY 2021-22.

SUSTAINABILITY

Sustainability and business growth go hand-in-hand. Galaxy has implemented several sustainability initiatives that have helped in minimising the environmental impacts of its operations and actively contributed to the communities' social and economic development. Key focus areas have been improving energy efficiency, increasing renewable energy consumption, reducing waste generation, minimising water consumption, and mitigating climate change risks.

Embedding water stewardship as part of the core business activities remains our key focus. Your Company has also incorporated a group-wide sustainability policy that has helped it minimise its adverse environmental footprint and streamline business processes based on the sustainability approach.

Galaxy's manufacturing sites in India and Egypt are RSPO certified, which reflect its commitment towards a sustainable palm oil value chain.

NEW INITIATIVES CII'S GREENCO

CII's GreenCo Rating is the "first of its kind in the world" holistic framework that evaluates companies on the environmental friendliness of their activities using the life cycle approach. Galaxy has adopted the GreenCo rating system at its Talaja plant to assess its operations' environmental performance adopting a procedure-based approach.

CLIMATE-RELATED – RISKS AND OPPORTUNITIES

Galaxy has embraced TCFD (The Task Force on Climate-related Financial Disclosures) recommendation with a commitment to evaluate, manage and report its Climate-related risks.

The assessment aims to conduct climate-related risk assessment across Galaxy's operations, identify the principal risks – physical and transitional, prioritise and estimate the financial impacts, thereby assessing your company's resilience upon transitioning to a low carbon economy. For the assessment, a team has been formed, comprising of the Board members. The prima-facie objective of the assessment team is to describe the impact of climate-related risks alongside their descriptions of the potential risks and opportunities.

The response to climate-related risks is to improve energy efficiency and implement projects to reduce GHG emissions in operation and across the value chain.

RAW MATERIALS SCENARIO

Fatty Alcohol and Fatty Acids, which are Crude Palm Kernel Oil derivatives are our key raw materials and these made up for >50% of our total raw material buying. Fatty Alcohol is sourced from South East Asia and with multiple suppliers in Indonesia, Malaysia and Thailand, your Company has de-risked its raw material vendor/country risk.

Fatty Alcohol Prices 2019-20



Fatty Alcohol prices were on the decline in the first half of the financial year. While Q3 saw some upmove, the move came to an end with the onset of the pandemic. The Average Price vis-à-vis the previous year declined 12.76%.

Comprehensive Risk management frameworks and mechanisms to manage volatility ensured no Mark-to-Market impact.

CRUDE PETROLEUM DERIVATIVES

Your Company also consumes certain crude petroleum derivatives. The major ones are Ethylene Oxide, Phenol, and Linear Alkyl Benzene. These makeup for 22-25% of the Company's total purchases. Strong risk management practices, competitive pricing models and a diverse customer base has enabled us to manage the volatility in a superior manner.

RISKS ASSESSMENT

Demand Risk: The onset of the COVID-19 poses a significant risk to the business – both on account of Demand as well as Supply. Demand risks include risks on account of slowdown in consumption. While demand for essentials is projected to remain fairly resilient, demand for beauty and personal care products can face headwinds in the coming year.

Climate Risk: While it is said that rural markets have not been severely impacted by COVID-19, poor monsoons can have an equally severe impact on rural consumption. This remains a key risk for our domestic business. Various natural catastrophic events while to date have not caused any damage, the occurrence of such an event can have a significant bearing on the operations of the Company if it affects the business directly.

Geo-Political Risks: Your Company today supplies to 80+ countries. 65% of the volumes come from the International market. Supply Chain Disruptions in countries where your Company has material business can impact it adversely. Rising geopolitical tensions with our neighbours as well as adverse impacts due to new free trade agreements can pose risk to the business going ahead.

Operational Risks: These include risks that arise on account of raw materials, exchange volatility, and risks on account of people. The disruption caused due to the sudden lockdown had a significant bearing on your Company's operations in the last week of March. Extension of the lockdown or sudden intermittent lockdowns without adequate preparation can impact your Company's operations and business performance adversely

While your Company has a comprehensive risk management framework in place to guard against the raw material volatility, given the oligopolistic nature of the Fatty Alcohol market, dependence on one supplier for ethylene oxide, unavailability of the raw materials can have an adverse impact on the performance. Non-functioning of domestic transport due to the unavailability of labour or non-functioning of ports can again materially impact the business of your Company. Your Company remains naturally hedged, despite that significant movement in a short period can have an adverse/positive impact on the Company's performance. The risk of key management personnel leaving exists. To guard against the same, your Company has a competitive remuneration policy combined with appropriate rewards and recognition plans.

Gestation Risk: Specialty Care products undergo significant testing and qualification procedures before the same are incorporated in the end formulation by the customer. The result of the same may not always be positive. These products, hence, carry a significant gestation risk and materialisation of the same can potentially affect the business performance of the Company.

COVID-19 Risk: The onset of COVID-19 poses and can impact the business performance of the Company adversely in the following ways:

- Macro-Economic Risks – delayed/slowdown in consumption due to loss of jobs
- Specialty Business Risk – Delay in new launches/commercialisation of New Projects with customers/ new approvals
- Default Risks – Slowing economies and recessionary conditions raise the risks of defaults/non-payments by customers in certain geographies
- Localisation Risk – Supply Chain disruption continuing for a prolonged period can result in international customers looking for local alternatives
- Delay in CAPEX – This risk has materialised. Any further delay in the return of migrant labourers/unavailability of labourers for setting up our new plant will impact the future business performance.

FINANCIAL HIGHLIGHTS

In Line with our stated objective –

PAT Growth > EBITDA Growth > Volume Growth

ROCE stood in excess of 22%

Cash from Operations stood at ₹ 316 Crores

BUSINESS STRENGTHS & OPPORTUNITIES

STRENGTHS

1. Operates in Personal Care and Home Care industries, part of FMCG sector, 4th largest sector in India and one of the largest globally which can weather the recession better than most other industries due to their inelastic demands.

- One of the leading players in the performance surfactants business in the local markets of India and Africa, Middle East, and Turkey. The demand for essentials shall ensure demand for performance surfactants remains resilient.
- Cutting-edge innovation in line with the trends to cater to the emerging categories of the Home and Personal Care industry as well as guard against any disruptions.
- Diverse customer base with decade old relationships with major multinational customers demonstrates our capabilities in managing a robust global supply chain.

Parameter	2019-20	2018-19	Y-O-Y Change
Volumes (MT)	2,24,237	2,14,711	+4.4%
EBITDA (₹ Crores)	374.83	358.05	+4.7%
Profit after Tax (₹ Crores)	230.41	190.98	+20.6%
Cash Flow from Operations (₹ Crores)	316.15	282.93	+11.7%
ROCE	23.5%	26.8%	-3.3%
RONW	23.7%	23.9%	-0.2%
Net Current Assets (as % of Sales)	25.4%	22.0%	+3.4%
Interest Coverage ratio*	13.1	10.2	+28.4%
Net Profit Margin#	9.0%	7.0%	+28.6%
Debt to EBITDA	0.99	0.83	+19.3%
Gross Fixed Assets Turnover	1.9	2.5	-24.0%

* On account of lower interest cost

On account of higher profit after tax and lower sales value

- Robust financials with steady growth in volumes, EBITDA, PAT, OCF, and High Return ratios.
- Our People have been an integral part and played a pivotal role in our success. Your company believes adequate training, skilling and talent management is critical for this to continue and has taken up multiple initiatives to enhance the same.

OPPORTUNITIES

- The trend today is to survive. There is a wave of fear among people and maintaining hygiene has become indispensable. Your Company through its range of surfactants, right from the traditional performance surfactants to the mildest of surfactants that go into baby care products has a ready portfolio and is ready to cater to this demand.
- Penetration driven by technology, e-commerce platforms, and Government guidelines is resulting in consumer awareness and shall consequently lead to demand creation.
- Ideas are the currency of today and e-commerce has made it very easy for these ideas and innovations to reach the consumers. With the wave of Make in India on the rise, local manufacturing shall rise. Your Company actively

engages with the start-ups and local manufacturers in the home and personal care market in order to capitalise on these emerging opportunities and trends.

- Migration from Mass to Masstige to Prestige Products in both Home as well as Personal Care segments shall yield positive results for the Company.

Corporate Social Responsibility (CSR)

Your Company has spent ₹3.32 Crores for CSR activities. Your company is working pro-actively and continuously with the objective to ensure best possible allocation and utilization of the available resources for the society at large. The Company's CSR activities are spread across a variety of sectors which are as follows:

HEALTH & HYGIENE (AROGYA VARDHEENI) HEALTH, HYGIENE & PREVENTIVE HEALTHCARE

This programme includes Primary Health Care through diagnosis and treatments, promoting preventive healthcare, and spreading awareness about hygiene.

Your Company conducted nine free Health-cum-Eye Camp in nearby slums and villages covering 1,560 people and distributed 742 spectacles free and sponsored 47 Cataract operations.

SANITATION

This programme focusses on spreading awareness on sanitation. Your company has constructed toilets for girls and boys and has provided financial support for the construction of community household toilets.

Your Company has supported 100 Tribal Crèches in 54 villages in Chhattisgarh, by providing nutritional food to 1,100 underprivileged and malnourished infants.

EDUCATION (GYAAN SANJEEVANI) EDUCATION SECTOR

Within this programme, your company focusses on contributing to improve and facilitate the literacy levels using tools such as e-learning for various sections of the society. Galaxy believes in providing support at every stage of a child's educational journey.

ENHANCING VOCATIONAL SKILLS FOR DIFFERENTLY ABLED

Your Company under this programme has provided financial support for Divyang people & specially challenged children. Galaxy's resources have been useful in providing school buses, special benches & tables, food supply, sports equipment for institutes working for Divyang & specially challenged children.

Your Company constructed 4 New Classrooms and a Multipurpose Hall for a school. Your Company distributed 35,568 notebooks to over 5,952 students during the year. Cumulatively till date your company has distributed 1,49,022 notebooks to over 36,000 students.

COMMUNITY DEVELOPMENT (SAMAJEEK UTTHAAN) RURAL DEVELOPMENT / REDUCING INEQUALITIES FACED BY SOCIALLY & ECONOMICALLY BACKWARD GROUPS

Your Company, through this programme, provides infrastructure support to those in need. It involves building hostels, old age homes, homes for orphans, and destitute. Galaxy also undertook community sanitation projects and adopted a village through integrated village development initiatives by ensuring access to safe drinking water, setting up public libraries, and promoting sports.

WOMEN EMPOWERMENT (STREE UNNATI) EMPOWERING WOMEN

Galaxy has conducted girl child & women education and development programmes throughout the year. It includes awareness about menstrual hygiene, income generation through vocational training, distribution of sewing machines, knowledge about relevant statutes, self-defence training to destitute, trafficked girls and women.

ENVIRONMENT PROTECTION (VATAVARAN SURAKSHA)

ENSURING ENVIRONMENT PROTECTION & ECOLOGICAL BALANCE

This programme includes initiatives like tree plantation, cleanliness drives, creating and generating awareness among people on energy/water conservation and harvesting, solid waste reduction, proper disposal by segregation and composting, promoting solar and other non-conventional energy projects (installation of the rooftop solar system), reverse rainwater harvesting, de-silting of the lake and installation of drip irrigation.

In December 2019, Galaxy was named as the Winner of “Water Heroes” Contest for the month by the Ministry of Water Resources & Ganga Rejuvenation – Government of India.



Winner announcement for the Fourth and Fifth month of Water Heroes:
Share Your Stories Contest

For the 4th month (December, 2019) of the Contest, following are the winners:

S.No.	Name	Comment ID
1	Ms. Madhulika Choudhary	108156931
2	Sh. Madhav Prabhu	107807211
3	Sh. Sritish Kumar Gouda	107807211
4	Sh. Gajandev Parashar	107807211
5	Sh. Anil N Kulkarni	107807211
6	Sh. Harshankar Singh	107806591
7	Sh. Amit Giri	108217721
8	Sh. Prasad Giri	107807211
9	Sh. Deepak Kumar	107809081
10	Ms. Usha Desai	107903701

Your Company was also appreciated by the Government of Maharashtra for its afforestation project in Tetavali, Rabale, Navi Mumbai – in partnership with NGO “HARIYALI”.



CALAMITY RELIEF (AAPDA RAHAT)

This programme involves contribution to PM Relief Fund or NGOs. It also involves directly providing relief material to the affected inhabitants and initiating rehabilitation projects in the flood affected areas.

Your Company provided over 1,000 food packets along with hygiene kits to the flood-affected victims

Your Company rebuilt 14 damaged houses and rehabilitated 14 families, who became homeless after the Kolhapur floods.

HUMAN RESOURCES

At Galaxy, people are its powerhouse, and therefore, our HR department is known as the People Energy Process. The Core Culture (Vision, Mission, Motto, 4Cs, and Values) along with the Galaxy Way of Leading (Galaxy’s 6 Leadership Pillars) happen to be your Company’s key ingredients for creating a highly motivated, performance-driven and engaging environment for the Employees. Galaxy today has an employee base of over 1550+ employees

Your Company has always focussed on developing a robust Learning Environment across the organisation. Exceptional attention to detail in planning both technical and behavioural training for employees at all levels ensures that our employees are well nurtured round the year and drive Business Growth in all domains.

Along with work, your Company believes that a healthy and happy workforce is more dedicated and productive. Hence, Galaxy drives strategic agendas and awareness campaigns on employee health and wellness to ensure a happy healthy and motivated workforce.

Your Company this year, was certified as a Great Place to Work™. This certification was awarded to Galaxy for its distinctive culture and people practices.

BUSINESS OUTLOOK

One of our core values is that Quality is All-Pervasive – It includes everything. Your Company realises that the quality of life and health are paramount. Although the pandemic has disrupted a variety of things and shall leave some irreversible effects on human life, we must remember that Coronavirus too shall pass.

Your Company through its wide basket of products caters to all major categories that form part of the Home and Personal Care value chain. Be it the essentials, where our Performance Surfactants play a key role, or be it the masstige and premium categories in the Home and Personal Care space where our performance and specialty care products, as well as multiple specialty products, find application, your Company today is a one-stop shop for all requirements.

While the Premium Beauty Care segment might get adversely impacted in the coming year which in turn shall adversely impact our portfolio of Mild Surfactants, Sunscreens, and certain New Launches, we believe, this category will be one of the earliest ones to bounce back when normalcy returns. While our CAPEX for our specialty products might have got delayed, we remain firmly committed to it and this is on the back of the confidence we have on our new innovations and premium products.

Premiumisation and E-Commerce are two platforms that can catapult your Company towards the next decade of growth.

Our product portfolio, formulation expertise, and deep understanding of the end consumer markets shall help us capitalise on these two important triggers which we believe shall define the next decade.

Growing awareness for home care, health, and hygiene along with the desire for natural, safer, and milder products are trends that shall shape the future. Premium Fabric Care, Skin Care, Migration from Bar to Powder to Liquid provides significant room for growth for our entire portfolio of products – Performance Surfactants as well as Specialty Care Products.

Innovation is the foundation of Galaxy. Path-breaking innovations in line with consumer trends have been a key growth driver for your Company. We have been continuously engaging with our customers to provide solutions that align with the needs of the value-conscious consumer. This year, our focus was Non-Toxic Preservation – Nature-derived molecules which shall drive the next leg of 'Green Preservation'.

With this, we would like to conclude that while the situation today looks grim and bleak, we are optimistic this too shall pass and the world shall look back at this pandemic as a defining moment in history. Your Company is ready for the next decade. The decade which shall again focus on sustainable and consistent value generation and growth for all our stakeholders.

Directors' Report

TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirty Fourth (34th) Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
(₹ Crores)				
REVENUE & PROFITS				
Total Revenue from operations	1793.12	1996.36	2596.38	2762.99
Profit before Interest, Tax & Depreciation	286.54	303.51	374.83	358.05
Less : Interest & Finance Charges	16.90	20.44	23.80	30.00
Less : Depreciation	39.94	28.70	62.19	51.20
Profit for the year before Tax	229.70	254.37	288.84	276.85
Less : Provision for Taxation				
- Current	58.12	73.58	61.34	82.55
- Deferred	(10.60)	12.34	(2.91)	3.32
Net Profit/(Loss) after Tax	182.18	168.45	230.41	190.98
RETAINED EARNINGS				
Opening Balance of Retained Earnings	720.48	603.78	797.88	658.65
Add: Profit for the year	182.18	168.45	230.41	190.98
Add: Other comprehensive income	(2.18)	(0.52)	(2.18)	(0.52)
Less: Appropriations: Dividend				
- Interim Dividend	49.64	17.73	49.64	17.73
- Final Dividend*	10.64	24.82	10.64	24.82
Total Dividend on Equity Shares	60.28	42.55	60.28	42.55
Provision for Corporate Dividend Tax on Dividend	12.39	8.74	12.39	8.74
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	-	0.06	-	0.06
Balance as at end of the Year	827.81	720.48	953.44	797.88

* ₹ 24.82 Cr is final dividend for 2017-18 paid in 2018-19 and ₹ 10.64 Cr is Final dividend for 2018-19 paid in 2019-20.

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	₹ Crores		USD 000's	
	2019-20	2018-19	2019-20	2018-19
REVENUE & PROFITS				
Total Revenue from operations	339.65	323.89	47953	46410
Profit before Interest, Tax & Depreciation	36.45	42.56	5146	6098
Less : Interest & Finance Charges	0.55	0.08	78	12
Less : Depreciation	3.91	4.19	552	601
Profit for the year before Tax	31.99	38.29	4516	5485
Less : Provision for Taxation				
- Current	3.12	8.88	441	1272
- Deferred	4.33	(0.57)	610	(82)
Net Profit after Tax	24.54	29.98	3465	4295
RETAINED EARNINGS				
Opening Balance of Retained Earnings	123.67	93.69	18504	14209
Add: Profit for the year	24.54	29.98	3465	4295
Balance as at end of the Year	148.21	123.67	21969	18504

Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	₹ Crores		USD 000's	
	2019-20	2018-19	2019-20	2018-19
REVENUE & PROFITS				
Total Revenue from operations	697.89	718.14	98531	102900
Profit/(Loss) before Interest, Tax & Depreciation	53.51	51.10	7555	7322
Less : Interest & Finance Charges	10.02	13.06	1416	1872
Less : Depreciation	18.41	18.39	2599	2634
Profit /(Loss) for the year before Tax	25.08	19.65	3540	2816
Net Profit after Tax	25.08	19.65	3540	2816
RETAINED EARNINGS				
Opening Balance of Retained Earnings	7.91	(11.74)	(4188)	(7004)
Add: Profit for the year	25.08	19.65	3540	2816
Balance as at end of the Year	32.99	7.91	(648)	(4188)

2. DIVIDEND

The Board in its meeting held on March 16, 2020 has declared an interim dividend of ₹ 14/- per equity share (including one-time special dividend of ₹ 6/- to commemorate the 40th year of the establishment of Galaxy) i.e. 140% of nominal value of ₹ 10/- each for the financial year 2019-20. The interim dividend shall be the final dividend for the year. The dividend has resulted in an outlay of ₹ 59.84 Crs (including Dividend Distribution Tax of ₹ 10.20 Crs)

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://galaxysurfactants.com>.

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	
	2019-20	2018-19	2019-20	2018-19
EBITDA (% to Revenue from Operations)	16.0%	15.2%	14.4%	13.0%
PAT (% to Revenue from Operations)	10.2%	8.4%	8.9%	6.9%
ROACE (%)	23.6%	29.0%	23.5%	26.8%
RONW (%)	21.8%	23.3%	23.7%	23.9%
Debt : Equity Ratio	0.21	0.20	0.35	0.34
Earnings per Share (₹)	51.38	47.51	64.99	53.87
Cash Earnings per Share (₹)	62.65	55.61	82.53	68.31
Book Value per Share (₹)	250.98	220.71	301.16	247.28

Your Company successfully navigated challenging developments in the business environment to post a growth of 4.4% in volumes relative to the previous year. Growth was driven by AMET – primarily driven by the recovery in the Egypt market. A slowing and tepid Personal Care space in the developed markets saw rest of the world registering a 2.8% growth. India on the back of a slowing Home and Personal Care Industry, which declined in Q-4 FY 20, remained flat relative to the Previous Year.

Crisis in the NBFC sector led to financial systemic risk to the shadow banking sector, pain of which was fairly visible across various sectors. Risk averseness of the formal banks led to further tightening, which adversely affected consumption. Lack of adequate credit to the Home and Personal Care distribution channels resulted in reduction

in inventory days, which in turn impacted sales for your Company in India. The liquidity crisis was so profound that in order to keep the cycle moving, manufacturers of FMCG products had to pitch on behalf of its distributor partners in order to enable its supply chain partners to access credit. The liquidity compression affected the stocking levels with distributors, affecting offtake from your Company.

Tepid demand, lack of adequate liquidity and reduction in inventory days saw the Home and Personal Care Industry slowing down significantly in India this year – decline of which accelerated in Q-4 especially with the onset of Corona virus. While growing awareness of Health, Hygiene and Home Care gives us hope; a bleak demand outlook on account of a slowing economy and declining consumption makes us cautious.

Outbreak of COVID-19 in Q-4 in China affected our exports of specialty care products to the Chinese market firstly, which was subsequently followed by disruptions in the supply chain to the European and US markets. This followed by a lock down in India from 24th of March 2020 completely brought the operations to a standstill during the final week of this financial year. While our units in India have got impacted by this, our subsidiaries in Egypt and USA continued to operate normally with relatively fewer disturbances during this period.

Despite the headwinds, your Company invests for the long run. Currently brownfield projects are under execution at Jhagadia and Tarapur. These projects would get commercialized before the close of 2020-21. To meet future growth needs, your Company has purchased a large parcel of land in Jhagadia located at a distance of 2 Kms from the existing plant. Your Company would utilize the lead time to obtain the necessary environmental clearance so that the site is regulatory wise ready for further investments as we move forward.

Your Company believes in partnering with the customers in the value chain driven by its customer centric business philosophy of “Consumer to Chemistry”. It participates actively in all the elements of the value chain starting from innovation to addressing the immediate needs of our customers to partnering with them for developing sustainable and path breaking solutions for the end consumer. Acknowledging this distinction and for the long standing strategic partnerships your Company shares with many multinational, regional and local customers, it has received customer recognitions from some of the reputed global and Indian MNC’s for the year under review. Its product GalSoft TILS (G), a mild surfactant in the family of specialty products, has received Gold Award at the HPCI exhibition held in February 2020, at Mumbai.

Your Company supplies to more than 80 countries year on year, on a consistent basis. About 65% of its business is outside of India, making it a large and consistently growing exporter. It is for this consistent performance, your Company was given the “Award of Excellency” by CHEMEXCIL, an award bestowed on companies who have sustained their export performance for years.

Your Company regularly invests in ReACH registrations of its products to establish its products in developed regulated markets. During the year 2019-20, it has incurred ₹ 3.8 Crs in getting 3 products registered under ReACH.

During the year, we have secured 11 patents covering countries of India, US and Brazil. Our earlier launch of GLI 21, a mild surfactant in the family of specialty products, is seeing good traction and we are optimistic that this product would address the consumer needs of

transparent formulation of super mild and sulfate free surfactant for premier applications.

COVID-19 has resulted in a global economic wreck and a contraction in the global GDP is a shocking reality. While growing awareness of Health, Hygiene and Home Care augurs well for us, decline in discretionary spending shall have an adverse impact on the Beauty and Premium segments going ahead. In the long run with our exclusive focus on the Home and Personal Care space, your Company will recover relatively faster. For your Company, the COVID-19 impact is from supply chain uncertainty than from demand destruction. Further, the multi-decade relationships with our customers and strong focus on sustainable innovation shall enable us to emerge stronger in the post COVID-19 era.

FINANCIAL PERFORMANCE

Your Company has posted excellent financial performance during the year in a challenging environment. Against the consolidated volume growth (adjusted) of 4.4 %, the PAT grew by 20.6%. This has been achieved against deteriorating growth, adverse geopolitical conditions, volatility in currency and feedstock market and start of the COVID-19 pandemic. Given the continuous decline in the price of a major feedstock, the volume growth does not reflect in the sales revenue.

During the year, our expansion in Jhagadia was fully completed and commissioned. Subsidiary in USA (TRI-K Industries Inc.) shifted the plant to a new site on freehold land removing the infrastructure constraints experienced in leasehold location. Your Company is in the process of augmenting its R&D Capabilities by expansion at its R&D Centre at TTC, Navi Mumbai. Ongoing brown field expansions at Jhagadia and Tarapur would get completed during 2020-21 along with the infrastructure for our R&D Centre. Despite the ongoing capex, your Company has been able to maintain the Debt Equity ratio at the same levels as in the previous year.

During the year your Company has partly redeemed the Preference Shares issued by the Investment Holding Subsidiary located in Mauritius for a value of USD 5.35 Mio. The standalone financials include net loss on the revaluation of investment in Preference Shares of ₹ 0.15 Crs in FY 2019-20 as against a gain of ₹ 33.41 Crs in FY 2018-19.

The base corporate tax rate in India has been reduced during the year from 30% to 22%. This has reduced the effective taxation rate at Standalone and Consolidated level. The benefit from the lower tax rate is ₹ 22.5 Crs in the form of tax savings for the year and a one-time reversal of deferred tax liability of ₹ 9.4 Crs.

The Return on Average Net Worth of your Company for the year is 23.7%. This results in an EPS growth of 20.6% from ₹ 53.87 in FY 2018-19 to ₹ 64.99 in FY 2019-20. The book value of the share has increased to ₹ 301.16 (an increase of 21.8%) after a dividend of ₹ 14 per share for the year 2019-20 including an interim dividend of ₹ 8/- and special dividend of ₹ 6/- on reaching four decades of business by GALAXY. Composite interim and special dividend of ₹ 14 shall be the final dividend as well for the year.

Given your Company's focus on Home and Personal Care ingredients segment, which addresses safety and hygiene needs and the wide basket of products catering to mass, masstige and premium consumption, wide customer base and global geographical spread covering more than 80 countries on a consistent basis as on date, your Company does not foresee any significant deterioration in its financial profile during COVID-19 time and would use this opportunity to emerge stronger.

4. PEOPLE ENERGY

People Energy visualizes the growth and sustainability of the organization through the Lens of Talent as it is the prime driver to foster sustained business performance, custodianship of culture by upholding the values and catering to the dynamic needs of all stakeholders including customers, partners and employees. The people development interventions have a direct and long term impact in maintaining and sustaining overall productivity, help identify and address the talent gaps and overall competency development.

The focus continues to be on aligning the Core Culture along with the 6 Leadership Pillars which is known as "Galaxy Way of Leading" and centered around bringing excellence and outperformance in areas of Innovation, Talent, Customers and Sustainability.

Your Company has been recognized as a Great Place to Work by Great Place to Work® Institute. This certification is the hallmark for an organization in its journey to build a High-Trust, High-Performance Culture. Focused efforts are made towards surpassing own culture assessment results and keep raising the bar as the aspiration is to be in the Top 100 best workplaces.

Continual focus remained on Leadership Development, Talent Management, Career Development Journeys, Upgrading and Upskilling programmes, Mentoring and Action Learning projects resulting into growth of individual and organization alike.

5. QUALITY

Your Company is committed to deliver consistently high quality and high performing products and services to its customers.

Your Company focuses relentlessly on continuous improvement in quality in all domains and implemented key Best Practices at our sites, which enables it to meet the stringent quality benchmarks set by multinational customers for the product qualifications.

Your Company has won GOLD Medal in the National Awards for Manufacturing Competitiveness (NAMC) 2018-19 for the Jhagadia site. World class practices such as TPM are adopted at the manufacturing sites while internal benchmarking programmes such as Galaxy Manufacturing Excellence Award (GMEA) are conducted annually. This year again your Company participated in Quality Circle Competitions, wherein all the participating teams were felicitated under GOLD category at 33rd Annual Chapter Convention on Quality Concepts (Mumbai Chapter).

Under the umbrella of Product Stewardship, your Company has further strengthened on Eco-integrations, Sustainable Product Development, Product Safety and Security. Product customizations and offering solution to meet consumer trends have been yet another feature to deliver good value for money to the customers.

6. SUSTAINABILITY / RESPONSIBLE CARE

Your Company conducts its business in a socially responsible, environmentally sustainable and economically viable manner through stakeholder inclusive process. Sustainability is an important part of your Company's business approach to give attention to the environment and provide sustainable technological development. Your Company has Sustainability Cell which is a three-tier structure with Steering Committee at Apex comprising Board of Directors. Sustainability cell members meet thrice a year to assess and review the sustainability and business responsibility performance.

At your Company, sustainability and business growth goes hand in hand. Your Company has implemented several sustainability initiatives that have helped in minimizing environmental impacts of its operations and actively contribute to social and economic development of the communities. Key focus areas have been improving energy efficiency, increasing renewable energy consumption, reducing waste generation, minimizing water consumption and mitigating climate change risks. Your Company has also incorporated group-wide sustainability policy that has helped to minimize its environmental footprint and streamline business processes based on sustainability approach. Your Company has achieved certification of ISO 50001:2018, Energy Management System for its Taloja manufacturing unit. Your Company has been selected as one of the finalists in Asia Sustainability Reporting Awards 2019 in Asia's Best Environmental Reporting category for its 8th Sustainability Report 2018-19.



Your Company has achieved consistent progress in Carbon Disclosure Project (CDP) 2019 with Score as B - Management Level, for Climate Change as well as Water Security modules.

CDP SCORE 2019



Your Company has certifications of Responsible Care and RSPO (Roundtable on Sustainable Palm Oil) that promotes safe and sustainable practices in the chemical industries. Your Company has received permission for using of Responsible Care® Logo for a period of 3 years (January 2018 - December 2020) for its manufacturing units in India. This signifies major improvements undertaken in areas of safety, health, environment and sustainability. Your Company has initiated adoption of 7th Code- Security Code under the voluntary requirements of Responsible Care in India. Your Company is working towards incorporating sustainability across its supply chain by engaging with its suppliers on their environment and social performance. Your Company's manufacturing sites in India and Egypt are RSPO certified, which reflects its commitment to a sustainable palm oil supply chain.

Your Company continuously engages with its supply chain partners to improve operational efficiency and integrate sustainability considerations into value chain. The focus in this year was to increase strategic engagement with suppliers on sustainability agenda and develop sustainability awareness of local suppliers. Your Company conducts periodical site assessment for suppliers and checks the performance of non-financial indicators as well. The Company has initiated interaction with suppliers for mutual value creation on sustainability front.

The performance of Sustainability Goals and initiatives are shared on website and also in the Sustainability Report of your Company.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social

Responsibility Policy) Rules, 2014, the Board of Directors of your Company have constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

Your Company has also formulated a CSR Policy and the same is available on your Company's website at <https://www.galaxysurfactants.com/about/our-policies.aspx>.

All the CSR activities of your Company are in compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013. CSR Committee reviewed and updated the CSR Policy covering the objectives, focus areas, budget, monitoring & reporting among others.

Following are the highlights of CSR Activities undertaken by the Company during the year:

Sr. Focused no. CSR Projects	Description
1. Arogya Vardheeni	Your Company has supported 100 Tribal Creches in 54 villages of Chhattisgarh by providing nutritional food to 1100 underprivileged and malnourished infants; Your Company conducted 9 free Health cum Eye Camp in nearby slums and villages of Raigad, Maharashtra & Bharuch, Gujarat covering 1560 people and distributed 742 spectacles free of cost and 47 Cataract operations were successfully completed.

Sr. Focused no. CSR Projects	Description
2. Gyan Sanjeevani	Your Company constructed 4 new Classrooms and a Multipurpose Hall for a School in village Walia, near Jhagadia Plant, Gujarat; Distributed 35,568 notebooks to over 5,952 students during the year. Cumulatively till date, distributed 1,49,022 Notebooks to over 36,000 students at schools at various places in Maharashtra and Gujarat.
3. Samajeek Utthan	Construction of Water Tank for the Villagers, near Jhagadia Plant; Your Company started an Integrated Village Development project in draught prone region of Nanded on the concept of Rain Water Harvesting model of ridge to valley. Your Company is supporting construction of a shelter home for education and vocational training of Divyaang persons in Pen, District Raigad, Maharashtra.
4. Vatavaran Suraksha	Planted 4,510 trees during the year and cumulative 45,328 trees in last 6 years at various places in Maharashtra, Gujarat and Tamilnadu; Your Company extended support for de-silting of a pond resulting in additional water capacity of 5.76 Crore liters of water for Village Chatale, District Palghar, Maharashtra.
5. Stree Unnati	To empower young women staying in slums at Turbhe- Navi Mumbai, Company provided them livelihood skill based trainings like Beautician, Retail & Sales, Para nursing, etc.; During the year, 198 girls / women were imparted training, out of which 120 girls have now secured jobs and are contributing to their family. Till date, 462 women have been trained and 331 are working; Additionally, tailoring training along with Sewing Machine were provided to 87 women during the year. Till date, 173 Sewing Machines are provided.
6. Aapda Rahat	Your Company provided over 1000 food packets + hygiene kits to floods affected victims of District Kolhapur and Sangli of Maharashtra by our volunteers personally to each individual household; Your Company rebuilt 14 damaged houses and rehabilitated 14 families of the above districts, who became homeless after the flood.

Against ₹ 3.58 Crore that were required to be spent on CSR activities under Schedule VII, your Company has disbursed ₹ 3.32 Crore and reasons for unspent amount are mentioned in "Annexure C" to this report.

A detailed report on amount spent on different activities, results achieved on the initiatives undertaken by your Company is attached with "Annexure C".

8. FIXED DEPOSITS

Your Company has stopped accepting and renewing maturing deposits with effect from February 1, 2014. All the deposits that were accepted had matured by March 31, 2017 and were repaid except those remaining unclaimed. As on March 31, 2020, your Company had no unclaimed deposits.

9. SUBSIDIARY COMPANIES

As of March 31, 2020, 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 have 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.

Pursuant to the provisions of sub section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial statement of each of our subsidiaries are set out in the prescribed format AOC-1 which forms part of the Financial Statements section of this Annual Report.

Further, pursuant to the provisions of section 136 of the Companies Act, 2013, the Financial Statements of subsidiary Companies are uploaded on the website of your Company i.e. www.galaxysurfactants.com and shall also be available for inspection at the registered office of your Company with prior notice.

During the year, no company had become subsidiary of your Company or ceased to be a subsidiary of your Company.

10. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION

Disclosures relating to remuneration and other details as required under 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 provided in the Annual Report in Annexure G, which forms part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of your Company with prior notice and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company rejoiced the selection of Mr. U. Shekhar, Managing Director of your Company as a finalist for the EY Entrepreneur of the Year Award 2019. This is a stellar acknowledgement for co-creating Galaxy as a globally recognized brand with 4 other partners in its journey from a startup in 1980 to an Indian MNC.

i. Changes in the Composition in the Board of Directors and Key Managerial Personnel

The appointment of Mr. Shashikant Shanbhag (DIN 00265103) as Non-Executive Director was approved by the members in the 33rd Annual General Meeting.

Three of the Independent Directors viz. Mr. S Ravindranath, Mr. Subodh Nadkarni and Mr. M G Parameswaran, who were appointed as Independent Directors of the Company till 33rd Annual General Meeting, were re-appointed passing Special Resolution by the Members in the above meeting as an Independent Directors for their second term of 5 years, except Mr. S Ravindranath who would be reaching 75 years of age on April 20, 2022.

ii. Independent Directors

As on March 31, 2020, your Company has 4 Independent Directors on its Board.

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 have given the declaration of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

Mrs. Nandita Gurjar, Independent Director of the Company is completing her first term on the

conclusion of 34th AGM. Under the Companies Act 2013, she is eligible to be reappointed for a second fixed term of 5 years by a Special Resolution passed by the members. Your Company has greatly benefited from her illustrious experience in large reputed corporates. Accordingly, your Board considers it appropriate to recommend her reappointment for a further fixed term of 5 years. The proposal for reappointment of Mrs. Gurjar is covered in resolution no. 10 of the AGM notice as Special Business.

iii. Reappointment of Directors Liable to Retire by Rotation

Your Board has 7 Directors who are liable to retire by rotation. The following two Directors would retire in the ensuing AGM and being eligible, have offered themselves for reappointment.

Name	Designation	DIN
Mr. K Ganesh Kamath	Executive Director (Finance) & CFO	07767220
Dr. Nirmal Koshti	Non-Executive Director	07626499

Your Board recommends reappointment of Mr. K Ganesh Kamath and Dr. Nirmal Koshti. These appointments are covered in Item Nos. 4 and 5 of the AGM notice as Ordinary Business.

iv. Key Managerial Personnel

During the year under review, there was no change in the Key Managerial Personnel.

12. NOMINATION AND REMUNERATION POLICY

The Board of Directors on the recommendation of the Nomination & Remuneration Committee has framed a policy which inter alia lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of your Company and criteria for selection and appointment of Board members. The said Policy is annexed as "Annexure D" and forms an integral part of this Report.

13. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance. Your Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations.

The details of programmes for familiarization of Independent Directors of your Company is available on your Company's website www.galaxysurfactants.com.

14. BOARD COMMITTEES

In order to strengthen its functioning, the Board of Directors has constituted the following Committees as per the requirement of Companies Act, 2013 and the SEBI Regulations:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Details of the Committees along with their charter, composition and meetings held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

15. MEETINGS OF THE BOARD AND COMMITTEES

The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

Secretarial Standards:

Applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

16. 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 for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors had 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 as at March 31, 2020 and of the profit and loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of

Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors had prepared the Annual Accounts on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) 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.

17. AUDITORS

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP (Firm Registration Number 117366W/W-100018) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on August 17, 2017 for a term of 5 consecutive years i.e. from the conclusion of 31st Annual General Meeting till the conclusion of 36th Annual General Meeting to be held in the year 2022.

The Report given by the Auditors on the Financial Statements of your Company is part of this Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Cost Auditors

Your Board of Directors, based on recommendation of the Audit Committee has appointed M/s. Nawal Barde Devdhe & Associates, Cost Accountants in Practice to audit the cost accounts of the Company for the Financial Year 2020-21. In term 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 members. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 6 of the AGM Notice as Special Business.

Secretarial Auditors

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 2019-20 is appended as "Annexure F" to this Board's Report.

There is no qualification, reservations or adverse remarks made by the Secretarial Auditor in their report.

18. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS

Your Company has formulated and implemented a framework on risk management to identify and manage the risks involved in all the activities of your Company, to maximize the opportunities and minimize adversity. This framework is intended to assist in decision making process that will minimize potential losses, improve the management in the phase of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives. The Board has also constituted Risk Management Committee effective from April 1, 2019.

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 are of the opinion that, at present, there are no material elements of risk which will impinge on your Company's ability to conduct its business.

With a renewed focus on Automation and strengthening of IT systems and controls, during the year your Company has embarked upon many development projects which will go a long way in automation of processes and bringing further improvement of process controls.

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.

19. 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 women. 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 were no complaints

received in relation to sexual harassment. The policy for Prevention of Sexual Harassment is available on the website of your Company as given below.

<https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Sexual-Harassment-Policy.pdf>

20. CORPORATE GOVERNANCE

Your Company is committed to maintain highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance along with the Certificate from the Statutory Auditors of the Company confirming compliances with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on the Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming an integral part of this Annual Report.

22. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to IEPF

As required under Section 124 of the Companies Act, 2013, the unclaimed dividend amount aggregating to ₹ 2,42,000/- and ₹ 736/- unclaimed interest on fixed deposits lying with your Company for a period of seven years were transferred during the financial year 2019-20 to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF

As required under Section 124 of the Companies Act, 2013, 27,050 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by your Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2019-20. Details of shares transferred are available on the website of IEPF as well as your Company.

23. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of your Company for the Financial year 2019-20 forms part of this Annual Report as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

24. 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

As required under section 134(3)(m) of the Act 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.

b. Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the details forming part of the extract of the Annual Return in form MGT-9 is appended as "Annexure B" to this Board's Report and it is also available on the website at <http://www.galaxysurfactants.com>

c. Particulars of Loans, Guarantees or Investments by the Company

Particular of loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the Financial Statements provided in this Annual Report.

d. Related Party Transactions

The Policy on Related Party Transactions as approved by the Board is available on the website at <https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Policy-on-Related-Party-Transactions.pdf>

The particulars of Related Party Transactions in prescribed Form AOC – 2 are annexed as "Annexure E" and forms an integral part of this Report. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large.

The disclosure as required by Schedule V, Clause A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ Crores)

Particulars	Name of Subsidiary/Firm	Maximum amount of loans / advances / investments outstanding during the year ended March 31, 2020	Amount outstanding at the end of the year i.e. March 31, 2020
Investments- Equity Shares	Galaxy Chemicals Inc.	0.46	0.46
Investments- Equity Shares	Galaxy Holdings (Mauritius) Ltd.	2.37	2.37
Investments- Preference shares (at fair value)	Galaxy Holdings (Mauritius) Ltd.	253.63	215.35
Advances	Galaxy Chemicals (Egypt) SAE	1.30	0.72
Advances	TRI-K Industries, Inc.	0.64	0.21

e. Vigil Mechanism / Whistle Blower Policy

As per Section 177 of the Act, your 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 available on the website of your Company at <https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Whistle-Blower-Policy.pdf>

f. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

g. Transfer to Reserves

Your Company proposes not to transfer any amount to the General Reserve for the Financial Year 2019-20.

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 your Company and its future operations.

i. Reporting of frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

j. Maintenance of Cost Records

Your Company has made and maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act.

25. CAUTIONARY STATEMENT

Statements in the Directors' Report describing your 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 your Company's operations include global and domestic demand and supply

conditions affecting 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.

26. APPRECIATION AND ACKNOWLEDGEMENT

Your Company acknowledges the untiring efforts taken by the Governments, health care professionals, law enforcement agencies and other people on the frontline in controlling the outbreak of the COVID-19 pandemic.

Your Company is grateful to the Government of India, the Governments of Maharashtra and Gujarat, the Government of countries where our subsidiaries are located and other Regulators for their continued co-operation, support and guidance. Your Company wishes to thank its investors, banking community, rating agencies and stock exchanges for their support. Your Company would like to take this opportunity to express sincere thanks to all its valued customers, dealers, agents and suppliers for their continued support and patronage. Your Directors express their deep sense of appreciation to all the employees whose outstanding professionalism, commitment and initiative has made the organization's growth and success possible and continue to drive its progress. Finally, your Directors wish to express their gratitude to the members for their trust and support.

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
June 25, 2020

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****i. The steps taken or impact on conservation of energy:**

Your Company has taken following energy conservation measures during the financial year 2019-20 in different facilities of the Company:

- a. adopted structured way of energy monitoring and control through EnMS 50001 :2018. The Certification was awarded to Galaxy after successful Stage 2 Audit conducted by a BSI, a certification body.
- b. a structured methodology has been adopted to set realistic targets and accordingly initiatives in terms of Cost efficient Programs (C.E.P's) and inputs from Waste Elimination Suggestion Award Program (WESAP) themes were implemented.

ii. The steps taken for utilising alternate sources of energy:

Significant reduction in specific energy consumption was visible primarily due to Automation and optimization by changing set parameters values. IOT through Energy management software for Power consumption and Monitoring of Steam Generation through effimax software was a step towards system based performance.

Your Company with its commitment to increase the share of clean energy, the Company commissioned installation of Roof Top solar panels and completed overall around 613 kWp solar installations at its corporate office and manufacturing sites at Taloja and Jhagadia.

B. TECHNOLOGY ABSORPTION

The constant endeavor of your Company Innovation Process is to provide high-performing, value-added solutions to Home and Personal Care Industry by designing and offering innovative ingredients. Your Company encourage close collaborative work with R & Ds of personal care product manufacturers, both locally and globally. The Innovation process continues the focused expansion of our product portfolio in the product categories like UV absorbers, functional macromolecules, non-toxic preservatives, mild surfactants for gentle cleansing and blends. Sustainability is always at core of our efforts in both research and technology development.

Some of significant achievements during the year are given below:

GalFUSION LLDC, a high performing, safe, ecofriendly, specially designed premium surfactant concentrate for Fabric care was commercialized.

Galsoft TiLS, a non-skin irritant, sulfate free, oil based surfactant system for cleansing formulations, for ultra-gentle cleaning of dry and sensitive skin was commercialized.

Launched Galsoft TiLS (G), a next generation Green, Sulfate-free, EO-free, PEG-free and Alkanol amide-free, amino acid based oil soluble surfactant. In Galsoft TiLS (G), the natural index is maintained more than 80 %. It provides ease to formulators to prepare natural oil based personal cleansing compositions with superlative bathing experience in terms of skin mildness, lather property, sensory and hydration of skin.

Galguard LipoG, a non-toxic ingredient for preservation and made from nature derived raw materials, was commercialized and manufactured in India last year. The product technology has now been very smoothly and successfully transferred to our Galaxy Chemicals plant in Egypt (GCE). This product is also successfully registered in Europe from our India and Egypt operations to serve our customers in EU.

To meet the growth of our mild amino acid surfactant, Galsoft SLG, the product technology has been successfully translated to our Egypt plant (GCE). The commercial production is in full swing and the product quality is meeting the stringent needs of our Tier 1 customer.

The technology of high active Galsoft SLT (N), a mild amino acid surfactant in needle form, was successfully commissioned and the product was launched. The product is in commercial production.

Galguard Tetra, a nontoxic, readily biodegradable preservative system, produced using our patented micro emulsion process, was launched. It is a preservative for personal care products which is compatible with most of the formulations.

Galguard Trident S, a broad spectrum preservative was launched for personal care products. It is free from any toxic ingredients which makes it a unique solution for rinse-off and leave-on formulations including solid formulations

Galsoft GLI 21, is an ultra-mild sulfate-free cleanser made and commercialized last year using our patented technology. The product has received excellent commercial response from major customers and the process and technology was further upgraded to increase the production capacity to meet customer demand.

Awards – The HPCI award committee recognized our next generation Green, Sulfate-free, EO-free, PEG-free and Alkanol amide-free, amino acid based oil soluble surfactant 'Galsoft TiLS (G)' with 1st prize in Innovation category.

This year Company has filed three new patent applications.

The invention, "Method to produce stimuli responsive UV-absorbing polymers", enables synthesis of functional polymer for use in personal care compositions, designed for deposition on skin and protecting skin from UV radiations.

Another invention was filed with title "Free flowing N- acyl glycinate compositions at sub- zero temperature". The novel aqueous free-flowing N-acyl glycinate compositions

is designed to address customer requirements of low temperature flowability in colder countries and useful in preparing isotropic aqueous skin and hair cleansing formulations such as body wash, shower gels and shampoos.

The third invention details oil soluble "Transparent personal cleansing composition" for skin and hair care. The composition is formulated with ingredients with high natural origin content, is mild to skin, Sulfate-free, EO-free, PEG-free and Alkanol amide-free and exhibits enhanced foaming and lather capacity in comparison to the similar products in the market.

During the financial year, 11 patents were granted for 10 inventions.

Expenditure incurred on Research and Development are given below in table

Particulars	(₹ Crores)	
	2019-20	2018-19
R & D Expenses	14.75	14.18
Capital Expenditure	2.44	1.32

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars	(₹ Crores)	
	2019-20	2018-19
Foreign Exchange Inflow	892.31	986.65
Foreign Exchange outflow	612.68	860.45

For and on behalf of the Board

U. Shekhar
 Managing Director
 DIN: 00265017

K. Natarajan
 Executive Director & COO
 DIN: 07626680

Navi Mumbai
 June 25, 2020

ANNEXURE B FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[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	L39877MH1986PLC039877
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-400 703. Ph: 91-22-3306 3700 / 91-22-2761 6666 Fax: 91-22-2761 5883/ 91-22-2761 5886 E-mail: investorservices@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 24/7 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083 Ph: 91-22-49186000 Fax: 91-22-49186060

I. 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 detergent and similar washing agents excluding soaps	20233	85
Manufacture of organic and inorganic chemical compounds n.e.c.	20119	15

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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				% of Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
A. Promoters										
1. Indian										
a. Individual/HUF	16855894	0	16855894	47.54	16853957	0	16853957	47.53	(0.01)	
b. Central Govt/ State Govt(s)	0	0	0	0	0	0	0	0	0	
c. Bodies Corp.	543000	0	543000	1.53	543000	0	543000	1.53	0	
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0	
e. Any other	7752850	0	7752850	21.87	7752850	0	7752850	21.87	0	
Sub-total (A) (1)	25151744	0	25151744	70.94	25149807	0	25149807	70.93	(0.01)	
2. Foreign										
a. NRIs- Individuals	0	0	0	0	0	0	0	0	0	
b. Other Individuals	0	0	0	0	0	0	0	0	0	
c. Bodies Corp.	0	0	0	0	0	0	0	0	0	
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0	
e. Any Other	0	0	0	0	0	0	0	0	0	
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	25151744	0	25151744	70.94	25149807	0	25149807	70.93	(0.01)	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	3112055	0	3112055	8.78	4528930	0	4528930	12.77	3.99	
b) Banks/Financial Institution	4515	0	4515	0.01	3189	0	3189	0.01	0	
c) Central Govt.	0	0	0	0	0	0	0	0	0	
d) State Govt.	0	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	148947	0	148947	0.42	0.42	
g) FIs	0	0	0	0	0	0	0	0	0	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	
i) Others										
Alternate Investment Fund	170199	0	170199	0.48	147186	0	147186	0.42	(0.06)	
Foreign Portfolio Investors	1083631	0	1083631	3.06	1152532	0	1152532	3.25	0.19	
Sub-total (B)(1)	4370400	0	4370400	12.33	5980784	0	5980784	16.87	4.54	
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	1124900	8500	1133400	3.20	58782	7700	66482	0.19	(3.01)	
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1973878	477961	2451839	6.92	1798955	314411	2113366	5.96	(0.96)	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1020916	18000	1038916	2.93	870020	18000	888020	2.50	(0.43)	
c. Others										
1. Trust	955	0	955	0.00	220	0	220	0.00	0.00	
2. Hindu Undivided family	106183	200	106383	0.30	83928	0	83928	0.24	(0.06)	
3. Non Resident Indians	211248	558532	769780	2.17	193002	560332	753334	2.12	(0.05)	
4. Other Directors	104456	0	104456	0.29	104456	0	104456	0.29	0.00	
5. Independent Directors	90000	0	90000	0.25	90000	0	90000	0.25	0.00	

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				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
6. Office Bearers	6119	138048	144167	0.41	5885	121648	127533	0.36	(0.05)
7. Clearing Member	9940	0	9940	0.03	8347	0	8347	0.02	(0.01)
8. NBFC Registered with RBI	54,372	0	54,372	0.15	33025	0	33025	0.09	(0.06)
9. IEPF	28,400	0	28,400	0.08	55450	0	55450	0.16	0.08
Sub-total (B)(2)	4731367	1201241	5932608	16.73	3302070	1022091	4324161	12.20	(4.53)
Total Public Shareholding (B)=(B)(1)+(B)(2)	9101767	1201241	10303008	29.06	9282854	1022091	10304945	29.07	0.01
C. Shares held by custodian for GDRs & ADRs Grand Total	0	0	0		0	0	0	0	0
(A+B+C)	34253511	1201241	35454752	100	34432661	1022091	35454752	100	0

(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	U. Shekhar	4226740	11.92	0	4226740	11.92	0	0
2	Late Sandhya Patil*	4106040	11.58	0	4106040	11.58	0	0
3	Shashikant R. Shanbhag	4097684	11.56	0	4097684	11.56	0	0
4	G. Ramakrishnan	2362758	6.66	0	2362758	6.66	0	0
5	Jayashree Ramakrishnan	1842972	5.20	0	1842972	5.20	0	0
6.	Lakshmy Shekhar	127400	0.36	0	127400	0.36	0	0
7.	Sridhar Unnathan	50820	0.14	0	48533	0.14	0	0
8.	Anuradha Dayanand Prabhu	12000	0.03	0	12000	0.03	0	0
9.	Vandana Shashikant Shanbhag	10000	0.03	0	10000	0.03	0	0
10.	Gajanan N Amonker	6000	0.02	0	6000	0.02	0	0
11.	Saraswathy Natarajan K.S	3370	0.01	0	3370	0.01	0	0
12.	Sumathi Gopal	3000	0.01	0	3000	0.01	0	0
13.	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sandhya Sudhir Patil as Partners of M/s. Galaxy Chemicals	7752850	21.87	0	7752850	21.87	0	0
14.	Galaxy Emulsifiers Pvt. Ltd.	543000	1.53	0	543000	1.53	0	0
15.	Bhooma Shyam Gopal	0	0	0	0	0	0	0
16.	Karthik Shekhar	0	0	0	0	0	0	0
17.	Nandini Shekhar	0	0	0	0	0	0	0
18.	Shanthi Laxminarasimhan	0	0	0	0	0	0	0
19.	Vaidyanathan Unnathan	0	0	0	0	0	0	0
20.	C.S. Anandaram	0	0	0	0	0	0	0
21.	Galaxy Investments	0	0	0	0	0	0	0
22.	Galaxy Estates & Holdings	0	0	0	0	0	0	0
23.	Shubh Estates & Properties	0	0	0	0	0	0	0

(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	
24.	Osmania Traders Pvt. Ltd.	0	0	0	0	0	0	0
25.	Galaxy Finsec Pvt. Ltd.	0	0	0	0	0	0	0
26.	Hema Suryanarayanan	0	0	0	0	0	0	0
27.	Amit Ramakrishnan	0	0	0	0	0	0	0
28.	Akaash Ramakrishnan	0	0	0	0	0	0	0
29.	Janaki Seshan	0	0	0	0	0	0	0
30.	K.S. Natarajan	4100	0.01	0	4450	0.01	0	0
31.	Pradeep Patil	0	0	0	0	0	0	0
32.	Anil Patil	0	0	0	0	0	0	0
33.	Suchitra Chindarkar	0	0	0	0	0	0	0
34.	Sugandha Sawant	0	0	0	0	0	0	0
35.	Siddharth Patil	0	0	0	0	0	0	0
36.	Yash Patil	0	0	0	0	0	0	0
37.	Vibhavari Ramesh Mande	0	0	0	0	0	0	0
38.	Sumedha Sawant	0	0	0	0	0	0	0
39.	Aeon Chemicals Pvt. Ltd.	0	0	0	0	0	0	0
40.	Datta-Suman Farms and Resorts Pvt. Ltd.	0	0	0	0	0	0	0
41.	Vanita Hireen Kerkar	3000	0.01	0	3000	0.01	0	0
42.	Shreekant Shanbhag	0	0	0	0	0	0	0
43.	Lata Nayak	10	0	0	10	0	0	0
44.	Pranav Shanbhag	0	0	0	0	0	0	0
45.	Sneha Shanbhag	0	0	0	0	0	0	0
46.	Vallabh Amonkar	0	0	0	0	0	0	0
47.	Vivek Amonkar	0	0	0	0	0	0	0
48.	Nilkant Gangadhar Amonker	0	0	0	0	0	0	0
49.	Maragatham Anandaram	0	0	0	0	0	0	0
TOTAL		25151744	70.94	0	25149807	70.93	0	(0.01)

Note:

*The equity shares of Late Mrs. Sandhya Sudhir Patil are under process of transmission.

(iii) Change In Promoter Groups' 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	25151744	70.94	25151744	70.94
2.	Increase (+) / Decrease (-) during the year				
	a. Sridhar Unnathan				
	1. 27 Dec 2019	(1074)	(0.00)	25150670	70.93
	2. 10 Jan 2020	(853)	(0.00)	25149817	70.93
	3. 28 Feb 2020	(360)	(0.00)	25149457	70.93
	b. K S Natarajan				
	1. 20 Mar 2020	350	0.00	25149807	70.93
3.	At the End of the year			25149807	70.93

(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		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SBI Mutual Fund				
i.	At the beginning of the year	2412587	6.80	2412587	6.80
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the End of the year			2412587	6.80
2.	Axis Mutual Fund				
i.	At the beginning of the year	112795	0.32	112795	0.32
ii.	Increase/ (Decrease) in Shareholding during the year				
	1. 05 Apr 2019	29820	0.08	142615	0.40
	2. 12 Apr 2019	45000	0.13	187615	0.53
	3. 19 Apr 2019	30000	0.08	217615	0.61
	4. 03 May 2019	377	0.00	217992	0.61
	5. 17 May 2019	5009	0.01	223001	0.63
	6. 24 May 2019	3438	0.01	226439	0.64
	7. 31 May 2019	30670	0.09	257109	0.73
	1. 07 Jun 2019	6061	0.02	263170	0.74
	2. 14 Jun 2019	83993	0.24	347163	0.98
	3. 05 Jul 2019	(20000)	(0.06)	327163	0.92
	4. 26 Jul 2019	3387	0.01	330550	0.93
	5. 09 Aug 2019	793	0.00	331343	0.93
	6. 16 Aug 2019	640	0.00	331983	0.94
	7. 23 Aug 2019	13948	0.04	345931	0.98
	8. 30 Aug 2019	41661	0.12	387592	1.09
	9. 06 Sep 2019	11652	0.03	399244	1.13
	10. 13 Sep 2019	16037	0.05	415281	1.17
	11. 20 Sep 2019	31832	0.09	447113	1.26
	12. 27 Sep 2019	25983	0.07	473096	1.33
	13. 04 Oct 2019	5710	0.02	478806	1.35
	14. 11 Oct 2019	21619	0.06	500425	1.41
	15. 25 Oct 2019	12648	0.04	513073	1.45
	16. 01 Nov 2019	11485	0.03	524558	1.48
	17. 08 Nov 2019	11956	0.03	536514	1.51
	18. 15 Nov 2019	25683	0.07	562197	1.59
	19. 22 Nov 2019	162058	0.46	724255	2.04
	20. 29 Nov 2019	3384	0.01	727639	2.05
	21. 06 Dec 2019	9788	0.03	737427	2.08
	22. 13 Dec 2019	184101	0.52	921528	2.60
	23. 20 Dec 2019	2065	0.01	923593	2.61
	24. 27 Dec 2019	10812	0.03	934405	2.64
	25. 31 Dec 2019	3589	0.01	937994	2.65
	26. 03 Jan 2020	14183	0.04	952177	2.69
	27. 10 Jan 2020	50000	0.14	1002177	2.83
	28. 17 Jan 2020	32533	0.09	1034710	2.92
	29. 24 Jan 2020	10277	0.03	1044987	2.95
	30. 31 Jan 2020	205	0.00	1045192	2.95
	31. 07 Feb 2020	19057	0.05	1064249	3.00
	32. 28 Feb 2020	7557	0.02	1071806	3.02
	33. 06 Mar 2020	40799	0.12	1112605	3.14
	34. 13 Mar 2020	26820	0.08	1139425	3.21
	35. 20 Mar 2020	71717	0.20	1211142	3.42
	36. 27 Mar 2020	24979	0.07	1236121	3.49
iii.	At the end of the year			1236121	3.49

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3.	Abu Dhabi Investment Authority - Behave				
	i. At the beginning of the year				
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 29 Jun 2019	4565	0.01	566547	1.60
	2. 05 Jul 2019	94	0.00	566641	1.60
	3. 19 Jul 2019	3343	0.01	569984	1.61
	4. 16 Aug 2019	4123	0.01	574107	1.62
	iii. At the end of the year			574107	1.62
4.	Jayshree Ramesh				
	i. At the beginning of the year	558532	1.58	558532	1.58
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			558532	1.58
5.	Kotak Mutual Fund				
	i. At the beginning of the year	400592	1.12	400592	1.13
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 19 Apr 2019	1252	0.00	401844	1.13
	2. 10 May 2019	516	0.00	402360	1.13
	3. 07 Jun 2019	7639	0.02	409999	1.16
	4. 14 Jun 2019	3728	0.01	413727	1.17
	5. 05 Jul 2019	241	0.00	413968	1.17
	6. 12 Jul 2019	3849	0.01	417817	1.18
	7. 19 Jul 2019	975	0.00	418792	1.18
	8. 26 Jul 2019	460	0.00	419252	1.18
	9. 23 Aug 2019	(10000)	(0.03)	409252	1.15
	10. 13 Sep 2019	(7587)	(0.02)	401665	1.13
	11. 20 Sep 2019	(1419)	(0.00)	400246	1.13
	12. 27 Sep 2019	(25000)	(0.07)	375246	1.06
	13. 22 Nov 2019	5511	0.02	380757	1.07
	14. 06 Dec 2019	5000	0.01	385757	1.09
	15. 13 Dec 2019	2017	0.01	387774	1.09
	16. 17 Jan 2020	5000	0.01	392774	1.11
	17. 28 Feb 2020	540	0.00	393314	1.11
	iii. At the end of the year			393314	1.11
6.	Reliance Capital Trustee Co Ltd-A/C Nippon India Small Cap Fund				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 19 Apr 2019	312500	0.88	312500	0.88
	2. 03 May 2019	86600	0.24	399100	1.13
	3. 17 May 2019	1480	0.00	400580	1.13
	4. 24 May 2019	1286	0.00	401866	1.13
	5. 15 Nov 2019	(25644)	(0.07)	376222	1.06
	6. 03 Jan 2020	(52755)	(0.15)	323467	0.91
	7. 14 Feb 2020	(9912)	(0.03)	313555	0.88
	8. 21 Feb 2020	(15000)	(0.04)	298555	0.84
	iii. At the end of the year			298555	0.84

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	Stichting Depository APG Emerging Markets Equity Pool				
i.	At the beginning of the year	0	0.00	0	0.00
ii.	Increase/ (Decrease) in Shareholding during the year				
	1. 29 Jun 2019	7484	0.02	7484	0.02
	2. 05 Jul 2019	10378	0.03	17862	0.05
	3. 12 Jul 2019	3841	0.01	21703	0.06
	4. 19 Jul 2019	19006	0.05	40709	0.11
	5. 26 Jul 2019	15811	0.04	56520	0.16
	6. 02 Aug 2019	16917	0.05	73437	0.21
	7. 09 Aug 2019	7557	0.02	80994	0.23
	8. 16 Aug 2019	12320	0.03	93314	0.26
	9. 20 Sep 2019	1655	0.00	94969	0.27
	10. 29 Nov 2019	28640	0.08	123609	0.35
	11. 06 Dec 2019	27402	0.08	151011	0.43
	12. 20 Mar 2019	63958	0.18	214969	0.61
	13. 27 Mar 2019	3920	0.01	218889	0.62
iii.	At the end of the year			218889	0.62
8.	ICICI Prudential Life Insurance Company Limited				
i.	At the beginning of the year	458390	1.2929	458390	1.29
ii.	Increase/ (Decrease) in Shareholding during the year				
	1. 05 Apr 2019	722	0.00	459112	1.29
	2. 26 Apr 2019	(30)	(0.00)	459082	1.29
	3. 03 May 2019	3070	0.01	462152	1.30
	4. 10 May 2019	1588	0.00	463740	1.31
	5. 17 May 2019	1526	0.00	465266	1.31
	6. 24 May 2019	605	0.00	465871	1.31
	7. 31 May 2019	(11432)	(0.03)	454439	1.28
	8. 07 Jun 2019	4843	0.01	459282	1.30
	9. 14 Jun 2019	87	0.00	459369	1.30
	10. 29 Jun 2019	(469)	(0.00)	458900	1.29
	11. 05 Jul 2019	(1001)	(0.00)	457899	1.29
	12. 02 Aug 2019	2182	0.01	460081	1.30
	13. 23 Aug 2019	(15000)	(0.04)	445081	1.26
	14. 06 Sep 2019	(77)	(0.00)	445004	1.26
	15. 20 Sep 2019	(664)	(0.00)	444340	1.25
	16. 27 Sep 2019	348	0.00	444688	1.25
	17. 04 Oct 2019	(554)	(0.00)	444134	1.25
	18. 18 Oct 2019	(671)	(0.00)	443463	1.25
	19. 25 Oct 2019	(2612)	(0.01)	440851	1.24
	20. 01 Nov 2019	(322)	(0.00)	440529	1.24
	21. 08 Nov 2019	1954	0.01	442483	1.25
	22. 15 Nov 2019	(13666)	(0.04)	428817	1.21
	23. 29 Nov 2019	(2705)	(0.01)	426112	1.20
	24. 06 Dec 2019	9457	0.03	435569	1.23
	25. 13 Dec 2019	(177397)	(0.50)	258172	0.73
	26. 20 Dec 2019	(330)	(0.00)	257842	0.73
	27. 27 Dec 2019	(1541)	(0.00)	256301	0.72
	28. 03 Jan 2020	(10431)	(0.03)	245870	0.69

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	29. 10 Jan 2020	(41253)	(0.12)	204617	0.58
	30. 17 Jan 2020	(22420)	(0.06)	182197	0.51
	31. 24 Jan 2020	(5722)	(0.02)	176475	0.50
	32. 31 Jan 2020	(721)	(0.00)	175754	0.50
	33. 14 Feb 2020	(16433)	(0.05)	159321	0.45
	34. 21 Feb 2020	7255	0.02	166576	0.47
	35. 28 Feb 2020	2412	0.01	168988	0.48
	36. 06 Mar 2020	(14059)	(0.04)	154929	0.44
	37. 13 Mar 2020	(12160)	(0.03)	142769	0.40
	38. 27 Mar 2020	6280	0.02	149049	0.42
	39. 31 Mar 2020	(102)	(0.00)	148947	0.42
	iii. At the end of the year			148947	0.42
9.	Matthews Asia Small Companies Fund				
	i. At the beginning of the year	174051	0.49	174051	0.49
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 27 Sep 2019	(26238)	(0.07)	147813	0.42
	2. 15 Nov 2019	(5628)	(0.02)	142185	0.40
	3. 13 Dec 2019	(10350)	(0.03)	131835	0.37
	4. 27 Mar 2019	(7977)	(0.02)	123858	0.35
	5. 31 Mar 2019	2650	0.01	126508	0.36
	iii. At the end of the year			126508	0.36
10.	Padmanabh B Shanbhag				
	i. At the beginning of the year	119400	0.34	119400	0.34
	ii. Increase/ (Decrease) in Shareholding during the year			0	0
	iii. At the end of the year			119400	0.34
11.	Wilfred D'silva				
	i. At the beginning of the year	100000	0.28	100000	0.28
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			100000	0.28

(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- Managing Director				
	i. At the beginning of the year	4226740	11.92	4226740	11.92
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			4226740	11.92
2.	G. Ramakrishnan- Non-Executive Director				
	i. At the beginning of the year	2362758	6.66	2362758	6.66
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			2362758	6.66
3.	Shashikant R. Shanbhag- Non-Executive Director				
	i. At the beginning of the year	4097684	11.56	4097684	11.56
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			4097684	11.56

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
4.	Uday K. Kamat- Non Executive Director				
i.	At the beginning of the year	33000	0.09	33000	0.09
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			33000	0.09
5.	K. Ganesh Kamath- Executive Director (Finance) and C.F.O.				
i.	At the beginning of the year	20000	0.05	20000	0.05
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			20000	0.05
6.	S. Ravindranath- Independent Director				
i.	At the beginning of the year	30000	0.08	30000	0.08
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			30000	0.08
7.	Subodh Nadkarni- Independent Director				
i.	At the beginning of the year	30000	0.08	30000	0.08
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			30000	0.08
8.	M. G. Parameswaran- Independent Director				
i.	At the beginning of the year	30000	0.08	30000	0.08
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			30000	0.08
9.	Nandita Gurjar- Independent Director				
i.	At the beginning of the year	0	0	0	0
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			0	0
10.	Nirmal Koshti – Non-Executive Director				
i.	At the beginning of the year	15856	0.04	15856	0.04
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			15856	0.04
11.	K. Natarajan– Executive Director and C.O.O.				
i.	At the beginning of the year	9600	0.03	9600	0.03
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			9600	0.03
12.	Vaijanath Kulkarni- Non-Executive Director				
i.	At the beginning of the year	26000	0.07	26000	0.07
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			26000	0.07
14.	Niranjan Ketkar- Company Secretary				
i.	At the beginning of the year	0	0	0	0
ii.	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
iii.	At the end of the year			0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
(₹ Crores)				
Indebtedness at the beginning of the financial year- (01.04.2019)				
i) Principal Amount	157.03	0.63	-	157.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.19	-	-*	1.19
Total (i+ii+iii)	158.22	0.63	-*	158.85
Change in Indebtedness during the financial year				
Addition	69.58	-	-	69.58
Reduction	37.60	0.35	-*	37.95
Net Change	31.98	(0.35)	-*	31.63
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	189.26	0.28	-	189.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.94	-	-*	0.94
Total (i+ii+iii)	190.20	0.28	-*	190.48

*Figures less than ₹ 50,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors			Total Amount
		U. Shekhar (Managing Director)	K. Ganesh Kamath (Executive Director & CFO)	K. Natarajan (Executive Director & COO)	
(₹ Crores)					
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.51	1.52	1.51	4.54
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.00*	0.00*	0.00*	0.01
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	0.35	0.35	0.35	1.05
	- as % of profit				
	- others, specify				
5.	Others (Includes retirement benefits and variable pay)				
	Total (A)	1.86	1.87	1.86	5.59
	Ceiling as per the Act				23.83

*Figures less than ₹ 50000

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Names of Directors				Total Amount
		M. G. Parameswaran	S. Ravindranath	Subodh S. Nadkarni	Nandita Gurjar	
(₹ Crores)						
1. Independent Directors						
1.	Fee for attending Board / Committee Meetings	0.14	0.11	0.11	0.06	0.42
2.	Commission	0.10	0.12	0.10	0.10	0.42
3.	Other					
	Total (1)	0.24	0.23	0.21	0.16	0.84

2. Other Non-Executive Directors

(₹ Crores)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount
		Nirmal Koshti	Vaijanath Kulkarni	Shashikant Shanbhag	Uday K. Kamat	G. Ramakrishnan	
1.	Fee for attending Board / Committee Meetings	0	0	0.04	0.04	0.09	0.17
2.	Commission			0.10	0.10	0.10	0.30
3.	Other				0.60	0.60	1.20
	Total (2)	0	0	0.14	0.74	0.79	1.67
	Total (B)=(1+2)						2.51
		Total Managerial Remuneration (A+B)					8.09
		Overall Ceiling as per the Act					26.21

C. Remuneration to Key Managerial Remuneration other than MD/WTD

(₹ Crores)

Sr. No.	Particulars of Remuneration	Niranjan Ketkar Company Secretary
1. Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.21
(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)		-
Total		0.21

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (UNDER THE COMPANIES ACT): NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any(give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in default					
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board

Navi Mumbai
June 25, 2020**U. Shekhar**
Managing Director
DIN: 00265017**K. Natarajan**
Executive Director & COO
DIN: 07626680

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:

a) Health & Hygiene (Arogya Vardheeni)

Sr. No.	Sector in which the project is covered	Project Activities
a.1	Health, Hygiene & Preventive Healthcare	Primary Health Care through diagnosis and treatments, promoting preventive healthcare, building awareness about hand, oral and personal/ menstrual hygiene, constructing handwashing stations, supporting dialysis & rehabilitation centers, medical camps, eye camps & gyneac camps with medicine/ spectacles distribution & blood donation drives, providing additional nutrition to poor marginalized children and women, also supporting mid-day meal, installation of bore wells, providing water filters for potable drinking water, spreading awareness about ill-effects of tobacco, supporting thalassemia affected children, providing mobile eye clinic van for community outreach and hospital equipment, cochlear implant to deaf children, construction of aanganwadi, construction of kitchen for poor tribal boy's hostel, construction of water tank, supporting for diagnosis and treatment of tuberculosis.
a.2	Sanitation	Building awareness on sanitation, construction of toilets for girls and boys, financial support for construction of community household toilets.

b) Education (Gyaan Sanjeevani):

b.1	Education Sector	Contributing to improve and facilitate 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 Arts, Computer, Math & Science Lab, Construction of rooms, school building repairs & painting, furniture & benches including blackboard, ceiling fans & electrical fittings, pathways, computers for schools/educational centers, distribution of school bags, notebooks & books for libraries and also conducting educational programs like coaching, safety sessions, career guidance seminars (through calibre intelligence quotient test), etc. for the underprivileged students, also livelihood enhancement projects, vocational skills & Scholarship for Divyang people and students, Supporting children of ragpicker by providing after school educational support.
b.2	Enhancing Vocational Skills for Differently Abled	Providing financial support for Divyang people & specially challenged children, providing school bus, special benches & tables, food supply, sports equipment for institutes working for Divyang & specially challenged children.

c) Community Development (Samajeek Utthaan):

Sr. No.	Sector in which the project is covered	Project Activities
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, adopting a village through integrated village development initiatives like deepening of nalas, construction of water absorbing trenchec(WAT), continous contour trenches(CCT), check-dam & tree plantation; rain water harvesting (new construction & de-silting of old check dams, ponds & wells), water percolation pond, construction of water overhead tank for entire village, setting up public libraries, safe drinking water, promoting sports through community connect mahotsav, providing hand washing stations, bore-wells, cement chairs at public places in villages including livelihood and income generation opportunities, under animal welfare supporting goshalas for cow protection, cultural activities for jail inmates and residents of old-age homes; Construction of entire residential hostel facility for educational & vocational training of specially challenged children; supporting physically challenged artists; supporting shelter home residing orphan children.

d) Women Empowerment (Stree Unnati):

d.1	Empowering Women	Girl child & women education & development including awareness about menstrual hygiene, income generation through vocational training & distribution of sewing machines for girls and women, knowledge about relevant statutes, self-defense training, celebrating international women day with destitute and trafficked girls and women, providing food to the poor destitute women.
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e) Environment Protection (Vatavaran Suraksha)

e.1	Ensuring Environment Protection & Ecological Balance	Tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting, solid waste reduction & proper disposal by segregation & composting, promoting solar and other non-conventional energy projects (installation of rooftop solar system), reverse rain water harvesting, de-silting of talav, installation of drip irrigation.
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f) Calamity Relief (Aapda Rahat):

f.1	Calamity Relief	Contribution to PM Relief Fund or NGOs, also directly providing relief material to people of calamity affected areas; rehabilitation project of the flood affected victims by rebuilding their damaged houses.
f.2	Calamity Relief	Contribution to PM Relief Fund or NGOs, also directly providing relief material to people of calamity affected areas.

g) CSR Capacity Building & 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.

2. The Composition of the CSR Committee

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

S.N.	Names	CSR Committee
1.	Mr. U. Shekhar (Managing Director)	Chairperson
2.	Mr. K. Ganesh Kamath (Executive Director)	Member
3.	Mr. M. G. Parameswaran (Non Executive Director)	Member

3. Average net profit of the company for last three financial years (₹ Crores)

Financial Years	Profit Before Tax	Amount
2018-19	222.26	
2017-18	157.20	
2016-17	157.60	
Sum of 3 Year's PBT		537.06
Simple Average of 3 Year's PBT		179.02

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

Total CSR Budgeted Expenditure (2% of Average PBT of last 3 years): 3.58

5. Details of CSR Spent: (₹ Crores)

a)	Total amount to be spent (budget) for the financial year	3.58
b)	Actual amount spent during the year	3.32
c)	Unspent amount during the year	0.26

CSR EXPENSES - MANNER OF EXPENSES - 2019-20

(₹ Crores)

1	2	3	4	5	6	7	8
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 (in ₹)	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 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	0.44	Direct 0.20	172.16	Site Steering Councils**
2	Arogya Vardheeni	a.1 (Execution through NGO Partners)	LA: Thane, Jhagadia, Surat, Badlapur, Panvel, Kandivali, Dahanu, Deoband, Bamhani, Shivtarai, & Smeariya DT: Thane, Bharuch, Bilaspur, Mungeli, Mumbai, Saharanpur ST: Maharashtra, Gujarat, Uttar Pradesh & Chattisgarh	0.24	Direct 0.63	178.46	NGOs: a) Adhar, b) Akshay Patra c) Anway De-addiction Center d) Jan Swasthya Sahayog e) Kurulkar Shikshan Sanstha f) Matoshri Himmatlal Shah Charitable Trust g) Mangalam Foundation h) Navdhrusti Seva Sanstha i) PENS Sahayog j) Ram Krishna Seva Sadan k) Sewa Rural l) Triumph Foundation
3	Gyan Sanjivani	b.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	0.56	Direct 0.44	187.82	Site Steering Councils
4	Gyan Sanjivani	b.1 & b.2 (Execution through NGO Partners)	LA: Dahanu, Kelve, Turbhe, & Valia DT: Thane, Palghar & Bharuch ST: Maharashtra & Gujarat	0.37	Direct 0.31	61.30	NGOs: a) Indian Development Foundation, b) Mahim Shikshan Sanshta, c) Stree Mukti Sanghatanad) Jay Mataji Vidya Mandir
5	Samajeek Utthaan	c.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	0.17	Direct 0.11	108.43	Site Steering Councils

(₹ Crores)

1	2	3	4	5	6	7	8	
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 (in ₹)	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	Samajeeek Utthaan	c.1 (Execution through NGO Partners)	LA: Boisar, Pen, Bijalwadi, Kalyan, Jawhar, Talodara, Ayikudy, Kumkakonam, & Utthukotai DT: Palghar, Raigad, Nanded, Thane, Bharuch, Erode, Tirunelveli & Teruvallore ST: Maharashtra, Gujarat & Tamil Nadu	0.77	Direct	0.72	147.80	NGOs: a) Aai Day Care Sanstha b) DRZYA c) Erode Goshala d) SAAD Foundation e) Sanskriti Samvardhan Mandal f) Shri Amrutham Public Charitable Trust g) Sri Panduranga Charities h) Sunshine Welfare Foundation i) Talodara Panchayat j) Yuva Mitra
7	Stree Unnati	d.1 (in-house execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	0.26	Direct	0.01	11.95	Site Steering Councils
8	Stree Unnati	d.1 (Execution through NGO Partners)	LA: Badlapur, Turbhe, & Jhagadia DT: Thane, & Bharuch ST: Maharashtra & Gujarat	0.12	Direct	0.09	54.90	NGOs: a) Adhar b) Save the Children India c) Sharda Mahila Vikas Society d) Stree Mukti Sanghatana
9	Vatavaran Suraksha	e.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	0.33	Direct	0.05	8.22	Site Steering Councils
10	Vatavaran Suraksha	e.1 (Execution through NGO Partners)	LA: Chatale, Koparkhaine, Karnala, DT: Palghar, Thane & Raigad ST: Maharashtra	0.06	Direct	0.04	7.12	a) Krushi Seva Jalsandharan Vikas Sanstha b) Stree Mukti Sanghatana c) Yusuf Meherally
11	Aapda Rahat	f.1 (In-house Execution)	LA: Phore, Ghunaki, Boregaon, Takari, Vadarage, Yamgarni, Talodara DT: Jalgaon, Sangli, Kolhapur & Bharuch ST: Maharashtra & Gujarat	0.02	Direct	0.51	33.43	Site Steering Councils
12	Aapda Rahat	f.2 (Execution through NGO Partners)	LA: Sinnar, Mumbai DT: Nashik, & Mumbai ST: Maharashtra	0.07	Direct	0.04	0.04	a) Yuva Mitra b) Taj Public Charitable Trust
13	-	g	CSR Capacity Building & Personnel Cost	0.17	Overheads	0.16	37.88	-
Grand Total				3.58	-	3.32	1009.52	

* Cumulative amount from 1st April 2014

** Site Steering Council is an internal team formed at all 4 locations (Taloja, Tarapur, Jhagadia and 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:

(₹ Crores)

Sr. No.	Projects	Reasons for Unspent Amount for 2019-20			Reasons for Unspent
		Budget Amount	Spent Amount	Unspent Amount	
1	Arogya Vardheeni	0.68	0.83	(0.15)	
2	Gyan Sanjeevani	0.93	0.76	0.18	Projects cannot be completed due to COVID 19
3	Samajeek Utthaan	0.94	0.83	0.11	Projects cannot be completed due to COVID 19
4	Vatavaran Suraksha	0.38	0.09	0.29	Projects were not started in absence of Beneficiary contribution and the budget of these projects were transferred to Project Aapda Rahat & Aarogya Vardheeni
5	Stree Unnati	0.38	0.10	0.27	Projects were not started in absence of Beneficiary contribution and the budget of these projects were transferred to Project Aapda Rahat & Aarogya Vardheeni
6	Aapda Rahat	0.09	0.55	(0.46)	
7	Capacity Building	0.17	0.16	0.02	
TOTAL		3.58	3.32	0.26	

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

U. Shekhar
 Managing Director
 DIN: 00265017

K. Natarajan
 Executive Director & COO
 DIN: 07626680

Navi Mumbai
 June 25, 2020

ANNEXURE D

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

This Policy on Nomination and Remuneration is being formulated in compliance with Section 178 of the Companies Act, 2013 ("the Act") read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. DEFINITIONS

"Board of Directors" or "Board" means the collective body of the Directors of the Company.

"Chief Executive Officer" (CEO) means Chief Executive Officer as defined under Section 2(18) of 2013 Act.

"Chief Financial Officer" (CFO) means Chief Financial Officer as defined under Section 2(19) of 2013 Act.

"Company Secretary" (CS) means a Company Secretary as defined in Section 2(24) of 2013 Act.

"Managing Director" means a Managing Director as defined in Section 2(54) of 2013 Act.

"Manager" means a Manager as defined in Section 2(53) of 2013 Act.

"Key Managerial Personnel" means:

1. Managing Director, or Chief Executive Officer or Manager;
2. Company Secretary;
3. Whole Time Director;
4. Chief Financial Officer;
5. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
6. Such other officer as may be prescribed.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Senior Management" means:

Officers¹ /Personnel of the Company who are members of core management team excluding Board of Directors and comprising of all members of management one level

below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer².

"Whole-time Director" means Whole-time Director as defined in Section 2(94) of 2013 Act.

All capitalised terms used in this Policy but not defined herein shall have the meaning ascribed to such term in Companies Act, 2013 and the Rules framed there under or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3. OBJECTIVES

The objective of the policy is to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;
- b) relationship between remuneration and performance is clear and is based on appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the NRC shall be in compliance with the provisions of section 178 of Companies Act, 2013 and regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. ROLE OF THE COMMITTEE

The functional role of the committee is as follows:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

¹As defined in Reg. 16(d) of Listing Regulations

²As redefined in SEBI (LODR) (Amendment) Regulations, 2018 dated May 9, 2018 effective April 1, 2019

- c) devising a policy on board diversity;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
- e) deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f) recommend to the board, all remuneration, in whatever form, payable to senior management³; and
- g) perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

6. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age limit fixed for retirement under the Company's policy. However, appointment or continuation of appointment of any person or extension of his term beyond the age of seventy years shall be subject to the provisions of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. POLICY FOR REMUNERATION TO DIRECTORS/ KMP AND OTHER EMPLOYEES

The Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/ company's operations, company's capacity to pay the remuneration and applicable provisions, rules under Companies Act 2013 and amendments thereto.

The overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors and employees aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Overall remuneration practices should be consistent with recognized best practices in the industry.

A. Remuneration to Managing Director / Whole-time Directors

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The remuneration shall be based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters.
- c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- d) The approval of the Shareholders / Central Government shall be sought if required, for payment of remuneration to Managing / Whole-time Directors to comply with statutory provisions.

B. Remuneration to Non- Executive / Independent Directors

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees for attending the meetings of the Board and of committees of which they may be members. NED may be paid commission within regulatory limits as may be decided and approved by the Board. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the amount of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.

In addition to the remuneration, sitting fees and commission (as the case may be) the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director on behalf of the Company while performing his/her role as a Director of the Company.

³As inserted in SEBI (LODR) (Amendment) Regulations, 2018 dated May 9, 2018 effective April 1, 2019

C. Remuneration to Key Managerial Personnel and Other employees:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and variable pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The variable pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

8. EVALUATION/ASSESSMENT OF DIRECTORS / KMP'S /SENIOR OFFICIALS OF THE COMPANY

The Committee shall specify the manner for effective evaluation of performance of Board of Directors, its Committees and individual directors to be carried out

either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

The evaluation/assessment of the performance of the Board, Board Committees and Directors shall be done on the guiding criteria annexed with this policy as Annexure "A".

9. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

10. RETIREMENT

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Company's management shall have the discretion to retain the Director, KMP, Senior Management personnel as retainer or consultant on remuneration as may be decided by the management of the Company even after attaining the retirement age, for the benefit of the Company.

ANNEXURE E

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto for FY 2019-20

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188

There are no contracts or arrangements or transactions entered during the year ended March 31, 2020, which were not at arm's length basis

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	(b)	(c)	(d)	(e)	(f)	
Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Amit Ramakrishnan, son of Mr. G. Ramakrishnan, Promoter and Director	Appointment of Mr. Amit Ramakrishnan as Technical Sales Executive and System Process Analyst in TRI-K Industries Inc., wholly owned subsidiary.	3 years from February 1, 2019	As per resolution no. 8 approved in the 32 nd AGM of the Company	May 29, 2018	NIL
2	Mr. G. Ramakrishnan, Promoter and Director*	Appointment as strategic advisor of the company	Upto two years from June 1, 2018	As per resolution no. 11 approved in the 32 nd AGM of the Company	May 29, 2018	NIL
3	Mr. Uday K. Kamat, Director*	Appointment as strategic advisor of the company	Upto two years from June 1, 2018	As per resolution no. 12 approved in the 32 nd AGM of the Company	May 29, 2018	NIL
4	Mr. Vaijanath Kulkarni, Director	Continuation as Managing Director of Galaxy Chemicals (Egypt) SAE, wholly owned subsidiary	3 years from October 1, 2019	As per resolution no. 9 approved in the 33 rd AGM of the Company	May 28, 2019	NIL
5	Dr. Nirmal Koshti, Director	Continuation of employment in TRI-K Industries Inc, wholly owned subsidiary	from October 1, 2019 till October 7, 2021	As per resolution no. 7 approved in the 33 rd AGM of the Company	May 28, 2019	NIL
6	Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, Director	Appointment of Ms. Renuka Koshti as Senior Chemist in TRI-K Industries Inc, wholly owned subsidiary	3 years from October 1, 2019	As per resolution no. 8 approved in the 33 rd AGM of the Company	May 28, 2019	NIL

* Proposal for their re-appointment has been made in the ensuing AGM.

For and on behalf of the Board

U. Shekhar
 Managing Director
 DIN: 00265017

K. Natarajan
 Executive Director & COO
 DIN: 07626680

Navi Mumbai
 June 25, 2020

ANNEXURE F
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Galaxy Surfactants Limited
CIN: L39877MH1986PLC039877
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 **31st March 2020**, 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 31st March, 2020 according to the provisions of:

- | | |
|---|---|
| <p>i. The Companies Act, 2013 (the Act) and the rules made thereunder;</p> <p>ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;</p> <p>iii. The Depositories Act,1996 and the Regulations and Byelaws framed thereunder;</p> <p>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;</p> <p>v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :</p> | <p>a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p> <p>b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable as there was no reportable event during the period under review;</p> <p>d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable as the Company has not issued any shares / options to directors / employees under the said Guidelines/Regulations during the period under review;</p> <p>e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable as the Company has not issued and listed debt securities;</p> <p>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 - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent;</p> <p>g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the period under review;</p> <p>h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the period under review.</p> <p>i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015</p> |
|---|---|

vi. The Company has identified the following laws/rules as specifically applicable to the Company:

1. The Drugs and Cosmetics Act, 1940;
2. The Arms Act, 1959;
3. The Explosives Act, 1884;
4. The Narcotic Drugs and Psychotropic Substances Act, 1985;
5. The Indian Boiler Act, 1923;
6. The Petroleum Act, 1934;
7. The Static & Mobile Pressure Vessels (Unfired) Rules, 2016;
8. The Legal Metrology Act, 2009;
9. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016;

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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 including at least one Independent 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 of the schedule of the Board/Committee Meetings and agenda and detailed notes on agenda were sent at least seven

days in advance, except where consent of directors was received for receipt of notice and circulation of the Agenda and notes on Agenda at a shorter notice. 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 Committee meetings were carried 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 no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The Report is to be read with our letter of even date which is annexed as Annexure A hereto and forms an integral part of this report.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner

ACS: 14713 | COP No.: 8430

25th June 2020 | Thane

ICSI UDIN: A014713B000378252

ANNEXURE A

Annexure to Secretarial Audit Report

To,

The Members,

Galaxy Surfactants Limited

CIN: L39877MH1986PLC039877

C-49/2, TTC, Industrial Area, Pawne,

Navi Mumbai – 400703.

Our Secretarial Audit Report for the financial year ended **31st March 2020** 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 Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner

FCS: 14713 | COP No.: 8430

ICSI UDIN : A014713B000378252

25th June, 2020 | Thane

ANNEXURE G

ANNEXURE TO THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2019-20

Particulars of Employees Pursuant to Section 197 (12) of the Companies Act, 2013 Read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars		
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;*	Mr. S. Ravindranath	5.77
	Mr. U. Shekhar	56.59
	Mr. K. Natarajan	56.59
	Mr. K. Ganesh Kamath	56.59
	Mr. G. Ramakrishnan	19.60
	Mr. Uday K. Kamat	18.48
	Dr. Nirmal Koshti	0.00
	Mr. Vaijanath Kulkarni	0.00
	Mr. Subodh Nadkarni	5.27
	Mr. M. G. Parameswaran	6.02
	Ms. Nandita Gurjar	4.15
	Mr. Shashikant Shanbhag	3.60
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**;	Mr. U. Shekhar	4.74
	Mr. K. Natarajan	4.74
	Mr. K. Ganesh Kamath	4.74
	Mr. Niranjana Ketkar, CS	8.54
(iii) The percentage increase in the median remuneration of employees in the financial year;		0.76
(iv) The number of permanent employees on the rolls of company [§] ;		1333
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration [¶] ;	Average percentile increase in salaries of employees other than managerial personnel	11.56
	Percentile increase in salaries of managerial personnel [^]	4.74
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per the remuneration policy of the company.	

*Calculated on the basis of Annual CTC including full variable pay in case of Executive Directors and sitting fees and commission in case of Non-Executive Directors. Remuneration paid to Non-Executive Directors working in executive capacity in subsidiaries has not been considered.

**Given only for Executive Directors and Company Secretary

[§]As on March 31, 2020

[^]Whole time Directors

[¶]Calculated on the basis of Annual CTC of common employees in the two years.

For and on behalf of the Board

Navi Mumbai
June 25, 2020

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to the highest standards of corporate governance in all its activities and processes. It regards corporate governance as the cornerstone for sustained management performance and as a responsibility towards all the stakeholders and society. At the heart of the Company's Corporate Governance policy, the ideology is of transparency and openness in the effective working of the Management and Board.

This report is in compliance with Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as (SEBI (LODR) Regulations)) as given herein below.

2. BOARD OF DIRECTORS

The Board of Directors is constituted in compliance with the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (LODR) Regulations.

The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas. Company's executive management provides the Board of Directors detailed reports on its performance periodically.

Composition of Board of Directors

As on March 31, 2020, the Board consisted of 12 (twelve) Directors, comprising 4 (four) Independent Directors (including one woman director), 3 (three) Executive Directors, 5 (five) Non-Executive Directors.

The maximum tenure of the Independent Directors is in compliance with the Act and SEBI (LODR) Regulations. All Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1) (b) of SEBI (LODR) Regulations and Section 149(6) of the Act.

The Management of your Company have made disclosures to the Board confirming that there is no material, financial

and commercial transactions between them and the Company which could have potential conflict of interest with Company at large.

None of the Directors is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 8 listed companies or 3 listed companies in case he/ she serves as whole-time director in any listed company (as specified in Regulation 17A of SEBI (LODR) Regulations). None of our Executive Directors are serving as an Independent Director in any other listed entity.

Further none of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in Regulation 26 of SEBI (LODR) Regulations.

Mr. S. Ravindranath is the Chairman and Independent Director. Mr. Subodh Nadkarni, Mr. M. G. Parameswaran and Ms. Nandita Gurjar (Woman Director) are the other Independent Directors.

Mr. U. Shekhar is the Managing Director of the Company. Mr. K. Natarajan is the Executive Director and Chief Operating Officer and Mr. K. Ganesh Kamath is the Executive Director (Finance) & Chief Financial Officer.

Mr. G. Ramakrishnan, Mr. Vaijanath Kulkarni, Dr. Nirmal Koshti, Mr. Uday K. Kamat and Mr. Shashikant Shanbhag are Non-Executive and Non-Independent Directors.

Annual General Meeting and Board Meetings held during the year and attendance of Directors at the said meetings

During the financial year ended on March 31, 2020, 6 (Six) meetings of Board of Directors were held on May 28, 2019, August 14, 2019, November 13, 2019, February 03, 2020, March 16, 2020 and March 17, 2020. Details of the directors and their attendance at the above mentioned Board meetings and last Annual General Meeting held on August 13, 2019 are given below:

Name	Category of Director Executive Director (ED), Non-Executive Director (NED), Independent Director (ID)	Total Board Meetings held during the year	No. of Board Meetings attended during the year	Attendance of last AGM held on August 13, 2019	No. of Directorships in other public limited companies	No. of committee* positions held in other public limited companies		Names of the listed entities where the person is a director and the category of directorship
						Chairman	Membership	
Mr. S. Ravindranath	NED and ID	6	6	Yes	NIL	NIL	NIL	NIL
Mr. U. Shekhar	Promoter/ ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Ganesh Kamath	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Natarajan	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. G. Ramakrishnan	Promoter/ NED	6	6	Yes	NIL	NIL	NIL	NIL
Dr. Nirmal Koshti	NED	6	5	Yes	NIL	NIL	NIL	NIL
Mr. Vaijanath Kulkarni	NED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Subodh Nadkarni	NED and ID	6	6	Yes	1	NIL	2	Grindwell Norton Ltd. – (ID)
Mr. M. G. Parameswaran	NED and ID	6	6	Yes	2	NIL	1	FDC Ltd. (ID)
Ms. Nandita Gurjar	NED and ID	6	5	No	1	NIL	3	Birlasoft Limited (ID)
Mr. Uday K Kamat	NED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Shashikant Shanbhag	Promoter/ NED	6	6	Yes	NIL	NIL	NIL	NIL

*only Audit Committee and Stakeholders Relationship Committee are considered for the purpose

Meeting of Independent Directors was held on Monday, March 16, 2020.

Disclosure of relationships between Directors inter-se

None of the Directors are related to each other within the meaning of “relative” under section 2(77) of the Companies Act, 2013.

Number of shares and convertible instruments held by Non- Executive Directors

The details of equity shares of the Company held by non-executive directors as on March 31, 2020 are as under:

Name of Director	Category of Director	No. of equity shares held
Mr. G. Ramakrishnan ^{§*}	Promoter, Non-Executive	23,62,758
Mr. S. Ravindranath	Independent	30,000
Mr. Subodh Nadkarni	Independent	30,000
Mr. M. G. Parameswaran	Independent	30,000
Ms. Nandita Gurjar	Independent	Nil
Mr. Vaijanath Kulkarni	Non-Executive	26,000
Dr. Nirmal Koshti	Non-Executive	15,856
Mr. Uday K. Kamat	Non-Executive	33,000
Mr. Shashikant Shanbhag ^{§*}	Promoter, Non-Executive	40,97,684

^{§*}Mr. Shashikant Shanbhag and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director and Late Ms. Sandhya Patil (wife of Promoter, late Mr. Sudhir Patil) are partners in the partnership firm namely M/s Galaxy Chemicals. The said partnership firm is holding 77,52,850 equity shares of the Company.

(The shares held by Late Mrs. Sandhya Patil are in the process of transmission to her legal heirs)

[§]Mr. Shashikant Shanbhag and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director are shareholders in Galaxy Emulsifiers Private Limited which holds 543,000 equity shares of the Company.

Familiarisation programmes imparted to Independent Directors

A policy on familiarisation of independent directors is formed and is available under the investor section on the Company's website www.galaxysurfactants.com.

Details of familiarisation programme imparted to Independent Directors has also been uploaded under the investor section on the Company's website www.galaxysurfactants.com.

Skills & Competencies

The Board of your Company has identified the following Skills / Expertise / Competencies that are required in the context of the business of the Company:

The Directors are having above specified Skills/Expertise/Competencies which are required in the context of the Company are as follows:

Skills / Expertise / Competencies	S. Ravindranath	Subodh Nadkarni	M G Parameswaran	Nandita Gurjar	U. Shekhar	K. Ganesh Kamath	K. Natarajan	Vaijanath Kulkarni	Dr. Nirmal Koshti	G Ramakrishnan	Shashikant Shanbhag	Uday Kamat
Knowledge of Company's business and the industry and the industry in which the Company operates.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Management and Administration Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓				✓	✓			✓	✓	✓
Sales & Marketing	✓	✓	✓		✓		✓	✓	✓	✓	✓	
Information Technology & System				✓			✓					✓
HRM	✓	✓	✓	✓	✓			✓		✓	✓	
Manufacturing	✓				✓			✓				
Legal & Secretarial		✓				✓				✓		✓
Innovation					✓			✓	✓	✓	✓	
Project Management	✓	✓			✓			✓				
Competencies which enable taking business decisions and exercising prudent judgement on business matters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Board hereby confirms that the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

None of the Independent Directors resigned before the expiry of their tenures. Three Independent Directors viz. Mr. S Ravindranath, Mr. Subodh Nadkarni and Mr. M G Parameswaran who completed their first term at the 33rd AGM were re-appointed as Independent Directors for their second term by members by passing special resolution at the above meeting.

3. AUDIT COMMITTEE

The Company has complied with the provisions of section 177 of the Act and Regulation 18(1) of SEBI (LODR) Regulations applicable to composition of Audit Committee. The Audit Committee has 4 (four) members i.e. Mr. Subodh Nadkarni (Chairman), Mr. M. G. Parameswaran, Mr. S.

1. Knowledge of Company's business and the industry in which the Company operates.
2. Finance, management and administration skills
3. Technical / Professional knowledge in functional areas like Finance/ HR / Legal / Manufacturing / Marketing / Innovation / Project management etc.

Competencies which enable taking business decisions and exercising prudent judgement on business matters like strategic thinking, business acumen, managing risk, networking, powerful questioning, conflict management etc.

Ravindranath and Mr. G. Ramakrishnan. All the members of the Audit Committee are financially literate as per the requirement of the Regulations.

During the financial year ended March 31, 2020, 4 (four) meetings of the Audit Committee were held on May 28, 2019, August 14, 2019, November 13, 2019 and February 03, 2020.

Attendance at Audit Committee Meetings:

Name of the Members	No. of Meetings attended
Mr. Subodh Nadkarni (Chairman)	4
Mr. M. G. Parameswaran	4
Mr. S. Ravindranath	4
Mr. G. Ramakrishnan	4

The terms of reference of the Audit Committee, are as under:

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. reviewing the financial statements with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - a. matters required to be included in the Directors Responsibility Statement to be included in the Board of Director's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgement by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
6. reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval of any subsequent modification of transactions of the company with related parties;
10. scrutiny of inter-corporate loans, investments and guarantees;
11. valuation of undertakings or assets of the company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. discussion with internal auditors of any significant findings and follow up there on;
16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. reviewing the functioning of the whistle blower mechanism;
20. overseeing the vigil mechanism established by the Company, with the chairman;
21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. review of utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
23. review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and
24. carrying out any other function as is mentioned in the terms of the Audit Committee.

The minutes of the Audit Committee Meeting are noted on regular basis by the Board of Directors.

The Chairman of the Audit Committee Mr. Subodh Nadkarni was present at the last Annual General Meeting of the Company held on August 13, 2019 to answer queries of the shareholders.

4. **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors of the Company has constituted Nomination and Remuneration Committee ("NRC") in terms of Regulation 19(1) of SEBI (LODR) Regulations. The Committee comprises of 4 (four) Independent Directors i.e. Mr. M. G. Parameswaran (Chairman), Mr. S. Ravindranath, Mr. Subodh Nadkarni and Ms. Nandita Gurjar. The Committee meets the criteria as laid down under the Act and SEBI (LODR) Regulations.

During the financial year ended March 31, 2020, 4 (four) meetings of the NRC were held on May 27, 2019, August 13, 2019, November 12, 2019 and March 16, 2020.

Attendance at NRC meetings

Name of the Members	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	4
Mr. Subodh Nadkarni	4
Mr. S. Ravindranath	4
Ms. Nandita Gurjar	3

The terms of reference of the NRC are as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

2. formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. devising a policy on board diversity;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
5. deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
6. recommend to the Board, all remuneration in whatever form, payable to senior management; and
7. perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on August 13, 2019 to answer queries of the Shareholders.

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board of Directors have prepared criteria for evaluation of the performance of Directors including Independent Directors. The said criteria comply with the Act and SEBI (LODR) Regulations. Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance. The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and Regulation 17 (10) of the SEBI (LODR) Regulations.

5. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors for the financial year 2019-20

₹ Crores

Name of Director	Salary	Commission	Contribution to Funds	Perquisites	Total
U. Shekhar	1.38	0.35	0.13	0.00*	1.86
K. Natarajan	1.38	0.35	0.13	0.00*	1.86
K. Ganesh Kamath	1.39	0.35	0.13	0.00*	1.87

*Figures are less than ₹ 50000/-

There is no provision for payment of severance fee to Executive Directors at the time of their cessation of directorship.

Sitting fees and commission paid to Non-Executive Directors for the financial year 2019-20

₹ Crores

Name of Non-Executive Director	Sitting Fees	Commission	Others	Total
Mr. S. Ravindranath	0.11	0.12	0.00	0.23
Mr. Subodh Nadkarni	0.11	0.10	0.00	0.21
Mr. M. G. Parameswaran	0.14	0.10	0.00	0.24
Ms. Nandita Gurjar	0.06	0.10	0.00	0.16
Mr. G. Ramakrishnan*	0.09	0.10	0.60	0.79
Mr. Uday K. Kamat*	0.04	0.10	0.60	0.74
Mr. Shashikant Shanbhag	0.04	0.10	0.00	0.14

The above does not include any payment made to directors who are appointed on the Board of subsidiaries and/ or at any office or place of profit in the subsidiaries pursuant to the approval given by the members.

*Mr. G. Ramakrishnan and Mr. Uday K. Kamat have been appointed as a Strategic Advisors to the Company w.e.f. June 1, 2018 pursuant to approval of the members in 32nd AGM held on August 9, 2018 and have been paid fees during the financial year 2019-20 which are shown in "Others" column above.

Dr. Nirmal Koshti and Mr. Vaijanath Kulkarni, non-executive directors of the Company did not receive any sitting fees and commission from the Company during the current financial year 2019-20.

Criteria for making payments to non-executive directors is available on the Company's website www.galaxysurfactants.com

The Company has not granted any stock option to any of its non-executive directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has formed a Stakeholders' Relationship Committee ("SRC") in compliance with the Regulation 20 of the SEBI (LODR) Regulations and Section 178 of the Act. The Committee comprises of 3 (three) directors i.e. Mr. M. G. Parameswaran (Chairman), Mr. G. Ramakrishnan and Mr. K. Ganesh Kamath.

During the financial year ended March 31, 2020, 2 (two) meetings of SRC were held on May 27, 2019 and November 12, 2019.

Attendance at SRC Meetings

Name of Director	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	2
Mr. G. Ramakrishnan	2
Mr. K. Ganesh Kamath	2

The terms of reference to SRC are as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The status of complaints received from the investors during the year is as follows

Particulars of Complaints	Complaints Nos.
Complaints as on April 1, 2019	Nil
Complaints received during the FY 2019-20	3
Complaints disposed during the FY 2019-20	3
Complaints remaining unsolved as on March 31, 2020	Nil
Complaints not solved to the satisfaction of shareholder	Nil

Mr. Niranjan Ketkar, Company Secretary, is the Compliance Officer of the Company.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on August 13, 2019 to answer queries of the shareholders.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formed a Corporate Social Responsibility Committee ("CSRC") under section 135 of the Act. The Committee comprises of 3 (three) directors viz. Mr. U. Shekhar, Managing Director (Chairman), Mr. M. G. Parameswaran and Mr. K. Ganesh Kamath.

During the financial year ended March 31, 2020, 2 (two) meeting of CSRC was held on May 27, 2019 and November 12, 2019.

Attendance at CSRC Meetings

Name of Director	No. of Meetings attended
Mr. U. Shekhar (Chairman)	2
Mr. M. G. Parameswaran	2
Mr. K. Ganesh Kamath	2

The terms of reference of CSRC are as under:

- formulate and recommend to the Board of Directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. RISK MANAGEMENT COMMITTEE

The Company has formed a Risk Management Committee ("RMC") on falling under Top 500 Companies as per the market capitalisation. The Committee comprises of 5 (Five) members i.e. Mr. Vaijanath Kulkarni, Chairman & Chief Risk Officer, Mr. K. Ganesh Kamath, Mr. K. Natarajan, Mr. Garikiparthi Sessa Samba Murthy and Mr. Abhijit Damle.

During the financial year ended March 31, 2020, 2 (two) meetings of RMC were held on August 12, 2019 and December 17, 2019.

Attendance at RMC Meetings

Name of Member	No. of Meetings attended
1. Mr. Vaijanath Kulkarni (Chairman & Chief Risk Officer)	2
2. Mr. K. Ganesh Kamath	2
3. Mr. K. Natarajan	2
4. Mr. Garikiparthi Sessa Samba Murthy	2
5. Mr. Abhijit Damle	2

The terms of reference of RMC are as under:

- laying down risk assessment and minimization procedures and the procedures to inform Board on the same;
- framing, implementing, reviewing and monitoring the Risk Management Policy for the Company and strengthening of the risk management systems;
- monitoring and reviewing from time to time the approved risk management plan and also to review and consider any other matter that may be delegated to it by the Board from time to time;
- working with head / in-charge of the respective department / function to ensure that the risk management processes are implemented in accordance with agreed risk management policy and strategy;
- allocating adequate resources to mitigate and manage risk and minimise their adverse impact on outcomes;
- provide advice and tools to staff, management and Board on risk management issues within the organisation, including facilitating workshops in risk identification;
- oversee and update organisational-wide risk profiles, with input from head / in-charge of the respective department / function;

8. monitor and review the functioning of cyber security of the Company;
9. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

9. GENERAL BODY MEETINGS

- (a) The details of last three Annual General Meetings are as follows

Meeting	Day, Date	Time	Venue
31 st AGM	Thursday, August 17, 2017	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400703
32 nd AGM	Thursday, August 09, 2018	3.00 p.m.	CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703
33 rd AGM	Tuesday, August 13, 2019	3.00 p.m.	CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703

- (b) Special resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolution
31 st AGM	• Approval for keeping Register of Members of the Company at a place other than Registered Office under section 94 of the Companies Act, 2013
32 nd AGM	• NIL
33 rd AGM	• To approve re-appointment of Mr. S. Ravindranath (DIN: 00011680) as an Independent Director for second term • To approve re-appointment of Mr. Subodh Nadkarni (DIN: 00145999) as an Independent Director for second term • To approve re-appointment of Mr. M.G. Parameswaran (DIN: 00792123) as an Independent Director for second term

- (c) During the year under review, the Company has not passed any special resolution through postal ballot.

10. MEANS OF COMMUNICATION

The quarterly/ annual results are published in Business Standard and Mumbai Lakshdeep (a Marathi Daily published from Mumbai). The Annual Report, Quarterly results/ Half Yearly Result and Audited Financial Statements, the press releases of the Company, Investors Presentations, and/or any other updates are also uploaded on the Company's website- www.galaxysurfactants.com.

Presentations made for institutional investors as well as transcripts of the conference calls which are arranged by the Company are uploaded on the website- www.galaxysurfactants.com.

The Company's website www.galaxysurfactants.com has a separate section for investors where shareholders information is available.

The Company also has a separate email id viz. investorservices@galaxysurfactants.com, for investor grievances.

11. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

34th Annual General Meeting will be held on Tuesday, September 8, 2020 through Video conferencing or OAVM at 3:00 p.m.

b) Financial Year

The Company follows financial year of 12 months starting from April 1 and ending on March 31.

- c) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)-

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited-

Name of Exchange	Address of Exchange
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual Listing Fees for the year 2020-21 have been paid to stock exchanges.

d) Stock Code

National Stock Exchange of India Ltd.: GALAXYSURF
BSE Ltd.: 540935

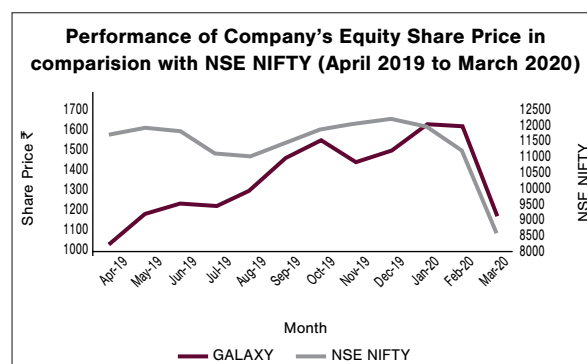
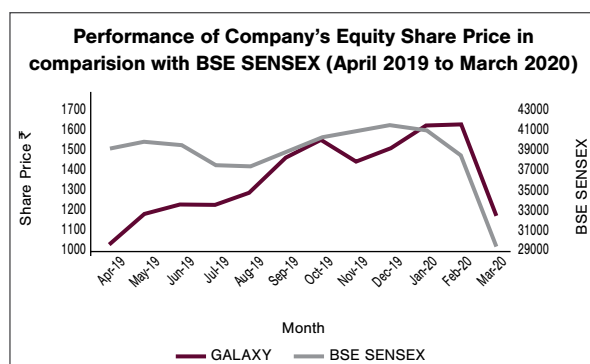
e) Market price data- high, low during each month in last financial year-

Month Wise Stock Market Data

National Stock Exchange of India Limited				BSE Limited			
Month	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lakhs)	Month	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lakhs)
Apr-19	1099.00	971.10	4.58	Apr-19	1096.00	975.00	1.62
May-19	1237.95	985.55	2.19	May-19	1237.00	983.00	0.30
June-19	1255.65	1100.00	2.00	June-19	1252.90	1097.00	0.33
July-19	1285.00	1154.50	1.43	July-19	1290.00	1158.50	0.24
Aug-19	1337.60	1166.60	1.55	Aug-19	1336.00	1164.10	0.20
Sep-19	1520.00	1261.50	2.42	Sep-19	1520.85	1270.25	0.29
Oct-19	1600.00	1435.90	1.92	Oct-19	1594.60	1425.05	0.27
Nov-19	1648.45	1401.50	6.35	Nov-19	1640.00	1400.05	0.47
Dec-19	1569.00	1332.65	5.65	Dec-19	1566.55	1339.45	0.24
Jan-20	1647.00	1445.55	4.25	Jan-20	1644.25	1440.00	0.52
Feb-20	1789.45	1500.00	5.82	Feb-20	1790.00	1500.10	0.49
Mar-20	1645.00	1027.55	4.20	Mar-20	1667.75	975.00	0.29

Source: NSE and BSE Websites

f) Performance in comparison to broad-based indices such as SENSEX and NIFTY



g) Details of unpaid dividend

Year of the Declaration	Date of declaration of dividend	Date of transfer to IEPF	Amount (In ₹)
Fin Div 12-13	06-09-2013	12-11-2020	1,38,650
Fin Div 13-14	19-09-2014	25-11-2021	5,12,600
Fin Div 14-15	28-09-2015	02-12-2022	6,25,800
Int Div 15-16	04-06-2016	10-08-2023	7,45,000
Spl Div 15-16	26-09-2016	01-12-2023	2,15,000
Int Div 16-17	04-03-2017	09-05-2024	8,03,985
Fin Div 16-17	17-08-2017	23-10-2024	5,98,785
Fin Div 17-18	09-08-2018	15-10-2025	12,00,073
Int Div 18-19	29-03-2019	03-05-2026	8,26,210
Fin Div 18-19	13-08-2019	18-10-2026	4,54,125
Int Div 19-20 includes one time Spl Div	16-03-2020	22-05-2027	9,51,090*

*excluding demand drafts amounting to ₹ 57,47,966/- which were issued but could not be sent to shareholders due to lockdown. Once the activities resume, demand drafts will be dispatched to shareholders.

h) Share Transfer Agents

Link Intime India Private Limited
 C 101, 247 Park, Lal Bahadur Shastri Marg,
 Vikhroli (West),
 Mumbai – 400 083
 Tel: +91-22-4918 6000
 Fax: +91-22-4918 6060
 rnt.helpdesk@linkintime.co.in

statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Share Transfers are normally processed within the stipulated time (15 days) as mentioned in the SEBI (LODR) Regulations, from the date of receipt, subject to documents being valid and complete in all respects. As per the requirement, the Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of SEBI (LODR) Regulations and file a copy of the said certificate with Stock Exchanges.

The Company files certificates pertaining to maintenance of share transfer agency Regulation 7(3), statement of pending complaints Regulation 13(2) under SEBI (LODR) Regulations with stock exchanges and the same is uploaded on the website of the Company i.e. www.galaxysurfactants.com.

i) Share transfer system

In terms of the Listing Regulations, effective from April 1, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to April, 1, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialise their shares held by them in physical form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within the

j) Distribution of shareholding

Shareholding Pattern as on March 31, 2020

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1.	Promoter and Promoter Group	2,51,49,807	70.93
2.	Public Shareholding	1,03,04,945	29.07
	Total	3,54,54,752	100.00

Distribution of Shareholding (Shares)								
Sr. No.	Range of Shareholding			Shareholder (Folios)	Percentage of Total	Total Shares	Percentage of total	
1	1	to	500	37,326	97.87	8,09,571	2.29	
2	501	to	1000	280	0.73	2,10,240	0.59	
3	1001	to	2000	144	0.38	2,19,334	0.62	
4	2001	to	3000	159	0.42	4,51,193	1.27	
5	3001	to	4000	32	0.08	1,10,669	0.31	
6	4001	to	5000	33	0.09	1,52,106	0.43	
7	5001	to	10000	69	0.18	4,83,753	1.36	
8	10001		and above	95	0.25	3,30,17,886	93.13	
	Total			38,138	100	3,54,54,752	100	

k) Dematerialization of shares and liquidity

Status of dematerialisation of shares and liquidity as on March 31, 2020 is as under

Mode of holding	No. of shares	% of total shareholding
Dematerialised	3,44,32,661	97.12
Physical	10,22,091	2.88
Total	3,54,54,752	100.00

We request shareholders whose shares are held in the physical mode to dematerialise their shares and update their bank accounts, emails with the respective depository participants.

l) There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

m) Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to Commodity Price Risk and Foreign Exchange Risk arising from its business operations. Currently the Company does not engage in any direct commodity hedging activities. However, the Company has internal systems through commodity price risk is monitored and controlled.

As the revenues and expenses are denominated in foreign currency, the Company is also exposed to foreign exchange risks. The Company imports certain

raw materials, the price of which is denominated in foreign currency. The Company also exports its products which that are paid for in foreign currency, which acts as a natural hedge against its imports. The Company also enters into forward contracts / foreign currency borrowing to manage its foreign currency exposures.

n) Plant locations

- 1) Plot Nos. N-46/1 & 2, W-67 (B), G-59, M-3, M.I.D.C. Tarapur, Post Boisar - 401 506.
- 2) Plot No. V-23, M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.
- 3) Plot No. 1, Village Chal, CIDCO, Near M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.
- 4) Plot No. 892, Jhagadia Industrial Estate, Taluka-Jhagadia via Ankleshwar, Dist. Bharuch, Gujarat Pin-393 110 (100% EOU).

o) Address for correspondence

Address of the Company

Mr. Niranjan Ketkar, Company Secretary
Galaxy Surfactants Limited
Rupa Solitaire, Ground Floor, Unit No. 8,
Millennium Business Park, Mahape
Navi Mumbai - 400 710
Tel: +91-22-33063700
Fax: +91-22-2761 4507
email: investorservices@galaxysurfactants.com

Address of the Registrar and Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai - 400 083
Tel: +91-22-4918 6000
Fax: +91-22-4918 6060
email: mumbai@linkintime.co.in

p) Credit rating

During the year the long term credit rating was revised from "CRISIL A+/Stable" to "CRISIL A+/Positive (Outlook revised from 'stable' and rating reaffirmed)". The short term rating "CRISIL A1 (Reaffirmed)" was maintained. The Company has not issued any debt instruments or fixed deposit during the year.

12. OTHER DISCLOSURES

(a) The Company's related party transactions are mainly with its subsidiaries. All the contracts/ arrangements/ transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest.

(b) The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited. There are no non-compliances during the period from listing of shares in relation to capital markets.

(c) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adapting highest standards of professionalism and ethical behaviour. The Company is committed to developing a culture where it is safe for all directors/ employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Company has a Whistle Blower Policy in place under which Director/ employee are free to raise concern. No person has been denied access to the Audit Committee.

(d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements.

The Company has complied with all mandatory requirements of Regulation 34 of SEBI (LODR) Regulations.

The positions of Chairman of the Board of Directors and Managing Director are separate on the Board of the Company and therefore, the Company has complied with discretionary requirements of part E of Schedule II of SEBI (LODR) Regulations.

- (e) The Company's policy on Related Party Transactions and Determining Material Subsidiary are uploaded on website of the Company at <https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>
- (f) During the year under review, no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) SEBI (LODR) Regulations.
- (g) The Company has received certificate from Secretarial Auditor confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- (h) During the year, recommendations made to the Board by the Committees were accepted by the Board.
- (i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part are ₹ 1.39 Cr.
- (j) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- | Particulars | Number |
|--|--------|
| (a) number of complaints filed during the financial year | 0 |
| (b) number of complaints disposed of during the financial year | 0 |
| (c) number of complaints pending as on end of the financial year | 0 |
- (k) The Company has formulated Code of Conduct (Insider Trading) to Regulate, Monitor and Report Trading by Insider based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at <https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>
13. The Company has complied with requirement of Corporate Governance report of sub paras (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations.

14. The disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations shall be made in the section on Corporate Governance of the Annual Report.

Sr. No.	Particulars	Regulation No.	Compliance Status
1	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders' Remuneration Committee	20	Yes
5.	Risk Management Committee	21	Yes
6.	Vigil Mechanism	22	Yes
7.	Related Party Transactions	23	Yes
8.	Subsidiaries of the Company	24	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	The posts of Chairman and Managing Director are held by two different persons
12.	Website of the Company	46 2(b) to (i)	Yes

Declaration – Code of Conduct

Declaration under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015:

All the members of the Board and the Senior Management Personnel of the Company have for the year ended March 31, 2020, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Galaxy Surfactants Limited

Navi Mumbai
June 25, 2020

U. Shekhar
Managing Director
(DIN: 00265017)

CEO/ CFO Certificate

The Board of Directors
Galaxy Surfactants Limited
Navi Mumbai

Dear Sirs/ Madam,

Certificate under Regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (1) significant changes in the internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Galaxy Surfactants Limited

Navi Mumbai
June 25, 2020

U. Shekhar
Managing Director
(DIN 00265017)

K. Ganesh Kamath
Executive Director (Finance)
& Chief Financial Officer
(DIN 07767220)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members Of
Galaxy Surfactants Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 July, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Galaxy Surfactants Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place: Mumbai
Date: 25 June 2020

Kedar Raje
Partner
(Membership No. 102637)
(UDIN: 20102637AAAABW4216)

Business Responsibility Report for Financial Year 2019-20

OVERVIEW

From inception, Galaxy's sustainable success is drawn from its Vision and commitment to cleaner and safer environment. It has been a cornerstone of how we conduct business. The fundamental aspect of Galaxy's culture is imbibing our values and driving ourselves to remain committed to stakeholders. At Galaxy, we don't believe that sustainability is just a destination or a journey, for us it is a way of life. It is a process of continual improvement that results in sustaining the business by being a competitive and reliable partner, while being environmentally and socially responsible.

This is our 2nd Business Responsibility Report in line with Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In line with SEBI's proposed structure for the Business Responsibility

Report and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', this report delineates the Galaxy's efforts to conduct business with responsibility. We have also adopted 'National Guidelines on Responsible Business Conduct – NGRBC' in FY 2019-20 and included the performance for Essential Indicators in the report. The Business Responsibility Report is a summary of Galaxy's sustainability initiatives and more detailed performance is published separately in Sustainability Report.

Galaxy continues to publish its Sustainability Report, in conformity to the Global Reporting Initiative (GRI) standards. Our sustainability reports, including the 8th Sustainability Report for FY 2018-19 are available at our website¹.

GENERAL INFORMATION

1	Corporate Identity Number (CIN) of the Company	L39877MH1986PLC039877
2	Name of the Company	Galaxy Surfactants Limited
3	Registered Office Address	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra – 400703
4	Website	www.galaxysurfactants.com
5	Email	investorservices@galaxysurfactants.com
6	Financial Year of Report	2019-20
7	Sectors that the company is engaged in (Industrial Activity Code wise)	Chemicals NIC Code Product Description 20233 Manufacture of detergent and similar washing agents excluding soaps 20119 Manufacture of organic and inorganic chemical compounds n.e.c. As per National Industrial Classification for India (NIC)
8	List three key products that Company manufactures/ provides	Performance Surfactants Specialty Care Products
9	Total number of locations where business activity is undertaken by the Company	
	i) International Locations	Manufacturing units (Subsidiaries) 1) Suez, Egypt 2) New Hampshire, USA
	ii) National Locations	Manufacturing units in India (A) 3 sites in Tarapur, Maharashtra (B) 1 site in Taloja Maharashtra, and (C) 1 site in Jhagadia, Gujarat
10	Markets served by the Company – Local/State/National/International/	All, We serve across the continents, covering 80+ countries.

¹www.galaxysurfactants.com

FINANCIAL DETAILS

1	Paid up capital (INR)	35,45,47,520
2	Total turnover (INR)	1793.12 Crs.
3	Total profit after taxes (INR)	182.18 Crs.
4	Total spending on corporate social responsibility (CSR) as % of average profit for last 3 financial years	Total Expenditure reported is ₹ 3.32 Crore as 1.85% of average profit of last 3 financial years. For the detailed financial summary project wise, refer Annexure C of the Board Report
5	Activities under which expenditure in 4 above has been incurred include	The CSR initiatives are implemented through following projects: a) Aarogya Vardheeni – Healthcare & Preventive Healthcare b) Gyan Sanjeevani – Education c) Samajeek Utthaan – Rural Development d) Stree Unnati – Women Empowerment e) Vatavaran Suraksha – Environment Protection & f) Aapda Rahat – Calamity Relief

OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	As on March 31, 2020, the Galaxy has 5 wholly owned subsidiaries.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Galaxy encourages its Subsidiary Companies to participate in BR initiatives.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with / participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (less than 30%, 30-60%, more than 60%).	As part of Sustainability Policy, Galaxy is committed to integrate sustainability considerations into value chain by engaging with and creating awareness among stakeholders including suppliers. Currently, more than 60% of suppliers participate in the BR initiatives.

BUSINESS RESPONSIBILITY FRAMEWORK

BR INFORMATION

1. Details of Director/Directors responsible for BR

Name	Designation	DIN	Telephone No.	Email ID
U. Shekhar	Managing Director	00265017	+91-22-27616666	sustainability@galaxysurfactants.com

BR Head

Name	Designation	DIN	Telephone No.	Email ID
K. Ganesh Kamath	Executive Director (Finance) & CFO	07767220	+91-22-27616666	sustainability@galaxysurfactants.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance to BR Policies

Sr No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Availability of Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Policy formulated in consultation with relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Conformity of policy to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Policy approved by the Board #	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Policy signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Specified committee of the Board / Director / Official appointed to oversee the implementation of the policy #	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y **	Y *	Y **	Y *	Y *	Y *	Y **	Y *	Y *

Sr No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Existence of an in-house structure within the Company to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Availability of a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Assessment by an internal/external agency of the working of this policy	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y – Yes; N – No; NA - Not Applicable

Few Policies are adopted under the authority given by the Board; ** Policies are accessible only to employees; *Policies available on the Company's website – <https://www.galaxysurfactants.com/about/our-policies.aspx>;

Note: While there may not be a formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

All nine principles as articulated in India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' are covered by policies of Galaxy as outlined in the following table:

NVG Principle	Applicable policies
P1 - Conduct and govern themselves with Ethics, Transparency and Accountability	Code of conduct (CoC) for Board and senior managers, CoC for employees, Whistle Blower Policy
P2 - Provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability Policy, Quality Policy, SHE Policy, Corporate Social Responsibility Policy, Sourcing Policy, GMP Policy, Energy Policy
P3 - Promote the well-being of all employees	SHE Policy, Human Rights Policy, Sexual Harassment at Workplace Policy, People Energy Policy
P4 - Respect the interests of, and be responsive towards all stakeholders, specially disadvantaged, vulnerable and marginalized	CoC, Sourcing Policy, Corporate Social Responsibility Policy
P5 - Respect and promote human rights	CoC, Human Rights Policy
P6 - Respect, protect, and make efforts to restore the environment	CoC, Sustainability Policy, SHE Policy, Quality Policy, Sourcing Policy, Energy Policy
P7 - Influencing public and regulatory policy in a responsible manner	CoC
P8 - Support inclusive growth and equitable development	Corporate Social Responsibility Policy
P9 - Engage with and provide value to their customers and consumers in a responsible manner	CoC, Quality Policy, SHE Policy, GMP Policy, Business Creation Policy

3) GOVERNANCE RELATED TO BR

BR Performance review

The Managing Director and Senior Leadership Team review the BR performance periodically as part of the overall Management Review process. The Board level CSR Committee (formed under section 135 of the Companies Act, 2013) reviews performance of Corporate Social Responsibility programmes and initiatives. The Sustainability Cell is a three-tier structure with Steering Committee at the Apex comprising of Board of Directors. Members of Sustainability Cell meet thrice in a year to assess and review the sustainability and BR performance.

BR Communication/ Sustainability Report

Galaxy has published eight sustainability reports so far (8th being for 2018-19). These reports are available on GRI database² and the Company website¹. We have been selected as one of the finalists in Asia Sustainability Reporting Awards 2019 in Asia's Best Environmental Reporting category for our 8th Sustainability Report 2018-19³.

¹<https://database.globalreporting.org/organizations/16238/>

²<https://csr-matters.com/finalists-2019/>

PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Galaxy believes in conducting its business in a fair and transparent manner. Integrity is one of the core values at Galaxy and the values are widely communicated to all relevant stakeholders. Galaxy has laid down employee Code of Conduct (CoC) applicable to all employees, with the objective of establishing and upholding high ethical conduct with utmost transparency, and accountability. Galaxy is committed to developing a culture where it is safe for all directors/employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, Galaxy has a Whistle Blower Policy in place under which Director/employee are free to raise concern. Galaxy has formulated Code of Conduct (Insider Trading) to regulate, monitor and report trading by Designated Persons and their Immediate Relatives based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

Also, Galaxy's Directors and Senior Management are required to abide by a CoC adopted as per Companies Act, 2013 and SEBI Listing Regulations, 2015.

Galaxy's commitment towards doing business responsibly is built upon in its CoC and is complemented by -

- Robust governance structure
- Well-structured internal control systems for regular assessment of effectiveness of CoC and its adherence.

Galaxy has formulated a separate Supplier Code of Conduct, which is communicated and endorsed by several suppliers.

Meetings/Dialogue with minority shareholders⁴

No separate meeting with minority shareholders was organised during the year. However, after approval of quarterly results, a conference call is arranged for investors/analysts. Any shareholder can participate in such call as the information of such call is available on websites the Company as well as stock exchanges.

Stakeholder Complaints

Galaxy has an Internal Complaints Committee (ICC) to redress complaints received with respect to sexual harassment. No complaint was received in 2019-20 by ICC. Under the Whistle Blower Policy, no complaint was received in the year 2019-20. During the year, three complaints were received from shareholders which were resolved promptly⁵. There were no non-disputed fines/penalties imposed on your business by regulatory and judicial institutions, and no complaints / cases of corruption and conflicts of interest registered during the year⁶.

⁴As per NGRBC, Principle 1: Essential Indicator, Q.4

⁵As per NGRBC, Principle 1: Essential Indicator, Q.5, 6

⁶As per NGRBC, Principle 1: Essential Indicator, Q.7, 8

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

Galaxy is committed to develop safe, sustainable & eco-friendly products, processes, technologies and services and to adopt Life Cycle thinking contributing towards product stewardship. Sustainability is an integral part of product design. We are developing new products by giving highest priority to safety and health impact.

Galaxy ensures that all product labelling requirements are fully met as per various markets' requirements, as well as physical and chemical properties are communicated to the customers.

Sustainable Products

At Galaxy, we believe that our goals reflect our determination towards a more sustainable future. One of our Sustainability Goals 2020 is to conduct Life Cycle Assessment of 40 products. Galaxy assesses majority of its product range for their total environment impacts, moving beyond basics like energy and water intensity of products. This approach provides Galaxy with a framework for ascertaining the relative sustainability of products, identifying opportunities for environment impact mitigation, and promoting greener products. Galaxy carried out Life Cycle Assessment based on ISO 14040/14044 as a part of assessing total impact of product through its lifecycle and completed LCA for 29 identified products. This enabled Galaxy to determine their environment impacts and opportunities for improvement in the same.

- Our performance products, Sodium Lauryl Sulfate and Sodium Cocoyl Glycinate range of products, have ECOCERT attestation. ECOCERT, a voluntary certification system, ensures that a product is natural and environmentally friendly throughout its life cycle and satisfies the minimum threshold of natural and organic ingredients. Galaxy via its wide array of Specialty Care product offerings such as Mild Surfactants, UV Filters, Non-Toxic Preservatives, Syndet and TBB (transparent bathing bars) has positioned itself to address the emerging segments.
- The innovative process is applicable to the entire class of N-acyl amino acid surfactant family (including Glycinates, Sarcosinates, Taurates and Glutamates). This patented process has been globally recognised as one of the major inventions. Galaxy process of amino acid surfactant manufacture meets all twelve principles of 'Green Chemistry'. Galsoft GLI 21 is a modern, ultra-mild sulphate-free cleanser that exploits the synergy of two of the mildest surfactants. Galsoft GLI 21 is one such innovative product, designed with breakthrough technology of combining Amino Acid Surfactant and Acyl Isethionate with a Patented Process. This innovation has been well recognised by the industry and Galsoft GLI 21 won the Gold Innovation Award at the HPCI 2018 held

in Mumbai. Galaxy has received **ICIS Innovation Award 2018 in the Best Process Innovation category** for our “Green Process for the manufacture of Amino Acid Surfactants.

- Liquid Laundry Detergent is an upcoming trend especially in the emerging markets, after liquid dish wash became urban-popular. Galaxy with its expertise has developed a high performing, safe, eco-friendly surfactant concentrate that offers superior value named GalFUSION LLDC. The product offers convenience to many regional players for the preparation of quality liquid laundry detergents easily with dilution at room temperature in very less time and is versatile to prepare customised formulations as per customer preferences and fabric laundry needs.

Investments in specific technologies to improve the environmental and social impacts⁷

Galaxy understands that ‘Innovation’ is a vital component of its business strategy that provides a sustainable and long-term competitive advantage to the organisation. Galaxy has adopted innovation Funnel Model comprising various stages wherein ideas are screened as they progress through various developmental stages before getting converted into successful business. Galaxy invests to enhance its R&D capabilities and new products scalability. In our performance product portfolio, our innovation efforts are on the process innovation. We continuously conduct thorough analysis of our sites and production processes, plan and execute de-bottlenecking and free up resources to run our sites to their fullest potential.

- The trend is to move towards safer, non-toxic, and noncontroversial alternatives in order to cater to the preservation needs of the personal care industry. Galaxy has come up with Galguard range of preservatives, a major platform for nontoxic preservation. The Galguard range contains Galguard NT and Galguard Trident. These are broad spectrum of products that provide a safe preservation system for personal as well as home care products. Galaxy’s experience and knowledge in the field of preservation has been acknowledged by 3 international patents. This year Galguard NT received the Silver Innovation Award at HPCI 2019, Mumbai, recognising its novelty and innovation.
- The Personal Care industry is constantly changing with consumers now preferring newer, more convenient and safer products, which are free from toxic ingredients. This trend has been witnessed in an upcoming product platform which are the shower oils, also known as waterless cleansing formulations. The product is a mixture of oil-soluble surfactant, oils, emollients and actives. Galsoft TILS (G) is an oil-soluble sulfate-free, EO

free, dioxane-free, and PEG-free surfactant, which is one of its kind in the world. **Galaxy has received the Gold Innovation Award at HPCI 2020 for Galsoft TILS (G).**

- ‘Galsoft Glutamates’ developed by Galaxy is a new generation Green Amino Acid Surfactant series. This series consists of two grades of Glutamates i.e. Galsoft SLGL and Galsoft SCGL based on lauroyl and cocoyl fatty chain respectively. Galsoft Glutamates are anionic amino acid based surfactants. They are free from sulfates, chelating agents, EO, additives, and toxic chemicals and are also available with grades, free from preservatives. These surfactants are ~100% Natural Origin Content and readily biodegradable.

Sustainable Sourcing

Galaxy has defined internal procedures for sustainable sourcing. Galaxy evaluates vendors on environment, social, safety and quality parameters prior to registration of a vendor. The suppliers are asked to endorse Supplier Code of Conduct containing the organization approach on quality, environment, and occupational health and safety management systems. Galaxy is an ordinary member of Roundtable on Sustainable Palm Oil (RSPO) that facilitates sustainability in palm oil supply chain. More than 90% of our supplies (by value) are from suppliers adhering to internal or external sustainability standards / codes / policies. This includes International Standards like RSPO, REACH, ISO standards, their internal standards, adherence to our supplier code of conduct, etc. Galaxy is signatory to Responsible Care Global Charter (RCGC) and is permitted to use Responsible Care® logo for manufacturing units in India till December 2020. Galaxy adheres to the requirements of ‘Distribution Code and Product Stewardship Code’ of the framework to ensure safe and sustainable transportation.

Local vendors

Galaxy has developed vendors that are local and promotes local producers. Galaxy has helped few vendors in improving their capacity, setting up new facility, and improving their productivity. Nearly 50% of procurement spend was used to procure material from local suppliers⁸.

Recycling of products and waste

Galaxy focuses on waste elimination, recycling and optimum utilization of resources. We are continually improving our waste monitoring mechanism. Galaxy has implemented projects that have reduced waste over the years by recycling by-products/waste for internal consumption and improving the yield of production. Hazardous waste is sent to authorized waste management agencies and Non-Hazardous waste is sent to authorized recyclers for further recycling. With Galaxy’s focus on effective recycling of water, all the manufacturing facilities in India are “Zero Liquid Discharge”.

⁷As per NGRBC, Principle 2, Essential indicator Q.2

⁸As per NGRBC, Principle 4: Essential Indicator, Q.4

End-of-life of products⁹

In line with our Quality Policy, we promote safe use of products by providing necessary information regarding storage, transportation, handling, disposal and performance of products. Galaxy conducts environment risk assessment of the product during transport, handling, storage, use and disposal phase and ensure that the hazards and adverse effects of the chemicals on human health and the environment, as well as physical and chemical properties are communicated down the supply chain in the form of Safety data sheets (SDS) and labels. GHS / CLP labels are also affixed on packages for clear and concise communication of product hazards, as applicable. SDS and labels are periodically reviewed and revised. In addition, SDS and labels are also updated whenever new and significant information is available. While transporting dangerous goods, we ensure use of UN certified packing material and affixation of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association). We have registered for worldwide emergency service through ChemTrec. Galaxy has developed Master Global Product Brochure, Application Guide, Specialty Product Catalogues and Formulation Guide for customers.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The growth of an organisation is determined by the pace of growth of its people. We believe in nurturing and empowering our talent so that they can exercise their potential to the fullest. We believe our people are the endless source of energy who help us in generating resources for our business. Hence, our Human Resource Process is called People Energy Process. Our motto and value systems are well imbibed by our workforce and they are trained on this right from their induction, which leads to harmony in working. 'Everyone can make a Difference' is one of our Values. We believe that each Galaxite is our Talent and our pursuit is to build future leaders who create value. We train our employees on a continual basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and

safety. We offer our employees performance-linked incentives and benefits and conduct employee engagement programmes from time-to-time. Galaxy is committed towards building talent and a high performance learning culture where our employees feel empowered challenged and rewarded, and have many opportunities to demonstrate their skills and abilities. Various Behavioural, Safety, Technical and On-the-job training programmes were organised for our workforce.

Employee Health and Well-being

Galaxy constantly strives to address the issue of work life balance and encourages their employees to maintain the same. Employee health is critical for Galaxy's sustainable growth and in keeping with this, annual health check-up and wellness programmes are conducted for employees across the organization. Under the wellness programme – 'MyHealth, MyChoice' Galaxy runs its health newsletter known as the 'Wellness Quotient' to spread awareness amongst the employees, so that they can be sensitised regarding various health-related issues/ topics and also be motivated towards better physical, mental and emotional well-being.

Occupational Health & Safety

Safety forms an integral part of our culture. Our Vision is to achieve and sustain an incident-free organisation. In order to achieve this Vision, we have established processes and systems and ensure that our culture promotes safety across all locations. There were no reportable accidents, no fatalities or disabilities caused during the FY 2019-20¹⁰. Galaxy provides safe workplace environment and imparts training to all its employees on regular basis. We regularly provide training to Company and contractor employees on topics like behavioural safety, Fire Safety, SCBA, defensive driving etc.

Safety & Skill up-gradation training

We have ensured 100% safety induction training for company and contractor employees at all manufacturing sites. Also, we provide specific safety training for contractor employees with coverage of about 70% (average, considering all the manufacturing sites).

Employee Category	Number of Employees	% Trained on Safety	% Trained for Skill Up-gradation
Permanent	1333	98%	98.4%
Permanent Female	93	100%	100%
Temporary/Contractual	758	100%	mainly safety training
Disabled Employees	2	100%	100%

Collective Bargaining and Employee Engagement

Galaxy recognises and respects employees' rights to freedom of peaceful association and collective bargaining. It also facilitates open communication and direct engagement between workers and management. Employee Welfare Council is constituted in manufacturing units as a platform for employees to voice their concerns and grievances to the management on a monthly basis. Employees are encouraged to provide their feedback and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances. There were no cases of delay in payment of wages during the year¹¹.

¹⁰As per NGRBC, Principle 3: Essential Indicator, Q.11

¹¹As per NGRBC, Principle 3: Essential Indicators, Q.9

Grievance Redressal

Galaxy treats its employees equally, with dignity and with no gender bias. Galaxy believes and ensures that all employees work in an environment that is free from all kinds of harassments including sexual harassment of women. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Galaxy has constituted an ICC (Internal Complaints Committee).

There were no complaints received relating to child labour, forced labour, involuntary labour or sexual harassment in the last financial year and none pending, as on the end of Financial Year 2019-20.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour /involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

Galaxy considers stakeholders as partners in business and engages with internal and external stakeholder groups, beyond normal transactional engagement. This also ensures effective two way communications and also helps identify and address any concerns and creation of a shared value.

Stakeholder mapping

Galaxy's key stakeholder groups include customers, suppliers, vendors, investors, shareholders, employees, NGOs and the local communities around its manufacturing plants.

Disadvantaged, vulnerable and marginalized stakeholders

Galaxy identifies vulnerable and disadvantaged sections amongst the stakeholder group and takes special efforts to address their concerns. Amongst employees, we address specific concerns of women. Galaxy's community initiatives are addressed specifically to alleviate issues and problems of vulnerable and disadvantaged sections.

Further, Galaxy has defined process for identifying communities near our plants as our key community stakeholders. All the vulnerable stakeholders are identified and the projects are considered after full-fledged discussion and a complete due diligence of the beneficiaries. All the considered projects are in line with the vision and the strategy.

Initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders

Galaxy follows an integrated approach to interact with its community stakeholders for designing the CSR projects in line with the needs and the requirement of the community. CSR Committee has identified the thrust area projects around which the Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis. There will be alignment of CSR programmes across all locations to ensure common focus and synergy in efforts: Arogya Vardheeni, Gyan Sanjeevani, Samajeek Utthaan, Vatavaran Suraksha, Stree Unnati and Aapda Rahat.

Stakeholder Engagement and Communication¹²

We consider it extremely important to understand the viewpoints and concern of our stakeholders. We are committed to our stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on society. Our CSR Policy focuses on minimizing resource constraints of underprivileged people preferably around our operating facilities and offices for their well-being & improved quality of life.

Every year, we attempt to bring continuous improvement in our approach towards comprehensively engaging our stakeholders and arriving at the material aspects. We have a range of internal and external stakeholders. We engage with all relevant stakeholders through a variety of mechanisms, including direct meeting, surveys, engagement at professional and industry forum, and sharing information. The frequency of engagement is planned for regular communication with stakeholders on key issues as shared in table on next page. We conduct additional engagement with identified stakeholders as part of development of our sustainability reports.

Engaging continuously with our supply chain partners to improve operational efficiency and integrate sustainability considerations into value chain, we scaled strategic engagement with our suppliers on sustainability agenda during the year. Conscious efforts were taken to create sustainability awareness among local suppliers with major focus on safety. We also conduct periodic site assessments, and regularly review the performance of non-financial indicators of our suppliers.

¹²As per NGRBC, Section B- Stakeholder Engagement and Communication and Principle 4- Essential Indicators

Stakeholders	Departments responsible for engagement	Environmental and Social Issues addressed in Engagement	Mode of communication/ Feedback
Customers	Business Creation, Business Development, Business Quality, Quality Assurance, Global Customer Delight and Business Process Excellence	<ul style="list-style-type: none"> Carbon footprint/Carbon disclosure, Management of Environmentally hazardous substances, Innovation, Customer Satisfaction Survey 	<ol style="list-style-type: none"> Regular business reviews with key customers Customer satisfaction surveys and feedback Customer audits and customer questionnaire responses Meeting customer requirements and requests for improvement on environmental and social responsibility
Investor	Investor Relations & Corporate Governance	<ul style="list-style-type: none"> Corporate governance/risk management Investment in CSR Transparency of information disclosure Compliance 	<ol style="list-style-type: none"> AGM Annual Reports Investor Meets
Government and Regulatory bodies	Corporate Governance, SHE, People Energy	Environmental and Social Compliance	Statutory and Legal Compliance filings
Suppliers & Vendors	Sourcing, Quality Assurance, SHE	<ul style="list-style-type: none"> Environmental initiatives (e.g., reduced packaging and recycling) Carbon management education and evaluation Supply chain management Compliance with laws and regulations Work environment and hygiene Machine / equipment safety Human Rights 	<ol style="list-style-type: none"> Supplier workshops and annual suppliers meet Suppliers consultation and auditing Informing suppliers through feedback mechanism Supplier Sustainability assessment questionnaire
Transporter	GCD, SHE	<ul style="list-style-type: none"> Supply chain management Carbon management Road Safety Safe System Compliance with laws and regulations 	<ol style="list-style-type: none"> Transporter consultation and auditing Informing transporter through feedback mechanism
Employees (Employee & Contract employees)	People Energy, Business Process Excellence, SHE, Energy Cell, Water Cell, CEP and WESAP Team	<ul style="list-style-type: none"> Ethics/integrity management Employee diversification Human rights Learning and growth Work environment / Working conditions Salary / Benefits Health and safety Employee Well-being Career Development Balance of work and life 	<ol style="list-style-type: none"> Meetings & Trainings Employee Engagement Survey 360 degree feedback One-on-one interviews with managers Performance communication Communication meetings with new recruits Employees can communicate through internal channels Energy Week, Safety Month, Environment Day celebrations
Community	CSR Team, CSR Committee and employees	<ul style="list-style-type: none"> Environmental awareness Community Development SHE system and practices 	<ol style="list-style-type: none"> CSR initiatives Sustainability Report Participation in conferences One to one interactions

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Galaxy has established a human rights policy that is communicated to every employee. We also ensure that forced or child labour is not practised at our work premises and strict compliance audits are conducted to ensure the same. Employees are encouraged to provide their feedback under the Whistle Blower policy and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances. There were no stakeholder complaints related to human rights violations during 2019-20.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

With Sustainability - a way of life at Galaxy, we have embarked on a journey of sustainable growth across all geographies of our operations. Galaxy is committed to integrate sustainability into business. Galaxy continues to improve sustainable performance and practices by adopting globally applicable management systems. Galaxy strives to minimize environmental impact by setting long term sustainability goals. Over the past several years, we have made substantial progress on Environmental management and sustainability goals.

Galaxy has published Sustainability and SHE Policies that are signed by the Managing Director and available on the Company's website.

Material risks of potential or actual adverse impacts upon the environment and communities¹³

We have conducted materiality survey in accordance with the GRI Standards. During FY 2019-20, we have conducted materiality survey to identify all the sustainability topics and priorities with importance to Galaxy, and that has a material impact on our stakeholders. We have shared performance with respect to the material topics in our Sustainability Report.

Identification and assessment of potential environmental risks

We identify and monitor environmental risks in line with ISO 14001:2015-Environment Management System. Aspect - Impact analysis is captured in Aspect- Impact register which is reviewed and updated regularly. Programmes/ controls are identified and implemented based on this register in order to reduce operational environmental risks. We have integrated these with our Enterprise Risk Register.

We have adopted TCFD¹⁴ framework to evaluate and manage our Climate related risks. TCFD was established by the Financial Stability Board with the aim of improving the reporting of climate-related risks and opportunities. This framework provides direction to the organisation on how to drive commitment in the transition towards a low carbon global economy.

¹³As per NGRBC, Principle 6: Essential Indicator, Q.1

¹⁴TCFD - Task Force on Climate related Financial Disclosures

¹⁵As per NGRBC, Principle 6: Essential Indicator, Q.2

Strategies/ initiatives to address global environmental issues such as climate change, global warming

At Galaxy, sustainability and business growth goes in hand. It is integral to long term continuity of the business. We have implemented several CSR and sustainability initiatives that have helped in minimizing environmental impacts of its operations and actively contribute to social and economic development of the communities. Key focus areas are improving energy efficiency, increasing renewable energy consumption, reducing waste generation, minimising water consumption, and mitigating climate change risks. We have also incorporated group wide sustainability policy that has helped Galaxy to minimize their environmental footprint and streamline business processes.

We believe that the goals reflect our determination towards a more sustainable future. Galaxy has Sustainability Goals 2020 with focus in areas of climate change, energy, greenhouse gases, renewable energy, tree plantation, water, packaging waste and life cycle assessment. The performance of these goals and material topics are being reviewed on quarterly basis in Sustainability Cell meetings and other internal review meetings.

The performance on these goals and initiatives related to climate change, renewable energy is shared on website and in our Sustainability Report. We are regularly reporting our performance related to Climate Change and Water through CDP under the Supply Chain module. In 2019, we have received score of Management Level 'B' in CDP- Climate Change compared to global average of 'C' and Management Level 'B' in CDP-Water compared to global average of 'B'.

CDM/Env. Compliance Report -

No, we currently do not have any project related to Clean Development Mechanism.

Initiatives reducing Environment Footprint -Energy Efficiency, Renewable Energy¹⁵

We are committed to contributing towards low carbon growth by measuring and tracking our energy consumption and GHG emission. Members of Energy Cell and Sustainability Cell meet regularly to review energy performance and are guided by Energy Policy. Galaxy with its commitment to increase the share of clean energy, the Company commissioned installation of Roof Top solar panels and completed overall around 613 kWp solar installations at its corporate office and manufacturing sites at Taloja and Jhagadia. We have plans to increase and add more renewable power in line with our Sustainability Goals 2020. Galaxy accounts its Greenhouse Gas (GHG) emissions using ISO 14064-1:2006 standards and published emission factors from IPCC.

Galaxy has implemented ISO 50001:2018 Energy Management System at Taloja Manufacturing Unit with aim to reduce our energy consumption and emissions impacting climate.

From May 2017 onwards, we have achieved zero liquid discharge at all manufacturing sites in India along with necessary consents from the Pollution Control Boards.

The performance of Sustainability Goals and initiatives are shared on website and also in the Sustainability Report of your Company.

Emissions/Waste compliance

The emissions / wastes generated are well within limits prescribed under consents and approvals of SPCB. These are also reported to SPCB as per the process prescribed by them every year. At the end of financial year, no show cause notices from the pollution control board were pending.

Collective Action with external partners¹⁶

Galaxy continuously engages with its supply chain partners to reduce environmental risks and integrate sustainability considerations into the value chain. Conscious efforts were taken to create sustainability awareness among local suppliers. We also conduct periodic site assessments, and regularly review the performance of non-financial indicators of our suppliers. We interact with our suppliers for mutual value creation on the sustainability front.

Giving back to the society is the core principle that governs Galaxy's CSR activities. Under our CSR programme, we ensure environmental protection and maintenance of ecological balance through tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting, solid waste reduction & proper disposal by segregation & composting. We also promote solar and other non-conventional energy projects, as well as reverse rainwater harvesting.

We define water stewardship as the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process. Some of initiatives related to Water Stewardship are rain water harvesting, water conservation projects, drinking water availability, rejuvenation of wells, proper sanitation facilities, check dam creation, de-silting of water bodies, installation of KFP structures in fields of farmers etc.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

Memberships and Associations

Galaxy is a member of several industry and trade bodies and regularly participates in industry events and stakeholder consultation/ dialogue leading to policy formulation by various regulatory bodies. Some of key associations of which the Company is an active member include:

- Indian Chemical Council (ICC)
- Bombay Chamber of Commerce and Industry (BCCI)
- CHEMEXCIL - Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council
- Indian Specialty Chemical Manufacturers' Association (ISCMA)
- CII TPM Club

Policy Advocacy

Galaxy participates in policy advocacy and discussions on issues relevant to its industry sector. The Senior Leadership Team interacts with various professional bodies and organizations on issues related to governance, economic reforms, water and sustainable business principles.

Anti-Competitive Conduct¹⁷

No adverse order was passed against the business of the Company for anti-competitive conduct.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

At Galaxy, we believe that business growth is impactful only when it is inclusive of the communities and environment that are associated with the corporate. Corporate Social Responsibility is the main pillar of our sustainability initiatives and is driven by our CSR policy. Thus the basic objective of our CSR is to maximize the Company's impact on the society and stakeholders while considering environment and overall sustainability.

CSR Motto:

- Galaxy shall be a good corporate and community citizen
- Galaxy Shall encourage a culture of Volunteering
- Galaxy shall endeavour to enhance human excellence and improving quality of life

CSR Vision: "Minimize resource constraints of underprivileged people preferably around our operating centres for their well-being & improved quality of life."

CSR Mission: "To be a catalyst for a healthy society through specific educational initiatives in personal hygiene, environment cleanliness and infrastructure support for community development".

Galaxy has adopted a Corporate Social Responsibility policy and a CSR committee of the Board guides policy implementation, monitoring and reporting. The CSR policy is available on the website of the Company. The CSR programmes are undertaken through employee volunteering led by an internal team and a few external NGOs. The CSR Report has been dealt with more exhaustively in the annexure to the Board's Report for FY 2019-20.

¹⁶As per NGRBC, Principle 6: Essential Indicator, Q.3

¹⁷As per NGRBC, Principle 7: Essential Indicator, Q.3

The CSR initiatives are implemented through following projects:

- a) Aarogya Vardheeni – Healthcare & Preventive Healthcare
- b) Gyan Sanjeevani – Education
- c) Samajeek Utthaan – Rural Development
- d) Stree Unnati – Women Empowerment'
- e) Vatavaran Suraksha – Environment Protection
- f) Aapda Rahat – Calamity Relief

Implementation of initiatives and projects

CSR initiatives have been primarily conceptualised or driven by our in-house CSR team which are called Site Steering Councils. However, some of the initiatives/ projects are also run in collaboration with external NGOs, Government organisations as well. Galaxy acts as a good corporate citizen by encouraging employees to engage in volunteering activities.

Impact Assessment

Every project and initiative is monitored and reviewed by the Site CSR Steering Council for its effective implementation, quantitatively and qualitatively through personal visits at regular interval.

Direct contribution to community development projects

Total Expenditure reported is ₹ 3.32 Crore and for the detailed financial summary project wise, refer Annexure C of Board Report.

Successful Adoption of projects by community and stakeholders

Galaxy adopts a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying CSR projects. Partial beneficiary contribution is sought, for project deployment/asset creation, maintenance for them to have greater ownership of the projects - which the Galaxy believes is crucial for sustainability of its initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt & carry forward these initiatives is done from time to time.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

With customers being central to our business philosophy, our focus during the year has been to strengthen our relationships with our existing customers while adding new customers across markets and regions.

Customer Complaints

As on March 31, 2020, we have ~2.1% customer complaints remain unresolved exceeding the defined closure timeline of 30 days max.

We follow the 8D (eight-disciplines) methodology which is a rigorous and structured tool for responding to customer complaints and preventing its recurrence. Devising an interim containment plan, Identifying and verifying root cause, implementing a long-term solution to prevent recurring of the problems, and customer centricity approach are the key elements of our complaint management process.

Customer Satisfaction Survey

Galaxy has a dedicated team which conducts customer satisfaction survey once in every two years to understand levels of customer satisfaction with products and services provided by the Company.

Product Information and Labelling

We display product information like product trade name, gross wt., tare wt. etc. on regular product labels. In addition, in case of specific countries/customers, we share information with respect to product hazard as per the GHS (Globally Harmonised System of Classification and Labelling of Chemicals) /CLP (Classification, Labelling and Packaging) regulation. While transporting dangerous goods, we ensure use of UN certified packing material and affixation of dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association).

Cases filed by Stakeholder

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

Independent Auditor's Report

To The Members of Galaxy Surfactants Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Galaxy Surfactants Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Fair valuation of financial instruments- Investment in Preference shares in subsidiary company (Refer Note 4, sub note (p), (t) of Note 1(B), Note 46 and note 48 to Standalone financial statements of the Company)</p> <p>The Company's investment in preference shares in the subsidiary Company amounting to ₹ 215.35 Crores is considered as a financial asset and is measured at fair value through Profit & loss in accordance with Ind AS 109.</p> <p>In terms of Ind AS 113, Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Management has determined the fair values with the assistance of an external expert (management expert)</p> <p>The fair value was determined based on the discounted cash flow model. The result of the fair value measurement depends to a large extent on the management's assessment of future cash inflows and the discount rate used, and is therefore subject to significant judgement. Due to the estimation uncertainty of the valuation and due to the fact that changes in assumptions could affect the fair value of the financial assets, this matter was of particular significance in the context of our audit.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the valuation techniques used by the management for valuation of these financial instruments. We tested the design and operative effectiveness of the controls over valuation of investments including controls over assumptions used by the management's expert. We obtained the fair valuation report of management's expert. We assessed the objectivity and competence of the management's expert. We evaluated the reasonableness of the future cash flows considered by the management in respect of the preference shares. We tested the assumptions used by the management's expert to determine whether these were reasonable and consistently applied. We involved our valuation specialists to assist in our assessment of the fair value of the preference shares. With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by: Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation. Developing a range of independent estimates and comparing those to the discount rate selected by management

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the

directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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 standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Rajee

Partner

Place: Mumbai
Date: 25 June, 2020

(Membership No. 102637)
(UDIN: 20102637AAAABS9899)

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING 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 31 March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje

Partner

Place: Mumbai
Date: 25 June, 2020

(Membership No. 102637)
(UDIN: 20102637AAAABS9899)

Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Galaxy Surfactants Limited on the financial statements for the year ended 31 March, 2020)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, Immovable properties of Land and Buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the examination of the confirmation directly received from lender. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended 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 cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March, 2020 on account of disputes are given below:

Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved
The Central Excise Act, 1944	Excise Duty	Appellate Tribunal	2006-14	2.59
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	2010-11	0.97
Maharashtra Value Added Tax Act, 2002	Value Added Tax/ Central Sales Tax	Joint Commissioner	2012-15	4.71
The Custom Act, 1962	Custom Duty	Commissioner (Appeals)	2012-13	3.06
		Appellate Tribunal	2014-15	0.09

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. Company did not have dues to financial institutions, government and to debenture holders.
- (ix) The Company did not raise moneys by way of Initial Public Offer or further public offer (including debt instruments). According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner

Place: Mumbai
Date: 25 June, 2020
(Membership No. 102637)
(UDIN: 20102637AAAABS9899)

Balance Sheet

as at 31st March 2020

₹ Crores

Particulars	Note	2020	2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	369.59	354.16
(b) Right of use Asset	2A	102.40	-
(c) Capital Work-in-Progress		61.37	40.18
(d) Other Intangible Assets	3	5.30	4.98
(e) Financial Assets			
(i) Investments	4	218.18	256.46
(ii) Loans	5	5.56	5.26
(iii) Other Financial Assets	6	0.02	1.30
(f) Income Tax Assets (Net)		8.03	8.01
(g) Other Non-Current Assets	7	36.89	45.46
Total Non-Current Assets		807.34	715.81
Current Assets			
(a) Inventories	8	202.12	209.65
(b) Financial Assets			
(i) Trade Receivables	9	274.07	306.48
(ii) Cash and Cash Equivalents	10	16.91	3.92
(iii) Bank Balances other than Cash and Cash Equivalents	10	0.74	0.66
(iv) Loans	5	0.30	3.46
(v) Other Financial Assets	6	9.49	3.82
(c) Other Current Assets	7	78.13	62.86
Total Current Assets		581.76	590.85
Total Assets		1,389.10	1,306.66
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11A	35.45	35.45
(b) Other Equity	11B	854.39	747.06
Total Equity		889.84	782.51
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	82.99	89.23
(ii) Lease Liabilities	2A	7.09	-
(iii) Other Financial Liabilities	13	0.34	0.27
(b) Provisions	14	13.78	9.99
(c) Deferred Tax Liabilities (Net)	15	30.51	41.29
(d) Other Non-current Liabilities	16	0.43	0.46
Total Non-Current Liabilities		135.14	141.24
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	58.03	28.45
(ii) Lease Liabilities	2A	2.28	-
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	18	4.36	8.58
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	18	222.57	265.72
(iv) Other Financial Liabilities	13	56.55	66.17
(b) Provisions	14	3.64	3.65
(c) Current Tax Liabilities (Net)		5.16	4.39
(d) Other Current Liabilities	16	11.53	5.95
Total Current Liabilities		364.12	382.91
Total Equity And Liabilities		1,389.10	1,306.66

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants**KEDAR RAJE**
PartnerPlace : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017**G. KAMATH**
Executive Director
Finance & CFO
DIN: 07767220Place : Navi Mumbai
Date : 25th June, 2020**K. NATARAJAN**
Executive Director & COO
DIN: 07626680**N. KETKAR**
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2020

₹ Crores

Particulars	Note	2019-20	2018-19
Revenue from operations	19	1,793.12	1,996.36
Other Income	20	5.36	35.91
Total Income		1,798.48	2,032.27
Expenses			
Cost of materials consumed	21	1,166.64	1,422.22
Purchases of Stock-in-trade	22	9.83	11.14
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	22.05	(0.63)
Employee benefit expenses	24	94.37	87.31
Finance costs	25	16.90	20.44
Depreciation and amortisation expenses	26	39.94	28.70
Other expenses	27	219.05	208.72
Total Expenses		1,568.78	1,777.90
Profit before exceptional items and tax		229.70	254.37
Exceptional Items		-	-
Profit before tax		229.70	254.37
Tax Expense			
Current Tax	28	58.12	73.58
Deferred Tax charge / (credit)	28	(10.60)	12.34
Total Tax Expenses		47.52	85.92
Profit for the year		182.18	168.45
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss :			
(a) Remeasurements of the defined benefit plans		(2.37)	(0.79)
(b) Equity instruments through other comprehensive income		-	-*
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	0.19	0.27
B. (i) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		(2.18)	(0.52)
Total Comprehensive Income for the year		180.00	167.93
Earnings per equity share :			
(Face value ₹ 10 per share)			
Basic (₹)	30	51.38	47.51
Diluted (₹)	30	51.38	47.51

*Figures less than ₹ 50,000

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Statement of Changes in Equity

for the year ended 31st March 2020**A) Equity Share Capital**

₹ Crores

Particulars	2020	2019
Issued and Subscribed :		
Balance as at the beginning of the year	35.45	35.45
Balance as at the end of the year	35.45	35.45

B) Other Equity

₹ Crores

Particulars	Reserves and Surplus			Items of Other Comprehensive Income Equity instrument through Other Comprehensive Income	Total Other Equity
	Securities Premium Account	General Reserve	Retained Earnings		
Balance as at 1st April, 2018	0.20	26.38	603.78	0.06	630.42
Profit for the year	-	-	168.45	-	168.45
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	(0.52)	-*	(0.52)
Total Comprehensive Income for the year	-	-	167.93	-*	167.93
Dividend on Equity Shares	-	-	(24.82)	-	(24.82)
Dividend Distribution Tax	-	-	(5.10)	-	(5.10)
Interim Dividend	-	-	(17.73)	-	(17.73)
Interim Dividend Distribution Tax	-	-	(3.64)	-	(3.64)
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	-	-	0.06	(0.06)	-
Balance as at 31st March, 2019	0.20	26.38	720.48	-	747.06
Profit for the year	-	-	182.18	-	182.18
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	(2.18)	-	(2.18)
Total Comprehensive Income for the year	-	-	180.00	-	180.00
Dividend on Equity Shares	-	-	(10.64)	-	(10.64)
Dividend Distribution Tax	-	-	(2.19)	-	(2.19)
Interim Dividend	-	-	(49.64)	-	(49.64)
Interim Dividend Distribution Tax	-	-	(10.20)	-	(10.20)
Balance as at 31st March, 2020	0.20	26.38	827.81	-	854.39

*Figures less than ₹ 50,000

Notes :

B.1 : During the year ended 31st March, 2020, the Board of Directors at its meeting held on 16th March, 2020 has approved interim dividend of ₹ 14 per share (140% of face value) amounting to ₹ 59.84 Crore including dividend distribution tax.

Details of Dividend proposed :

₹ Crores

Particulars	2020	2019
Dividend per share (In ₹)	-	3.00
Dividend proposed on Equity Shares	-	10.64
Dividend Distribution Tax	-	2.19
Total Dividend proposed including Dividend Distribution Tax	-	12.83

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Cash Flow Statement

for the year ended 31st March 2020

₹ Crores

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	182.18	168.45
Adjustments for :		
Income tax expense	47.52	85.92
Finance costs	16.90	20.44
Interest Subvention income	(1.60)	(1.98)
Interest income	(2.40)	(1.33)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	(0.03)	(0.02)
Net foreign exchange (gain)/loss	0.54	0.18
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	1.48	1.31
Depreciation and amortisation expenses	39.94	28.70
Net (gain)/loss arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	0.15	(33.41)
Allowance for doubtful debts and advances	0.16	0.47
Liabilities no longer required written back	(0.39)	(0.92)
	102.27	99.36
Operating Profit before Working Capital changes	284.45	267.81
Changes in :		
Trade receivables & Other Assets	23.82	50.46
Inventories	7.53	12.88
Trade payables & Other Liabilities	(45.94)	(23.19)
	(14.59)	40.15
Cash generated from operations	269.86	307.96
Income Taxes Paid (net of refunds)	(57.37)	(70.05)
NET CASHFLOWS FROM OPERATING ACTIVITIES	212.49	237.91
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	2.39	1.34
Payments for Property, Plant & Equipment and intangible assets	(78.54)	(128.06)
Proceeds from disposal of Property, Plant & Equipment	0.18	0.95
(Increase)/ Decrease in Earmarked balances with banks (net)	(0.08)	(0.16)
Proceeds from redemption of preference shares	38.13	-
NET CASHFLOWS USED IN INVESTING ACTIVITIES	(37.92)	(125.93)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long term borrowings	(38.99)	(49.17)
Proceeds from long term borrowings	40.00	60.00
Proceeds from/(Repayment of) short term borrowings (net)	29.58	(73.51)
Dividends paid on equity shares	(93.96)	(29.75)
Interest paid	(16.28)	(17.53)
Payment of lease liabilities	(81.00)	-
NET CASHFLOWS USED IN FINANCING ACTIVITIES	(160.65)	(109.96)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13.92	2.02
OPENING CASH AND CASH EQUIVALENTS	3.92	1.91
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.93)	(0.01)
CLOSING CASH AND CASH EQUIVALENTS	16.91	3.92

Note

The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (IND AS) 7 - "Statement of Cash flows".

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Notes to the Financial Statements

for the year ended 31st March 2020

1. (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 applicable in India. The address of its registered office is disclosed in the introduction to the Annual Report.

The Company is engaged in manufacturing of surfactants and other specialty ingredients for the personal care and home care industries. Our products find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity shares of the Company are listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”) in India.

Estimation of uncertainties relating to the global health pandemic from COVID-19

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company’s business operations were temporarily disrupted. The Company has resumed operations in a phased manner after obtaining the required approvals/permissions. Based on immediate assessment and on the basis of available information of the impact of COVID-19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information as at the date of approval of these financial statements. Given the uncertainties associated with its nature and duration, the actuals may differ from the estimates considered in these financial statements.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

The financial statements of the Company for the year ended 31st March, 2020 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 25th June, 2020.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116– Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The principal accounting policies are set out below

c) Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns & goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and cost can be measured reliably.

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, Plant and Equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis.

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

Property, Plant and Equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and Amortisation expense in the Statement of Profit and Loss.

Software

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding ten years commencing from the date of acquisition.

Research & Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property,

Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

f) Inventories

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

g) Equity Investments in Subsidiaries

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

h) Leases

The Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) Asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The Right of use Asset are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use Asset are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and Right of use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

i) Foreign exchange transactions and translations

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in the Statement of Profit and Loss in the period in which they arise.

j) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the Statement of Profit and Loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Company are entitled to compensated absences for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

k) Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

m) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their

recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. 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.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit and loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either

amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain and loss on derecognition is recognised Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purposes. Upon the application of Ind AS 109,

the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in Statement of Profit and Loss. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity

component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

q) Dividend Distribution

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts:

The Company uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Property, Plant and Equipment and Intangible Assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

t) Fair value measurement:

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in the Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are

categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

u) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2. PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) Cost						
Balance as at 1 st April, 2018	124.73	400.40	18.19	5.94	19.13	568.39
Add : Additions during the year	22.62	78.64	0.59	0.57	3.51	105.93
Less : Disposals / Adjustments during the year	-	9.76	0.38	0.72	1.33	12.19
Balance as at 31st March, 2019	147.35	469.28	18.40	5.79	21.31	662.13
Add : Additions during the year	6.43	42.02	0.59	0.74	2.69	52.47
Less : Disposals / Adjustments during the year	-	28.95	-	0.33	0.85	30.13
Balance as at 31st March, 2020	153.78	482.35	18.99	6.20	23.15	684.47
(II) Accumulated depreciation						
Balance as at 1 st April, 2018	38.55	222.55	12.03	2.39	14.99	290.51
Add : Depreciation expense for the year	4.82	18.59	1.60	0.60	1.78	27.39
Less : Disposals / Adjustments during the year	-	7.91	0.34	0.57	1.11	9.93
Balance as at 31st March, 2019	43.37	233.23	13.29	2.42	15.66	307.97
Add : Depreciation expense for the year	5.74	25.45	1.40	0.57	2.22	35.38
Less : Disposals / Adjustments during the year	-	27.51	-	0.14	0.82	28.47
Balance as at 31st March, 2020	49.11	231.17	14.69	2.85	17.06	314.88
Net carrying amount(I-II)						
Balance as at 31 st March, 2019	103.98	236.05	5.11	3.37	5.65	354.16
Balance as at 31st March, 2020	104.67	251.18	4.30	3.35	6.09	369.59

Notes:

- 2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -* (2018-19 ₹ -*)
 2.2 The amount of borrowing costs incurred during the year and capitalised is ₹ 0.41 Crores (2018-19 ₹ 2.12 Crores)

₹ Crores

Particulars	2020 Amount	2019 Amount
Buildings	0.08	0.53
Plant & Equipment	0.33	1.59

- 2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 1.47 Crores (2018-19 ₹ 3.04 Crores) out of which ₹ 0.70 Crores (2018-19 ₹ 2.95 Crores) is incurred in current year.
 2.4 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Jhagadia & Tarapur.

*Figures less than ₹ 50,000

2A RIGHT OF USE ASSET

The Company has adopted Ind AS 116 “Leases” effective 1st April, 2019. The Company has followed the Modified Retrospective Approach and accordingly the Company has recognised a Right of use (ROU) Asset and equivalent Lease Liability. In view of this, the operating lease rent which was hitherto accounted under ‘Other expenses’ in previous periods has now been accounted as depreciation and finance costs. The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9.20%.

Following are the changes in the carrying value of ROU Asset for the year ended 31st March, 2020:

Particulars	ROU Asset		Total
	Office Premises	Land*	
Balance as at 1st April, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 “Leases”	-	15.74	15.74
Transition impact on account of adoption of Ind AS 116 “Leases”	11.20	-	11.20
Add : Additions during the year	0.30	78.12	78.42
Less : Deletions during the year	0.11	-	0.11
Less : Depreciation charge for the year	2.58	0.27	2.85
Balance as at 31st March, 2020	8.81	93.59	102.40

* The net block of Leasehold land of ₹ 15.74 Crores (Gross block - ₹ 18.95 Crores and accumulated depreciation - ₹ 3.21 Crores) has been reclassified to ROU Asset on account of adoption of Ind AS 116 “Leases”.

The aggregate depreciation expense on ROU Asset is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities for the year ended 31st March, 2020

Particulars	Total
Current Lease Liabilities	2.28
Non-Current Lease Liabilities	7.09
Total	9.37

The following is the movement in lease liabilities during the year ended 31st March, 2020

Particulars	Total
Balance as at 1st April, 2019	-
Transition impact on account of adoption of Ind AS 116 “Leases”	11.20
Add : Addition during the year	0.30
Add : Finance cost accrued during the period	0.86
Less : Deletion during the year	0.11
Less : Payment of lease liabilities	2.88
Balance as at 31st March, 2020	9.37

The table below provides details regarding the contractual maturities of lease liabilities for the year ended 31st March, 2020 on an undiscounted basis:

Particulars	Total
Less than one year	3.05
One to five years	8.02
Total	11.07

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

3. OTHER INTANGIBLE ASSETS

₹ Crores

Particulars	Computer Software	Technical Know How	Total
(I) Cost			
Balance as at 1 st April, 2018	6.50	0.30	6.80
Add : Additions during the year	3.07	-	3.07
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31st March, 2019	9.57	0.30	9.87
Add : Additions during the year	2.03	-	2.03
Less : Deductions/Adjustments during the year	0.03	-	0.03
Balance as at 31st March, 2020	11.57	0.30	11.87
(II) Accumulated amortisation			
Balance as at 1 st April, 2018	3.47	0.11	3.58
Add : Amortisation expense for the year	1.28	0.03	1.31
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31st March, 2019	4.75	0.14	4.89
Add : Amortisation expense for the year	1.68	0.03	1.71
Less : Deductions/Adjustments during the year	0.03	-	0.03
Balance as at 31st March, 2020	6.40	0.17	6.57
Carrying amount(I-II)			
Balance as at 31 st March, 2019	4.82	0.16	4.98
Balance as at 31st March, 2020	5.17	0.13	5.30

Note:

3.1 The amortisation expense of other intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

4. NON-CURRENT INVESTMENTS

Particulars	Face Value Per Unit	2020		2019	
		Number	₹ Crores	Number	₹ Crores
Investments in Equity Instruments					
Unquoted (all fully paid unless otherwise specified)					
(A) At Cost					
(i) In Subsidiary Companies					
Equity shares					
Galaxy Chemicals Inc.	US \$ 0.01	12,000	0.46	12,000	0.46
Galaxy Holdings (Mauritius) Ltd.	US \$ 1	500,000	2.37	500,000	2.37
Investments in Equity Instruments (Total)			2.83		2.83
Investments in Preference Shares:					
Unquoted (all fully paid unless otherwise specified)					
(A) Carried at Fair Value Through Profit & Loss (FVTPL)					
(i) In Subsidiary Companies					
Preference shares					
10% Non Cumulative Redeemable Preference Shares					
Galaxy Holdings (Mauritius) Ltd.	US \$ 1	34,050,000	215.35	39,400,000	253.63
Investments in Preference Shares (Total)			215.35		253.63
Total Non Current Investments (Net)			218.18		256.46
Other Disclosures					
Aggregate amount of unquoted investments			218.18		256.46

5. LOANS

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Financial assets at Amortised cost :				
A) Security Deposits				
- Unsecured, considered good	0.13	5.27	3.13	5.01
B) Other Loans (Employees)				
- Unsecured, considered good	0.17	0.29	0.33	0.25
Total	0.30	5.56	3.46	5.26

Note:

5.1 Loans given to employees as per the Company's policy are not considered for the purpose of disclosure under section 186 (4) of the Companies Act 2013.

6. OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Financial assets at Amortised cost : (Considered Good, unless otherwise stated)				
Dues from Related Parties (Refer Note 38)	0.92	-	0.78	-
Advances				
- Considered Good	3.15	-	1.81	-
- Considered Doubtful	-	-	0.39	-
Interest accrued	0.21	-	0.20	-
Other Financial assets (Refer Note 6.1)	2.07	0.02	-	0.02
	6.35	0.02	3.18	0.02
Less: Allowance for Doubtful Advances	-	-	0.39	-
	6.35	0.02	2.79	0.02
Derivatives Financial instruments not designated as hedging instruments carried at Fair value through Profit & Loss				
Derivative Financial instruments	3.14	-	1.03	1.28
Total	9.49	0.02	3.82	1.30

Note:

6.1 Other Financial assets (Current) as at 31st March, 2020 includes Remittance in Transit.

7. OTHERS ASSETS (NON FINANCIAL)

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	11.14	-	4.64
	-	11.14	-	4.64
Advances other than capital advances				
Balance with government authorities	49.46	25.22	40.66	25.19
Prepaid Expenses	3.83	0.53	4.55	15.63
Other Advances (Refer Note 7.1)				
- Considered Good	10.59	-	2.52	-
- Considered Doubtful	-	-	0.12	-
	63.88	25.75	47.85	40.82
Less: Provision of Doubtful Advances	-	-	0.12	-
	63.88	25.75	47.73	40.82
Export Incentives receivable	14.25	-	15.13	-
Total	78.13	36.89	62.86	45.46

Note:

7.1 Other advances mainly include Advances to suppliers, etc.

8. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

₹ Crores

Particulars	2020	2019
Raw Materials [Including in transit of ₹ 26.48 Crores. (2018-19 : ₹ 19.94 Crores)]	82.85	71.47
Packing Material [Including in transit of ₹ Nil (2018-19 : ₹ 0.38 Crores)]	5.88	5.79
Work-in-Progress	41.10	43.54
Finished Products	50.66	68.85
Stock-in-Trade [Including in transit of ₹ 0.50 Crores (2018-19 : ₹ 0.25 Crores)]	6.53	7.95
Consumables, Stores and Spares	15.10	12.05
Total	202.12	209.65

Notes:

- 8.1 The cost of Inventories recognised as an expense during the year was ₹ 1,386.60 Crores (2018-19 : ₹ 1,599.08 Crores).
- 8.2 The cost of Inventories recognised as an expense includes ₹ 1.09 Crores (2018-19 : ₹ 0.85 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 0.59 Crores (During 2018-19 : ₹ 0.23 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption.
- 8.3 The company has availed bank facilities which are secured by hypothecation of inventories.
- 8.4 The mode of valuation of inventories is stated in sub-note (f) of Note 1B.
- 8.5 The Company determines the realisable value of inventory based on the latest selling prices, customer orders on hand and margins, adjusted to reflect current and estimated future economic conditions also taking into account estimates of possible effect from the pandemic relating to COVID-19.

9. TRADE RECEIVABLES

₹ Crores

Particulars	2020	2019
Unsecured, considered good (Refer Note 9.1)	274.07	306.48
Unsecured, considered doubtful (Refer Note 9.2)	0.16	-
	274.23	306.48
Less : Allowance for expected credit loss	0.16	-
Total	274.07	306.48

Notes:

- 9.1 Includes ₹ 27.12 Crores (2018-19 ₹ 39.73 Crores) receivable from subsidiaries. (Refer Note 38)
- 9.2 Also, Refer Note 42(B) for disclosure related to Credit risk, Impairment of trade receivable under Expected Credit Loss and related disclosures.
- 9.3 The company has availed bank facilities which are secured by hypothecation of Trade Receivables.
- 9.4 The Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

10. CASH AND BANK BALANCES

₹ Crores

Particulars	2020	2019
Cash and cash equivalents		
Balances with banks		
- On Current Accounts	11.77	3.72
- Fixed Deposits with original maturity less than 3 months	5.00	-
	16.77	3.72
Cash on hand	0.14	0.20
Total Cash and cash equivalents	16.91	3.92
Bank balances other than cash and cash equivalents		
Earmarked balances with banks (Refer Note 10.1)	0.74	0.66
Total Other Bank balances	0.74	0.66

Note:

- 10.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

11A. EQUITY SHARE CAPITAL

Particulars	₹ Crores	
	2020	2019
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each (Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)	50.00	50.00
	50.00	50.00
Issued, Subscribed and Paid Up :		
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up. (Previous Year : 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)	35.45	35.45
Total	35.45	35.45

A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2020		2019	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
Issued and Subscribed :				
Balance as at the beginning of the year	35,454,752	35.45	35,454,752	35.45
Balance as at the end of the year	35,454,752	35.45	35,454,752	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 ₹ 10 per share. The Equity shares of the company rank pari passu in all respects including voting rights and entitlement to dividend.

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. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2020		2019	
	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil * as Partners of M/s Galaxy Chemicals	7,752,850	21.87	7,752,850	21.87
Unnathan Shekhar	4,226,740	11.92	4,226,740	11.92
Late Sandhya Patil *	4,106,040	11.58	4,106,040	11.58
Shashikant R. Shanbhag	4,097,684	11.56	4,097,684	11.56
Gopalkrishnan Ramakrishnan	2,362,758	6.66	2,362,758	6.66
Jayashree Ramakrishnan	1,842,972	5.20	1,842,972	5.20
SBI Mutual Fund	2,412,587	6.80	2,412,587	6.80
	26,801,631	75.59	26,801,631	75.59

*Mrs. Sandhya Patil expired on April 25, 2019. The shares held by her as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

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.

11B. OTHER EQUITY

Particulars	₹ Crores	
	2020	2019
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Retained Earnings	827.81	720.48
Total	854.39	747.06

Description of the nature and purpose of reserves in statement of changes in equity

Securities Premium: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

12. NON-CURRENT BORROWINGS

Particulars	₹ Crores	
	2020	2019
Carried at Amortised cost :		
Secured :		
Term Loan From Banks (Refer Note 12.1 and 12.2)	82.91	88.95
Total Secured Borrowings	82.91	88.95
Unsecured:		
Deferral Sales Tax Liability (Refer Note 12.3)	0.08	0.28
Total Unsecured Borrowings	0.08	0.28
Total	82.99	89.23

Current maturities in respect of long term borrowings that have been included in Note 13 as under :

Particulars	₹ Crores	
	2020	2019
Term Loan From Banks	48.32	39.63
Deferral Sales Tax Liability	0.20	0.35
Total	48.52	39.98

Notes:

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

12.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ 1.07 Crores (2019: ₹ 5.33 Crores)	8.95%	20 Quarterly installments of ₹ 1.07 Crores each with moratorium of 18 months commencing from April 2017.
Term Loan ₹ 9.98 Crores (2019: ₹ 19.91 Crores)	PLR - 3.75%	12 Quarterly installments of ₹ 2.5 Crores each with a moratorium of 8 quarters from the date of first disbursement commencing from 30 th June 2018.
Term Loan ₹ 35 Crores (2019: ₹ 35 Crores)	PLR - 3.75%	12 Quarterly installments of ₹ 2.92 Crores starting from November 2020.
Term Loan ₹ 18.75 Crores (2019: ₹ 23.75 Crores)	9.00%	20 Quarterly installments of ₹ 1.25 Crores starting from March 2019.
Term Loan ₹ 40 Crores (2019: ₹ Nil)	6M T Bill + 3.1 %	14 Quarterly installments of 2.86 Crores each with a moratorium of 18 months from 20 th Feb 2020.
Foreign Currency Loan		
Term Loan ₹ 26.43 Crores (2019: ₹ 44.59 Crores)	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.

* PLR - Prime Lending Rate T Bill - Treasury Bill LIBOR - London Interbank Offered Rate

12.3 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 deferment of liability.

13. OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Carried at Amortised cost:				
Current maturities of long-term debt (Refer Note 12.1 & 12.2)	48.32	-	39.63	-
Current maturities of Deferral Sales Tax Liability (Refer Note 12.3)	0.20	-	0.35	-
Interest accrued on borrowings	0.94	-	1.19	-
Unclaimed dividends (Refer Note 13.2)	0.71	-	0.63	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 13.4)	-	-	-	-
Interim Dividend and Dividend Tax Payable (Refer Note 13.3)	-	-	21.37	-
Security Deposits	-	0.34	-	0.27
Other liabilities (Refer Note 13.1)	5.45	-	3.00	-
	55.62	0.34	66.17	0.27
Derivatives financial instruments not designated as hedging instruments carried at Fair value through Profit and Loss				
Derivative financial instruments	0.93	-	-	-
	0.93	-	-	-
Total	56.55	0.34	66.17	0.27

Notes :

13.1 Other liabilities mainly include creditors for capital goods.

13.2 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.

13.3 During the year ended 31st March, 2019, the Board of Directors at its meeting held on 29th March, 2019 had approved interim dividend of ₹ 5 per share (50% of face value) amounting to ₹ 21.37 Crores including dividend distribution tax.13.4 Figures for the year ended 31st March, 2019 (current) is less than ₹ 50,000.**14. PROVISIONS**

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits				
Compensated absences	0.64	10.72	1.09	7.80
Gratuity	3.00	3.06	2.56	2.19
Total	3.64	13.78	3.65	9.99

15. DEFERRED TAX LIABILITIES (NET)

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) As at 1st April, 2018	33.93	(4.24)	(0.47)	29.22
Charge/ (credit) to Statement of Profit and Loss	5.69	(1.85)	8.50	12.34
Charge/ (credit) to Other Comprehensive Income	-	(0.27)	-	(0.27)
Deferred tax liabilities/ (assets) As at 31st March, 2019	39.62	(6.36)	8.03	41.29
Charge/ (credit) to Statement of Profit and Loss	(9.67)	2.26	(3.19)	(10.60)
Charge/ (credit) to Other Comprehensive Income	-	(0.18)	-	(0.18)
Deferred tax liabilities/ (assets) As at 31st March, 2020	29.95	(4.28)	4.84	30.51

16. OTHER NON FINANCIAL LIABILITIES

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Advances received from customers	6.89	-	2.34	-
Others (Refer Note 16.1)	4.61	-	3.58	-
Deferred revenue income under EPCG scheme	0.03	0.43	0.03	0.46
Total	11.53	0.43	5.95	0.46

Note :

16.1 Others mainly include government dues and taxes payable, salary deductions payable, etc.

17. CURRENT BORROWINGS

₹ Crores

Particulars	2020	2019
Secured (Carried at Amortised cost) :		
Packing credit loan from banks (Refer Note 17.1 & 17.2)	58.03	28.45
Total	58.03	28.45

Notes :

Secured Borrowings :

- 17.1 Packing credit loan 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, specified properties located at Jhagadia & Tarapur and hypothecation of present and future movable assets.
- 17.2 Rate of Interest for loans ranges from 3.00% p.a. to 8.25% p.a.

18. TRADE PAYABLES

₹ Crores

Particulars	2020	2019
Carried at Amortised cost :		
Trade payable - Micro and small enterprises (Refer Note 18.1)	4.36	8.58
Trade payable - Other than micro and small enterprises (Refer Note 18.2)	222.57	265.72
Total	226.93	274.30

Notes :

- 18.1 The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2020.
- 18.2 Trade payable - Other than micro and small enterprises includes payable to subsidiary company ₹ 2.57 Crores (2018-19 ₹ 2.96 Crores). (Refer Note 38)

19. REVENUE FROM OPERATIONS

₹ Crores

Particulars	2019-20	2018-19
Revenue from contracts with customers		
Sale of products (Refer Note 19.3)	1,767.14	1,966.95
Other operating revenue		
(a) Scrap Sales	1.93	1.59
(b) Government Grant and Incentives (including export benefits)	24.05	27.82
Total	1,793.12	1,996.36

Notes :

- 19.1 Refer note 33 for geography wise revenue from contracts with customers
- 19.2 The Company has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.
- 19.3 Sale of products includes sale to subsidiary company ₹ 206.41 Crores (2018-19 ₹ 222.06 Crores). (Refer Note 38)

20. OTHER INCOME

Particulars	₹ Crores	
	2019-20	2018-19
(a) Interest Income		
- On Financial Assets at Amortised Cost (Refer Note 20.1)	2.18	0.99
- On Non Financial assets	0.22	0.34
(b) Other Non - Operating Income		
Profit / (Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.48)	(1.31)
Liabilities no longer required written back	0.39	0.92
Foreign exchange differences (Net)	1.40	(2.21)
Commission received (Refer Note 20.2)	0.03	0.29
Others (Refer Note 20.3)	2.77	3.48
(c) Other gains and losses		
Net gain/(loss) arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	(0.15)	33.41
Total	5.36	35.91

Notes:

20.1 Includes ₹ 1.7 Crores (2018-19 ₹ 0.94 Crores) interest on overdue receivable from step down subsidiaries. (Refer Note 38)

20.2 Includes ₹ 0.03 Crores (2018-19 ₹ 0.29 Crores) guarantee commission received from step down subsidiaries. (Refer Note 38)

20.3 Others include interest subvention, refund received, etc.

21. COST OF MATERIALS CONSUMED

Particulars	₹ Crores	
	2019-20	2018-19
(a) Raw materials	1,112.33	1,363.77
(b) Packing materials	54.31	58.45
Total	1,166.64	1,422.22

22. PURCHASE OF STOCK-IN-TRADE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Purchase of Stock-in-trade	9.83	11.14
Total	9.83	11.14

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	₹ Crores	
	2019-20	2018-19
Opening Stock :		
Finished goods	68.85	61.71
Work-in-progress	43.54	47.55
Stock-in-trade	7.95	10.45
	120.34	119.71
Less: Closing Stock :		
Finished goods	50.66	68.85
Work-in-progress	41.10	43.54
Stock-in-trade	6.53	7.95
	98.29	120.34
Net (increase) / decrease in inventory	22.05	(0.63)

24. EMPLOYEE BENEFITS EXPENSE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Salaries and wages, including bonus	80.73	75.54
(b) Contribution to provident and other funds	6.39	5.47
(c) Workmen and staff welfare expenses	7.25	6.30
Total	94.37	87.31

25. FINANCE COST

Particulars	₹ Crores	
	2019-20	2018-19
(a) Interest expense (Refer Note 25.2)	15.99	19.79
(b) Other borrowing cost	0.91	0.65
Total	16.90	20.44

Notes :

25.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.73% (2018-2019 : 9.17%)

25.2 Finance Cost during current year includes Interest on lease liabilities amounting to ₹ 0.86 Crores.

25.3 Finance Cost includes cost to subsidiary company ₹ 0.02 Crores (2018-19 ₹ NIL). (Refer Note 38)

26. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Depreciation on Property, Plant and Equipment	35.38	27.39
(b) Amortisation of Other Intangible Assets	1.71	1.31
(c) Depreciation on Right of use Asset	2.85	-
Total	39.94	28.70

27. OTHER EXPENSES

Particulars	₹ Crores	
	2019-20	2018-19
Power and fuel	46.09	44.66
Water charges	1.13	0.96
Repairs and maintenance	14.41	11.78
Consumption of stores, spares & consumables	11.23	9.97
Rates and taxes	1.69	1.78
Insurance	7.86	4.52
Freight and forwarding	71.04	76.24
Travelling and conveyance	10.13	9.40
Discount and commission on sales	0.78	0.57
Allowance for Doubtful Debts	0.16	-
Royalty	0.14	0.15
"REACH" registration expenses (Net)	3.63	0.91
CSR expenditure (Refer Note 35)	3.32	3.02
Donations (Refer Note 27.1)	0.03	-
Directors' sitting fees	0.62	0.42
Commission to non-executive directors	0.72	0.71
Rent (including storage charges)	3.28	3.80
Legal and professional fees (Refer Note 27.2)	14.01	12.62
Allowance for Doubtful Advances	-	0.47
Miscellaneous expenses	28.78	26.74
Total	219.05	208.72

Notes:

27.1 Figures for the year ended 31st March, 2019 is less than ₹ 50,000.

27.2 Legal & Professional fees include :

(a) Amounts paid/payable to Statutory Auditors :

Particulars	₹ Crores	
	2019-20	2018-19
Audit fees	0.70	0.57
Certification Charges	0.05	0.05
Other services	0.29	0.22
Out of pocket expenses	0.02	0.03
Total	1.06	0.87

(b) Amounts paid/payable to Cost Auditors :

Particulars	₹ Crores	
	2019-20	2018-19
Audit fees	0.05	0.05
Out of pocket expenses *	-	-
Total	0.05	0.05

* Figures less than ₹ 50,000

28. INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

Particulars	₹ Crores	
	2019-20	2018-19
Current Tax:		
In respect of current year	57.95	74.40
In respect of prior years	0.17	(0.82)
	58.12	73.58
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(1.03)	11.58
Adjustments due to changes in tax rates	(9.43)	-
In respect of prior years	(0.14)	0.76
	(10.60)	12.34
Total income tax expense	47.52	85.92

29. INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

Particulars	₹ Crores	
	2019-20	2018-19
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined benefit obligations	(0.60)	(0.27)
Adjustment due to change in Tax Rates	0.41	-
	(0.19)	(0.27)
Classification of income tax recognised in Other Comprehensive Income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.19)	(0.27)
	(0.19)	(0.27)

30. EARNING PER SHARE (EPS)

Particulars	2019-20		2018-19	
	Profit for the year (₹ Crores)	182.18	168.45	
Weighted average number of Ordinary (Equity) Shares used in computing basic & diluted EPS	35,454,752	35,454,752		
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	51.38	47.51		

31. THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

Particulars	₹ Crores	
	2019-20	2018-19
Profit before tax	229.70	254.37
Applicable Income tax rate	25.17%	34.94%
Expected income tax expense	57.81	88.89
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
- Impact of change in rates on Opening Deferred Tax	(9.43)	-
- Effect of expenses/provision not deductible in determining taxable profit	0.48	0.74
- Impact on account of reversal of deferred tax liability created on fair value gain of preference shares (not taxable in current year under Income Tax Act)	(2.58)	-
- Impact on account of prior years taxation	0.03	(0.07)
- Other Permanent Differences	1.21	(3.64)
Reported income tax expense	47.52	85.92

32. THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

Assessment Year	₹ Crores		
	2020	2019	Available Up to A.Y.
2016-17	3.99	3.99	2024-25
2020-21	12.32	-	2028-29

33. SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

Particulars	₹ Crores					
	2019-20			2018-19		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	861.77	905.37	1,767.14	971.93	995.02	1,966.95
Non Current Assets*	583.58	-	583.58	452.79	-	452.79

* Includes property plant and equipment, right of use asset, other intangible assets, capital work-in-progress and other non-financial non-current assets

Information about major customers

During the year ended 31st March, 2020 and 31st March, 2019 respectively, Revenue from transaction with a single external customer did not amount to 10% or more of the company's revenue from external customers.

34. DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 14.75 Crores (2018-19 ₹ 14.18 Crores) debited to the Statement of Profit and Loss.

35. DETAILS OF CSR EXPENDITURE

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

Particulars	₹ Crores		
	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Company during the year	-	-	3.58
II. Amount spent during the year on:			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	3.32	-	3.32

36. CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

Particulars	₹ Crores	
	2019-20	2018-19
(a) Corporate guarantees given to bank in connection with borrowings by subsidiary company	37.84	5.07
(b) Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc. (Refer Note below)		
– Excise duty & Service tax	2.82	3.96
– Income tax	0.97	0.97
– Sales tax	6.93	5.30
– Custom duty	8.16	8.14

Note :

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for ₹ 46.06 Crores (2018-19 ₹ 26.74 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 1.09 Crores (2018-19 ₹ 2.02 Crores).

37. DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013**a. Investments made**

The same are classified under respective heads. Refer Note 4.

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 38.

c. Loans given

There are no inter corporate loans given.

38. RELATED PARTY DISCLOSURES:**(a) Related parties where control exists :**

Subsidiaries :

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Galaxy Chemicals Inc.	4	Rainbow Holdings GmbH
2	Galaxy Holdings (Mauritius) Limited	5	Tri-K Industries Inc.
3	Galaxy Chemicals (Egypt) S.A.E.		

(b) Other parties with whom transactions have taken place during the year:**(i) Key Management Personnel (KMP)**

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmi Shekhar
		Son	Mr. Karthik Shekhar
		Daughter	Ms. Nandini Shekhar
2	Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife	Mrs. Parvathy Natarajan
		Daughter	Ms. Pavithra Natarajan
		Daughter	Ms. Namrata Natarajan
3	Mr. G. Kamath Executive Director (Finance) & Chief Financial Officer		

(ii) Enterprise over which KMP is able to exercise significant influence :

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Galaxy Emulsifiers Private Limited	5	Galaxy Estates & Holdings [Partnership Firm]
2	Galaxy Finsec Private Limited	6	Galaxy Investments [Partnership Firm]
3	Osmania Traders Private Limited	7	Shubh Estates & Properties [Partnership Firm]
4	Galaxy Chemicals [Partnership Firm]		

(c) The related party transactions are as under :

₹ Crores

Sr. No.	Nature of Transactions	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	PURCHASES :								
	Goods								
	Galaxy Chemicals (Egypt) S.A.E.	2.08	25.10						
	Tri-K Industries Inc.	2.54	1.47						
2	SALES :								
	Goods								
	Galaxy Chemicals (Egypt) S.A.E.	108.57	116.50						
	Tri-K Industries Inc.	97.84	105.56						
	Fixed Assets								
	Galaxy Chemicals (Egypt) S.A.E. (Refer Note 38.2)	-	-						
3	MANAGERIAL REMUNERATION (Refer Note 38.1) :								
	U. Shekhar								
	Short-term employee benefits					1.86	2.28		
	K. Natarajan								
	Short-term employee benefits					1.86	2.34		
	G. Kamath								
	Short-term employee benefits					1.87	2.42		
4	FINANCE :								
	Interest Income								
	Galaxy Chemicals (Egypt) S.A.E.	1.68	0.86						
	Tri-K Industries Inc.	0.02	0.08						
	Interest Expense								
	Tri-K Industries Inc.	0.02	-						
5	DIVIDENDS DISTRIBUTED :								
	Galaxy Chemicals			13.18	5.43				
	Galaxy Emulsifiers Pvt. Ltd.			0.92	0.38				
	U. Shekhar					7.19	2.96		
	K. Natarajan					0.02	0.01		
	G. Kamath					0.03	0.01		
	Lakshmi Shekhar							0.22	0.09
6	OTHER TRANSACTIONS :								
	Guarantee Commission (Other Income)								
	Galaxy Chemicals (Egypt) S.A.E.	0.03	0.29						
	Other Expenses								
	Tri-K Industries Inc.	0.30	0.16						
	Galaxy Chemicals (Egypt) S.A.E.	0.30	-						
	Reimbursements received/ Receivable from parties								
	Galaxy Chemicals (Egypt) S.A.E.	0.30	0.21						
	Tri-K Industries Inc.	0.27	0.48						

Sr. No.	Nature of Transactions	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
7	OUTSTANDINGS :								
	Payable								
	Galaxy Chemicals (Egypt) S.A.E.	0.26	2.37						
	Tri-K Industries Inc.	2.31	0.59						
	Receivable								
	Galaxy Chemicals (Egypt) S.A.E.	17.80	31.20						
	Tri-K Industries Inc.	9.32	8.53						
	Investments								
	Galaxy Chemicals Inc. (Equity Share)	0.46	0.46						
	Galaxy Holdings (Mauritius) Ltd (Equity Share)	2.37	2.37						
	Galaxy Holdings (Mauritius) Ltd (Preference Share at Fair value)	215.35	253.63						
	Loans and Advances								
	Galaxy Chemicals (Egypt) S.A.E.	0.71	0.33						
	Tri-K Industries Inc.	0.21	0.45						
8	GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES								
	Galaxy Chemicals (Egypt) S.A.E.	37.84	5.07						

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes :

38.1 As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

38.2 Figures for the year ended 31st March, 2019 for subsidiary company is less than ₹ 50,000.

39. EMPLOYEE BENEFITS

a. Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 4.82 Crores (2018-19 - ₹ 4.09 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

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 Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability and will decrease the return on the plan's assets.

Salary risk

The present value of the Gratuity liability is calculated by reference to the estimated future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

₹ Crores

Particulars	As at 31 st March	
	2020	2019
I Expense recognised in the Statement of Profit and Loss for the year		
1 Current service cost	1.21	1.06
2 Interest cost on benefit obligation (net)	0.36	0.31
3 Net value of remeasurements on the obligation and plan assets	-	-
4 Past service cost and loss/(gain) on curtailments and settlement	-	-
5 Total expenses included in employee benefits expense	1.57	1.37
II Recognised in other comprehensive income for the year		
1 Actuarial (gains)/ losses arising from changes in financial assumption	1.57	0.44
2 Actuarial (gains)/ losses arising from changes in experience adjustment	0.74	0.49
3 Actuarial (gains)/ losses arising from changes in demographic adjustment	-	0.01
4 Return on plan asset	0.06	(0.15)
5 Recognised in other comprehensive income	2.37	0.79
III Change in the present value of defined benefit obligation		
1 Present value of defined benefit obligation at the beginning of the year	19.32	16.70
2 Current service cost	1.21	1.06
3 Interest cost/(income)	1.48	1.25
4 Remeasurements (gains)/ losses		
(a) Actuarial (gains)/ losses arising from changes in demographic assumption	-	0.01
(b) Actuarial (gains)/ losses arising from changes in financial assumption	1.57	0.44
(c) Actuarial (gains)/ losses arising from changes in experience adjustment	0.74	0.49
5 Past Service cost	-	-
6 Benefits paid	(0.30)	(0.63)
7 Liabilities assumed/(settled)	-	-
8 Present value of defined benefit obligation at the end of the year	24.02	19.32
IV Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	14.57	12.61
2 Interest income	1.12	0.94
3 Contribution by employer	2.63	1.50
4 Benefits paid	(0.30)	(0.63)
5 Remeasurements (gains)/ losses		
(a) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(b) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
(c) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6 Return on plan assets excluding interest income	(0.06)	0.15
7 Fair value of plan assets at the closing of the year	17.96	14.57

₹ Crores

Particulars	As at 31 st March	
	Funded Plan Gratuity	
	2020	2019
V Net Asset/(Liability) recognised in the Balance Sheet as at		
1 Present value of defined benefit obligation as at 31 st March	(24.02)	(19.32)
2 Fair value of plan assets as at 31 st March	17.96	14.57
3 Surplus/(Deficit)	(6.06)	(4.75)
4 Current portion of the above	(3.00)	(2.56)
5 Non current portion of the above	(3.06)	(2.19)
VI Actuarial assumptions		
1 Discount rate	6.83%	7.69%
2 Attrition rate	Between 15% to 4% based on service of employee	Between 15% to 4% based on service of employee
3 Average salary escalation rate	7.50%	7.50%
4 Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
VII Major Category of Plan Assets as a % of the Total Plan Assets		
1 Insurer managed funds*	100%	100%
*In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII The expected contributions to the plan for the next annual reporting period	3.00	2.56
IX Quantitative sensitivity analysis for significant assumptions are as below		
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.		
1 Discount rate varied by +1%	22.20	17.96
2 Discount rate varied by -1%	26.10	20.85
3 Salary growth rate varied by +1%	26.06	20.84
4 Salary growth rate varied by -1%	22.19	17.95
5 Withdrawal rate (W.R.) varied by + 1%	23.89	19.31
6 Withdrawal rate (W.R.) varied by - 1%	24.13	19.29
X Maturity profile of defined benefit obligation		
1 Year 1	1.30	2.80
2 Year 2	1.48	0.95
3 Year 3	2.72	1.28
4 Year 4	2.01	2.34
5 Year 5	3.44	1.67
6 Years 6-10	8.85	7.64
7 11 Years and above	29.07	25.02

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and loss. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

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

40. CAPITAL MANAGEMENT

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	₹ Crores	
	2019-20	2018-19
Short term debt	58.03	28.45
Long term debt	131.51	129.21
Total	189.54	157.66
Equity	889.84	782.51
Long term debt to equity	0.15	0.17
Total debt to equity	0.21	0.20

41. CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	₹ Crores	
	2019-20	2018-19
A) Financial Assets		
a) Measured at Amortised cost		
i) Cash and Cash equivalents	16.91	3.92
ii) Bank Balances other than Cash and Cash Equivalents	0.74	0.66
iii) Investment in Equity Shares	2.83	2.83
iv) Loans	5.86	8.72
v) Trade Receivable	274.07	306.48
vi) Other Financial Assets	6.37	2.81
Sub-Total	306.78	325.42
b) Measured at Fair value through Profit and Loss		
i) Investment in Preference Shares	215.35	253.63
Sub-Total	215.35	253.63
c) Derivatives measured at Fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	3.14	2.31
Sub-Total	3.14	2.31
Total Financial Assets	525.27	581.36
B) Financial Liabilities		
a) Measured at Amortised cost		
i) Non-current Borrowings	82.99	89.23
ii) Current Borrowings	58.03	28.45
iii) Lease Liability	9.37	-
iv) Trade Payables	226.93	274.30
v) Other Financial Liabilities	55.96	66.44
Sub-Total	433.28	458.42
b) Derivative instruments measured at Fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	0.93	-
Sub-Total	0.93	-
Total Financial liabilities	434.21	458.42

42. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risk and Commodity price risk.

A) MARKET RISK

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risk and Commodity price risk. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding. To a certain extent we use interest rate swap to minimise the risk.

b) Commodity Risk

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Company's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

c) Currency Risk

The Company is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent, the company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the company's foreign currency exposure at the end of the reporting period are as follows

Particulars	In Crores					
	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March, 2020						
Borrowings	(0.60)	(45.12)	(0.07)	(5.95)	-	(51.07)
Trade Receivables & Other financial assets	1.76	133.25	0.14	11.89	0.15	145.29
Trade Payables & Other financial liabilities	(1.21)	(91.87)	-	(0.09)	(0.02)	(91.98)
Total	(0.05)	(3.74)	0.07	5.85	0.13	2.24
As at 31st March, 2019						
Borrowings	(0.74)	(51.26)	(0.02)	(1.55)	-	(52.81)
Trade Receivables & Other financial assets	2.34	162.14	0.22	17.19	0.25	179.58
Trade Payables & Other financial liabilities (Refer Note c.1)	(2.07)	(143.47)	-	(0.27)	(0.12)	(143.86)
Total	(0.47)	(32.59)	0.20	15.37	0.13	(17.09)

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date are as follows.

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March, 2020						
Borrowings	(0.25)	(18.64)	(0.07)	(5.95)	-	(24.59)
Trade Receivables & Other financial assets	1.42	107.65	-	-	0.15	107.80
Trade Payables & Other financial liabilities	(1.11)	(84.30)	-	(0.09)	(0.02)	(84.41)
Total	0.06	4.71	(0.07)	(6.04)	0.13	(1.20)
As at 31st March, 2019						
Borrowings	(0.09)	(6.31)	(0.02)	(1.55)	-	(7.86)
Trade Receivables & Other financial assets	2.24	155.24	0.12	9.36	0.25	164.85
Trade Payables & Other financial liabilities (Refer Note c.1)	(1.90)	(131.37)	-	(0.27)	(0.12)	(131.76)
Total	0.25	17.56	0.10	7.54	0.13	25.23

Note:

c.1 Figures for the year ended 31st March, 2019 (Euro) is less than ₹ 50,000.

B) CREDIT RISK MANAGEMENT

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The company's exposures are continuously monitored and wherever necessary we take advances/LC's to minimise the risk.

a) Trade Receivables and Advances

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the company has evaluated that there is no provision required under expected credit loss model. Further, the company reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables

₹ Crores

Particulars	Year Ended 31 st March	
	2020	2019
Balance as at beginning of the year	-	0.92
Additions during the year	0.16	-
Amount of loss reversed / written back	-	(0.92)
Balance at end of the year	0.16	-

b) Other Financial Assets

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

C) LIQUIDITY RISK

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March, 2020					
Deferral Sales Tax Liability	0.28	0.20	0.08	-	-
Short term borrowings	58.03	58.03	-	-	-
Long term borrowings	131.23	48.32	50.50	32.41	-
Lease Liability	9.37	2.28	5.14	1.95	-
Trade payables	226.93	226.93	-	-	-
Other Financial Liabilities	8.37	8.03	-	-	0.34
Total	434.21	343.79	55.72	34.36	0.34
As at 31st March, 2019					
Deferral Sales Tax Liability	0.63	0.35	0.20	0.08	-
Short term borrowings	28.45	28.45	-	-	-
Long term borrowings	128.58	39.63	62.72	26.23	-
Trade payables	274.30	274.30	-	-	-
Other Financial Liabilities	26.46	26.19	-	-	0.27
Total	458.42	368.92	62.92	26.31	0.27

43. SENSITIVITY ANALYSIS**A) Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March, 2020				
	USD	+1%	0.04	-
	EUR	+1%	(0.08)	-
Year ended 31st March, 2019				
	USD	+1%	0.18	-
	EUR	+1%	0.08	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

B) Interest Rate Sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both long term & short term borrowings. The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March, 2020				
	INR	+25 bps	(0.38)	-
Year ended 31st March, 2019				
	INR	+25 bps	(0.37)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

44. OFFSETTING OF BALANCES

The Company has not offset financial assets and financial liabilities.

45. COLLATERALS

The Company has long term loans and working capital loans which are secured by hypothecation of current and movable assets and mortgage of immovable properties located at Taloja and specified properties located at Jhagadia & Tarapur.

46. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

₹ Crores

Financial Instruments regularly measured using Fair Value - recurring Items					Applicable for Level 2 and Level 3 hierarchy		For Level 3 hierarchy valuation		
Particulars	Fair Value			Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity	
	Financial assets/ financial liabilities	Category	2020						2019
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	3.14	2.31	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counterparties and foreign exchange forward rates.	-	-
	Financial Liabilities		0.93	-					
2) Investment in Preference shares-unquoted	Financial Assets	Financial instruments mandatorily required to be measured at FVTPL	215.35	253.63	Level 3	Discounted Cash Flow	Future cashflow at a discount rate derived by considering 3 factors i.e. yield to maturity, hedging cost and country specific risk.	Future Cashflow and discounting rate	Any change in future cashflow and discounting rate shall have a corresponding change in the valuation of preference share

47. FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTISED COST

Particulars	₹ Crores	
	Carrying Value	Fair value (Level 2)
As at 31st March, 2020		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	0.28	0.26
Total	0.28	0.26
As at 31st March, 2019		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	0.63	0.57
Total	0.63	0.57

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

48. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Particulars	₹ Crores	
	Investment in Preference shares- unquoted	
Opening balance as at 1st April, 2018	220.22	
Total fair value recognised:		
– in profit & loss under other income	33.41	
Closing balance as at 31st March, 2019	253.63	
Opening balance as at 1st April, 2019	253.63	
Total incomes/ gains or losses recognised:		
– in profit & loss under other income	(0.15)	
Matured during the year	(38.13)	
Closing balance as at 31st March, 2020	215.35	

49. IND-AS YET TO BE NOTIFIED

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

For and on behalf of the Board

U. SHEKHAR

Managing Director
DIN: 00265017

K. NATARAJAN

Executive Director & COO
DIN: 07626680

G. KAMATH

Executive Director
Finance & CFO
DIN: 07767220

N. KETKAR

Company Secretary

Place : Navi Mumbai

Date : 25th June, 2020

Independent Auditor's Report

To The Members of Galaxy Surfactants Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Galaxy Surfactants Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have

determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including Annexures to Directors' report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a) We did not audit the financial statements of 4 subsidiaries whose financial statements reflect total assets of ₹ 677.50 Crores as at 31 March, 2020, total revenues of ₹ 697.89 Crores and net cash inflows amounting to ₹ 9.53 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2020 taken on record by the Board of Directors of the Parent, none of the directors of the Parent, is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; or
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kedar Rajee
Partner

Place: Mumbai
Date: 25 June 2020

(Membership No. 102637)
(UDIN: 20102637AAAABT1804)

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph f under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Galaxy Surfactants Limited (hereinafter referred to as “Parent”), as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the 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 the Parent’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 Parent’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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 Parent’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 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

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

financial reporting were operating effectively as at 31 March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Kedar Raje
Partner

Place: Mumbai
Date: 25 June 2020

(Membership No. 102637)
(UDIN: 20102637AAAABT1804)

Consolidated Balance Sheet

as at 31st March 2020

₹ Crores

Particulars	Note	2020	2019
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	623.90	511.22
(b) Right of use Asset	2A	115.70	-
(c) Capital Work-in-Progress		65.99	82.58
(d) Goodwill		2.75	2.51
(e) Other Intangible Assets	3	5.48	5.02
(f) Financial Assets			
(i) Loans	4	7.74	6.86
(ii) Other Financial Assets	5	0.45	1.93
(g) Deferred Tax Assets (Net)	6	0.11	4.86
(h) Income Tax Assets (Net)		15.88	8.01
(i) Other Non-Current Assets	7	38.67	47.57
Total Non-Current Assets		876.67	670.56
Current Assets			
(a) Inventories	8	325.03	351.27
(b) Financial Assets			
(i) Investments	9	5.78	-
(ii) Trade Receivables	10	439.39	426.75
(iii) Cash and Cash Equivalents	11	47.70	25.03
(iv) Bank Balances other than Cash and Cash Equivalents	11	6.82	0.66
(v) Loans	4	0.44	3.73
(vi) Other Financial Assets	5	6.83	3.04
(c) Other Current Assets	7	103.29	86.94
Total Current Assets		935.28	897.42
Total Assets		1,811.95	1,567.98
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12A	35.45	35.45
(b) Other Equity	12B	1,032.30	841.28
Total Equity attributable to owners of the Company		1,067.75	876.73
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	116.63	89.23
(ii) Lease Liabilities	2A	19.68	-
(iii) Other Financial Liabilities	14	0.34	0.27
(b) Provisions	15	13.78	9.99
(c) Deferred Tax Liabilities (Net)	16	24.12	31.98
(d) Other Non-current Liabilities	17	0.43	0.78
Total Non-Current Liabilities		174.98	132.25
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	202.96	163.96
(ii) Lease Liabilities	2A	3.89	-
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	19	4.36	8.58
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	19	268.77	297.27
(iv) Other Financial Liabilities	14	62.49	71.53
(b) Provisions	15	3.86	4.05
(c) Current Tax Liabilities (Net)		5.18	5.09
(d) Other Current Liabilities	17	17.71	8.52
Total Current Liabilities		569.22	559.00
Total Equity And Liabilities		1,811.95	1,567.98

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

₹ Crores

Particulars	Note	2019-20	2018-19
Revenue from operations	20	2,596.38	2,762.99
Other Income	21	5.92	4.68
Total Income		2,602.30	2,767.67
Expenses			
Cost of materials consumed	22	1,635.39	1,917.74
Purchases of Stock-in-trade	23	46.15	38.25
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	33.78	(7.92)
Employee benefits expense	25	178.10	160.41
Finance costs	26	23.80	30.00
Depreciation and amortisation expenses	27	62.19	51.20
Other expenses	28	334.05	301.14
Total Expenses		2,313.46	2,490.82
Profit before exceptional items and tax		288.84	276.85
Exceptional Items		-	-
Profit before tax		288.84	276.85
Tax Expense			
Current Tax	29	61.34	82.55
Deferred Tax charge / (credit)	29	(2.91)	3.32
Total Tax Expenses		58.43	85.87
Profit for the year		230.41	190.98
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss :			
(a) Remeasurements of the defined benefit plans		(2.37)	(0.79)
(b) Equity instruments through other comprehensive income		-	-*
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	0.19	0.27
B. (i) Items that will be reclassified to profit or loss :			
(a) Exchange differences in translating the financial statements of foreign operations		35.46	18.79
Total Other Comprehensive Income		33.28	18.27
Total Comprehensive Income for the year		263.69	209.25
Earnings per equity share :			
(Face value ₹ 10 per share)			
Basic (₹)	31	64.99	53.87
Diluted (₹)	31	64.99	53.87

*Figures less than ₹ 50,000

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2020**A) Equity Share Capital**

₹ Crores

Particulars	2020	2019
Issued and Subscribed :		
Balance as at the beginning of the year	35.45	35.45
Balance as at the end of the year	35.45	35.45

B) Other Equity

₹ Crores

Particulars	Reserves and Surplus				Items of Other Comprehensive Income		Total Other Equity
	Capital Reserve on consolidation	Securities Premium	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	Foreign Currency translation Reserve	
Balance as at 1st April, 2018	3.11	0.20	26.38	658.65	0.06	(5.08)	683.32
Profit for the year	-	-	-	190.98	-	-	190.98
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	-	(0.52)	-*	18.79	18.27
Total Comprehensive Income for the year	-	-	-	190.46	-*	18.79	209.25
Dividend on Equity Shares	-	-	-	(24.82)	-	-	(24.82)
Dividend Distribution Tax	-	-	-	(5.10)	-	-	(5.10)
Interim Dividend	-	-	-	(17.73)	-	-	(17.73)
Interim Dividend Distribution Tax	-	-	-	(3.64)	-	-	(3.64)
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	-	-	-	0.06	(0.06)	-	-
Balance as at 31st March, 2019	3.11	0.20	26.38	797.88	-	13.71	841.28
Profit for the year	-	-	-	230.41	-	-	230.41
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	-	(2.18)	-	35.46	33.28
Total Comprehensive Income for the year	-	-	-	228.23	-	35.46	263.69
Dividend on Equity Shares	-	-	-	(10.64)	-	-	(10.64)
Dividend Distribution Tax	-	-	-	(2.19)	-	-	(2.19)
Interim Dividend	-	-	-	(49.64)	-	-	(49.64)
Interim Dividend Distribution Tax	-	-	-	(10.20)	-	-	(10.20)
Balance as at 31st March, 2020	3.11	0.20	26.38	953.44	-	49.17	1,032.30

*Figures less than ₹ 50,000

Note :

B.1 : During the year ended 31st March, 2020, the Board of Directors at its meeting held on 16th March, 2020 has approved interim dividend of ₹ 14 per share (140% of face value) amounting to ₹ 59.84 Crores including dividend distribution tax.

Details of Dividend proposed :

₹ Crores

Particulars	2020	2019
Dividend per share (In ₹)	-	3.00
Dividend proposed on Equity Shares	-	10.64
Dividend Distribution Tax	-	2.19
Total Dividend proposed including Dividend Distribution Tax	-	12.83

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March 2020

₹ Crores

Particulars	2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	230.41	190.98
Adjustments for :		
Income tax expenses	58.43	85.87
Finance costs	23.80	30.00
Interest income	(1.54)	(0.83)
Interest subvention income	(1.60)	(1.98)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	(0.03)	(0.02)
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	1.52	1.31
Depreciation and amortisation expenses	62.19	51.20
Net foreign exchange differences (gain)/loss	(0.15)	0.86
Allowance for doubtful debts and advances	1.40	0.47
Liabilities no longer required written back	(1.00)	(1.05)
	143.02	165.83
Operating Profit before Working Capital changes	373.43	356.81
Changes in :		
Trade receivables & Other Assets	3.45	27.81
Inventories	38.26	2.12
Trade payables & Other Liabilities	(30.43)	(28.81)
	11.28	1.12
Cash generated from operations	384.71	357.93
Income Taxes Paid (net of refunds)	(68.56)	(75.00)
NET CASHFLOWS FROM OPERATING ACTIVITIES	316.15	282.93
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	1.49	0.84
Payments for Property, Plant & Equipment and intangible assets	(141.60)	(168.94)
Proceeds from disposal of Property, Plant & Equipment	0.21	0.95
Purchase of Current Investments	(5.41)	-
(Increase)/ Decrease in Earmarked balances with banks (net)	(0.08)	(0.16)
Bank Deposits placed	(5.69)	-
NET CASHFLOWS USED IN INVESTING ACTIVITIES	(151.08)	(167.31)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	77.84	60.00
Repayment of long term borrowings	(60.69)	(67.25)
Proceeds from/(Repayment of) short term borrowings (net)	39.00	(55.03)
Payment of Lease Liabilities	(83.38)	-
Dividend paid on equity shares	(93.96)	(29.75)
Interest paid	(22.63)	(27.19)
NET CASHFLOWS USED IN FINANCING ACTIVITIES	(143.82)	(119.22)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21.25	(3.60)
OPENING CASH AND CASH EQUIVALENTS	25.03	27.07
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	1.42	1.56
CLOSING CASH AND CASH EQUIVALENTS	47.70	25.03

Note :

The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard (IND AS) 7 - "Statement of Cash flows".

The accompanying notes 1 to 49 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Mumbai
Date : 25th June, 2020

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place : Navi Mumbai
Date : 25th June, 2020

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March 2020

1. (A) CORPORATE INFORMATION

The Consolidated financial statements comprise of financial statements of Galaxy Surfactants Ltd. (“the Parent”) and its subsidiaries (collectively, the Group) for the year ended March 31, 2020.

The Parent is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The address of its registered office is disclosed in the introduction to the Annual Report.

The Group is engaged in manufacturing of surfactants and other specialty ingredients for the personal care and home care industries. The products of the group find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity shares of the Parent are listed on the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”) in India.

Estimation of uncertainties relating to the global health pandemic from COVID-19

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Parent Company’s business operations were temporarily disrupted. The Parent Company has resumed operations in a phased manner after obtaining the required approvals/permissions. Based on immediate assessment and on the basis of available information of the impact of COVID-19, the Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information as at the date of approval of these Financial Statements. Given the uncertainties associated with its nature and duration, the actuals may differ from the estimates considered in these Financial Statements.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

The Consolidated financial statements of the Group for the year ended 31st March, 2020 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 25th June, 2020.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

c) Basis of Consolidation

The Consolidated financial statements incorporate the financial statements of the Group.

Subsidiaries

Subsidiaries are entities over which the group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group’s interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group’s interests

and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The principal accounting policies are set out below

d) Revenue Recognition:

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns & Goods and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and cost can be measured reliably.

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, Plant and Equipment that are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis, other than the following asset classes, based on Group's expected usage pattern supported by technical assessment.

Useful lives

- Certain Plant and Machinery: 5-10 years
- Certain Furniture and Fixtures: 7-10 years
- Certain Computers and Softwares: 3-5 years
- Certain Buildings: 10-39 years
- Certain Vehicles: 8-10 years
- Freehold Land is not depreciated

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

Property, Plant and Equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f) Goodwill and Intangible Assets:

Goodwill is initially recognised as the excess of the acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

Intangible assets are initially recognised at cost unless acquired in a business combination on or after the transition date (1st April, 2016) in which case it is recognised at their acquisition date fair value.

Intangible assets other than Goodwill and intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and Amortisation expense in the Statement of Profit and Loss.

Software

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how:

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding Ten years commencing from the date of acquisition.

Customer Relationships:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Research & Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g) Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

h) Leases:

The Group as a lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group assesses whether contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense over the term of the lease.

The Right of use Assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use Assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

i) Foreign exchange transactions and translations:

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange

differences on revaluation are recognised in the Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income in the statement of changes in equity after attribution to non-controlling interests as appropriate.

On the disposal of a foreign operation i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the Statement of Profit and Loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the Statement of Profit and Loss.

j) Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, social security, 401K plan, gratuity and compensated absences.

Defined contribution plans

The Group's contribution to provident fund, social security, 401K plan and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each

balance sheet date. Service cost and net interest expenses or income is recognised in the Statement of Profit and Loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Group are entitled to compensated absences for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

k) Borrowing Costs:

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable tax regulations. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

m) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased,

such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. 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.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue

in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit and loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain and loss on derecognition is recognised in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised

directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

q) Dividend Distribution

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts:

The Group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the

Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of Property, Plant and Equipment and Intangible Assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of

an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

t) Business Combinations:

The Group accounts for its business combinations under acquisition method of accounting. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The difference between the fair value of the purchase consideration paid together with non-controlling interest on acquisition date and the fair value of net assets acquired is recognised as goodwill or capital reserve on acquisition. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Any shortfall is recognised as capital reserve on consolidation.

u) Fair value measurement:

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in the Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised

into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

v) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2. PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) Cost								
Balance as at 1st April, 2018	-	4.71	200.96	594.93	22.59	6.12	25.46	854.77
Add : Additions during the year	2.72	0.58	22.62	80.34	0.66	0.57	4.53	112.02
Less : Disposals/Adjustments during the year	-	-	-	9.75	0.38	0.72	1.34	12.19
Add : Foreign exchange translation differences	-	0.29	4.66	11.93	0.27	0.01	0.39	17.55
Balance as at 31st March, 2019	2.72	5.58	228.24	677.45	23.14	5.98	29.04	972.15
Add : Additions during the year	-	-	43.26	106.19	1.81	1.04	4.33	156.63
Less : Disposals/Adjustments during the year	-	-	-	29.09	0.46	0.33	0.85	30.73
Add : Foreign exchange translation differences	0.26	0.53	7.64	19.73	0.45	0.02	0.73	29.36
Balance as at 31st March, 2020	2.98	6.11	279.14	774.28	24.94	6.71	33.25	1,127.41
(II) Accumulated depreciation								
Balance as at 1st April, 2018	-	4.24	59.68	312.38	15.47	2.48	20.63	414.88
Add : Depreciation expense for the year	-	0.35	8.58	34.61	2.10	0.62	2.27	48.53
Less : Disposals/Adjustments during the year	-	-	-	7.91	0.34	0.56	1.12	9.93
Add : Foreign exchange translation differences	-	0.26	1.26	5.37	0.21	0.01	0.34	7.45
Balance as at 31st March, 2019	-	4.85	69.52	344.45	17.44	2.55	22.12	460.93
Add : Depreciation expense for the year	-	0.18	9.70	40.74	1.58	0.62	2.91	55.73
Less : Disposals/Adjustments during the year	-	-	-	27.61	0.43	0.14	0.82	29.00
Add : Foreign exchange translation differences	-	0.47	2.74	11.60	0.37	0.01	0.66	15.85
Balance as at 31st March, 2020	-	5.50	81.96	369.18	18.96	3.04	24.87	503.51
Carrying amount(I-II)								
Balance as at 31st March, 2019	2.72	0.73	158.72	333.00	5.70	3.43	6.92	511.22
Balance as at 31st March, 2020	2.98	0.61	197.18	405.10	5.98	3.67	8.38	623.90

Notes:

- 2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -* (2018-19 ₹ -*)
2.2 The amount of borrowing costs incurred during the year and capitalised is ₹ 0.41 Crores (2018-19 ₹ 2.12 Crores)

₹ Crores

Particulars	2020 Amount	2019 Amount
Buildings	0.08	0.53
Plant & Equipment	0.33	1.59

- 2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 4.36 Crores (2018-19 ₹ 3.04 Crores) out of which ₹ 2.31 Crores (2018-19 ₹ 2.95 Crores) is incurred in current year.
2.4 Term loans from banks of Parent Company are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Jhagadia & Tarapur.

*Figures less than ₹ 50,000

2A RIGHT OF USE ASSET

The Group has adopted Ind AS 116 “Leases” effective 1st April, 2019. The Group has followed the Modified Retrospective Approach and accordingly the Group has recognised a Right of use (ROU) Asset and equivalent lease liability. In view of this, the operating lease rent which was hitherto accounted under ‘Other expenses’ in previous periods has now been accounted as depreciation and finance costs.

Following are the changes in the carrying value of Right of use Asset for the year ended 31st March, 2020:

Particulars	ROU Asset		Total
	Office Premises	Land*	
Balance as at 1st April, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 “Leases”	-	15.74	15.74
Transition impact on account of adoption of Ind AS 116 “Leases”	26.47	-	26.47
Add : Additions during the year	0.30	78.12	78.42
Less : Deletions during the year	0.11	-	0.11
Less : Depreciation charge for the year	4.42	0.27	4.69
Less : Foreign Exchange Translation Difference	0.13	-	0.13
Balance as at 31st March, 2020	22.11	93.59	115.70

*The net block of Leasehold land of ₹ 15.74 Crores (Gross block - ₹ 18.95 Crores and accumulated depreciation - ₹ 3.21 Crores) has been reclassified to Right of use Asset on account of adoption of Ind AS 116 “Leases”.

The aggregate depreciation expense on ROU Asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities for the year ended 31st March, 2020

Particulars	Total
Current Lease Liabilities	3.89
Non-Current Lease Liabilities	19.68
Total	23.57

The following is the movement in lease liabilities during the year ended 31st March, 2020

Particulars	Total
Balance as at 1st April, 2019	-
Transition impact on account of adoption of Ind AS 116 “Leases”	25.91
Add : Addition during the year	0.30
Add : Finance cost accrued during the period	1.39
Less : Deletion during the period	0.11
Less : Payment of lease liabilities	4.82
Add : Foreign Exchange Translation Difference	0.90
Balance as at 31st March, 2020	23.57

The table below provides details regarding the contractual maturities of lease liabilities for the year ended 31st March, 2020 on an undiscounted basis:

Particulars	Total
Less than one year	5.08
One to five years	16.97
More than five years	4.37
Total	26.42

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

3. OTHER INTANGIBLE ASSETS

₹ Crores

Particulars	Computer Software		Technical Know How		Customer Relationships		Total
	Computer Software	Technical Know How	Trademarks	Customer Relationships	Customer Relationships	Total	
(I) Cost							
Balance as at 1 st April, 2018	10.30	0.30	1.57	7.23			19.40
Add : Additions during the year	3.09	-	-	-			3.09
Less : Deductions/Adjustments during the year	-	-	-	-			-
Add : Foreign exchange translation differences	0.23	-	0.10	0.44			0.77
Balance as at 31st March, 2019	13.62	0.30	1.67	7.67			23.26
Add : Additions during the year	2.24	-	-	-			2.24
Less : Deductions/Adjustments during the year	0.03	-	-	-			0.03
Add : Foreign exchange translation differences	0.38	-	0.16	0.72			1.26
Balance as at 31st March, 2020	16.21	0.30	1.83	8.39			26.73
(II) Accumulated amortisation							
Balance as at 1 st April, 2018	7.14	0.10	1.57	6.09			14.90
Add : Amortisation expense for the year	1.41	0.03	-	1.23			2.67
Less : Deductions/Adjustments during the year	-	-	-	-			-
Add : Foreign exchange translation differences	0.22	-	0.10	0.35			0.67
Balance as at 31st March, 2019	8.77	0.13	1.67	7.67			18.24
Add : Amortisation expense for the year	1.75	0.03	-	-			1.78
Less : Deductions/Adjustments during the year	0.03	-	-	-			0.03
Add : Foreign exchange translation differences	0.38	-	0.16	0.72			1.26
Balance as at 31st March, 2020	10.87	0.16	1.83	8.39			21.25
Carrying amount(I-II)							
Balance as at 31 st March 2019	4.85	0.17	-	-			5.02
Balance as at 31 st March 2020	5.34	0.14	-	-			5.48

Note:

3.1 The amortisation expense of other intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

4. LOANS

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Financial assets at Amortised cost :				
(A) Security Deposits				
- Unsecured, considered good	0.27	7.45	3.40	6.61
(B) Other Loans (Employees)				
- Unsecured, considered good	0.17	0.29	0.33	0.25
Total	0.44	7.74	3.73	6.86

5. OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Financial assets at Amortised cost:				
(Considered Good, unless otherwise stated)				
Advances				
- Considered Good	3.15	-	1.81	-
- Considered Doubtful	-	-	0.39	-
Bank Deposit	-	0.34	-	0.33
Interest accrued	0.46	-	0.20	-
Other financial assets	0.08	0.11	-	0.32
	3.69	0.45	2.40	0.65
Less: Allowance for Doubtful Advances	-	-	0.39	-
	3.69	0.45	2.01	0.65
Derivatives financial instruments not designated as hedging instruments carried at Fair value through Profit and Loss				
- Derivative financial instruments	3.14	-	1.03	1.28
Total	6.83	0.45	3.04	1.93

6 DEFERRED TAX ASSETS / (LIABILITIES) (NET)

₹ Crores

	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others*	Total
Deferred tax (liabilities)/ assets as at 1st April, 2018	0.30	1.05	2.09	3.44
(Charge) / credit to Statement of Profit and Loss	0.72	(0.53)	1.08	1.27
Foreign currency translation difference	0.01	0.07	0.07	0.15
Deferred tax (liabilities)/ assets as at 31st March, 2019	1.03	0.59	3.24	4.86
(Charge) / credit to Statement of Profit and Loss	(4.43)	(0.14)	(0.20)	(4.77)
Foreign currency translation difference	(0.21)	0.05	0.18	0.02
Deferred tax (liabilities)/ assets as at 31st March, 2020	(3.61)	0.50	3.22	0.11

*Others mainly includes deferred tax on inventory reserve.

7. OTHERS ASSETS (NON FINANCIAL)

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Capital Advance	-	12.82	-	6.75
	-	12.82	-	6.75
Advances other than capital advances				
Balance with government authorities	58.95	25.22	50.78	25.19
Prepaid Expenses	6.74	0.63	6.58	15.63
Other Advance (Refer Note 7.1)				
- Considered Good	23.35	-	14.45	-
- Considered Doubtful	-	-	0.12	-
	89.04	25.85	71.93	40.82
Less: Allowance for Doubtful Advances	-	-	0.12	-
	89.04	25.85	71.81	40.82
Export Incentives receivable	14.25	-	15.13	-
Total	103.29	38.67	86.94	47.57

Note:

7.1 Other advances mainly include Advances to suppliers, etc.

8. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

₹ Crores

Particulars	2020	2019
Raw Materials [Including in transit of ₹ 27.14 Crores (2018-19 : ₹ 19.93 Crores)]	117.65	122.57
Packing Material [Including in transit of ₹ Nil/-. (2018-19 : ₹ 0.38 Crores)]	10.10	9.13
Work-in-Progress	59.41	57.74
Finished Products	71.79	86.51
Stock-in-Trade [Including in transit of ₹ 2.11 Crores (2018-19 : ₹ 2.78 Crores)]	44.99	57.60
Consumables, Stores and Spares	21.09	17.72
Total	325.03	351.27

Notes:

- 8.1 The cost of Inventories recognised as an expense during the year was ₹ 1,986.24 Crores (2018-19 : ₹ 2,177.68 Crores)
- 8.2 The cost of Inventories recognised as an expense includes ₹ 1.78 Crores (2018-19 : ₹ 3.37 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 1.41 Crores (2018-19 : ₹ 2.22 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption as well as sale of products.
- 8.3 The Group has availed credit facilities from banks which are secured inter alia by hypothecation of inventories
- 8.4 The mode of valuation of inventories is stated in subnote (g) of Note 1B.
- 8.5 The Group determines the realisable value of inventory based on the latest selling prices, customer orders on hand and margins, adjusted to reflect current and estimated future economic conditions also taking into account estimates of possible effect from the pandemic relating to COVID-19.

9. CURRENT INVESTMENTS

Particulars	₹ Crores	
	2020	2019
Investments carried at Amortised cost		
Quoted		
Treasury bills*	5.78	-
Total	5.78	-

*Treasury bills (T-bills) are under lien.

10. TRADE RECEIVABLES

Particulars	₹ Crores	
	2020	2019
Unsecured, considered Good	439.39	426.75
Unsecured, considered Doubtful (Refer Note 10.1)	1.49	0.06
	440.88	426.81
Less : Allowance for expected credit loss (Refer Note 10.1)	1.49	0.06
Total	439.39	426.75

Notes:

10.1 Also, Refer Note 42(B) for disclosure related to Credit risk, Impairment of trade receivable under Expected Credit Loss and related disclosures.

10.2 The Group has availed credit facilities from banks which are secured by hypothecation of Trade Receivables.

10.3 The Group has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

11. CASH AND BANK BALANCES

Particulars	₹ Crores	
	2020	2019
Cash and cash equivalents		
Balances with banks		
- Current Accounts	34.09	14.15
- Savings Accounts	8.41	10.63
- Fixed Deposits with original maturity less than 3 months	5.00	-
	47.50	24.78
Cash on hand	0.20	0.25
Total Cash and cash equivalents	47.70	25.03
Bank balances other than cash and cash equivalents		
Earmarked balances with banks (Refer Note 11.1)	0.74	0.66
Fixed deposit account with original maturity more than 12 months(Refer Note 11.2)	0.30	-
Fixed deposit account with original maturity more than 3 months but less than 12 months (Refer Note 11.2)	5.78	-
Total Other Bank balances	6.82	0.66

Note:

11.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

11.2 Fixed Deposits are under lien.

12A. EQUITY SHARE CAPITAL

₹ Crores

Particulars	2020	2019
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each (Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)	50.00	50.00
	50.00	50.00
Issued, Subscribed and Paid Up :		
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up. (Previous Year: 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)	35.45	35.45
	35.45	35.45

A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2020		2019	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
Issued and Subscribed :				
Balance as at the beginning of the year	35,454,752	35.45	35,454,752	35.45
Balance as at the end of the year	35,454,752	35.45	35,454,752	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 ₹ 10 per share. The Equity shares of the Company rank pari passu in all respects including voting rights and entitlement to dividend.

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. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	2020		2019	
	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil* as Partners of M/s Galaxy Chemicals	7,752,850	21.87	7,752,850	21.87
Unnathan Shekhar	4,226,740	11.92	4,226,740	11.92
Late Sandhya Patil *	4,106,040	11.58	4,106,040	11.58
Shashikant R. Shanbhag	4,097,684	11.56	4,097,684	11.56
Gopalkrishnan Ramakrishnan	2,362,758	6.66	2,362,758	6.66
Jayashree Ramakrishnan	1,842,972	5.20	1,842,972	5.20
SBI Mutual Fund	2,412,587	6.80	2,412,587	6.80
	26,801,631	75.59	26,801,631	75.59

*Mrs. Sandhya Patil expired on April 25, 2019. The shares held by her as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

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.

12B. OTHER EQUITY

₹ Crores

Particulars	2020	2019
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Capital Reserve on consolidation	3.11	3.11
Retained Earnings	953.44	797.88
Item of Other Comprehensive Income		
Foreign currency translation reserve	49.17	13.71
Total	1,032.30	841.28

Description of the nature and purpose of Other Equity

Securities Premium: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Capital reserve on consolidation: This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

13. NON-CURRENT BORROWINGS

Particulars	₹ Crores	
	2020	2019
Carried at Amortised cost :		
Secured :		
Term Loan From Banks (Refer Note 13.1 & 13.2)	116.55	88.95
Total Secured Borrowings	116.55	88.95
Unsecured:		
Deferral Sales Tax Liability (Refer Note 13.3)	0.08	0.28
Total Unsecured Borrowings	0.08	0.28
Total	116.63	89.23

Current maturities in respect of long term borrowings have been included in Note 14 as under :

Particulars	₹ Crores	
	2020	2019
Term Loan From Banks	52.52	44.26
Deferral Sales Tax Liability	0.20	0.35
Total	52.72	44.61

Notes:

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

Term loans from Banks in relation to a subsidiary company are secured by a corporate guarantee given by the Ultimate Holding Company and lien over fixed deposit with bank equivalent to three months' interest amount.

13.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ 1.07 Crores (2019: ₹ 5.33 Crores)	8.95%	20 Quarterly installments of ₹ 1.07 Crores each with moratorium of 18 months commencing from April 2017
Term Loan ₹ 9.98 Crores (2019: ₹ 19.91 Crores)	PLR - 3.75%	12 Quarterly installments of ₹ 2.5 crores each with a moratorium of 8 quarters from the date of first disbursement commencing from 30 th June 2018
Term Loan ₹ 35 Crores (2019: ₹ 35 Crores)	PLR - 3.75%	12 Quarterly installments of ₹ 2.92 Crores starting from November 2020
Term Loan ₹ 18.75 Crores (2019: ₹ 23.75 Crores)	9.00%	20 Quarterly installments of ₹ 1.25 Crores starting from March 2019 till December 2023
Term Loan ₹ 40 Crores (2019: ₹ Nil)	6M T Bill + 3.1 %	14 Quarterly installments of ₹ 2.86 Crores Each with a moratorium of 18 months from 20 th Feb 2020

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Foreign Currency Loans		
Term Loan ₹ 26.43 Crores (2019: ₹ 44.59 Crores)	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 ₹ 37.84 Crores (2019: ₹ Nil)	6M LIBOR + 2.25%	18 quarterly installments of USD 0.03 Crores each starting from December 2020
Term Loan of ₹ Nil (2019: ₹ 4.63 Crores)	6M LIBOR + 3.5%	12 half yearly installments of USD 0.07 Crores each commenced from March 2014

* PLR - Prime Lending Rate T Bill - Treasury Bill LIBOR - London Interbank Offered Rate

13.3 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 deferment of liability.

14. OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Carried at Amortised cost:				
Current maturities of long-term borrowings (Refer Note 13.1 & 13.2)	52.52	-	44.26	-
Current maturities of Deferral Sales Tax Liability (Refer Note 13.3)	0.20	-	0.35	-
Interest accrued on borrowings	1.01	-	1.24	-
Unclaimed dividends (Refer Note 14.2)	0.71	-	0.63	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 14.4)	-	-	-	-
Security Deposits	0.02	0.34	0.03	0.27
Interim Dividend and Dividend Tax Payable (Refer Note 14.3)	-	-	21.37	-
Other liabilities (Refer Note 14.1)	7.10	-	3.65	-
	61.56	0.34	71.53	0.27
Derivatives financial instruments not designated as hedging instruments carried at Fair value through Profit and Loss				
Derivative financial instruments	0.93	-	-	-
	0.93	-	-	-
Total	62.49	0.34	71.53	0.27

Notes :

14.1 Other liabilities mainly include capital creditors, etc.

14.2 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.

14.3 During the year ended 31st March, 2019, the Board of Directors at its meeting held on 29th March, 2019 had approved interim dividend of ₹ 5 per share (50% of face value) amounting to ₹ 21.37 Crores including dividend distribution tax.

14.4 Figures for the year ended 31st March, 2019 (current) is less than ₹ 50,000.

15. PROVISIONS

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits				
Compensated Absences	0.86	10.72	1.49	7.80
Gratuity	3.00	3.06	2.56	2.19
Total	3.86	13.78	4.05	9.99

16. DEFERRED TAX LIABILITIES / (ASSETS) (NET)

₹ Crores

Particulars	On Fiscal	On Provision	On Others	Total
	allowances on fixed assets	for employee benefits		
Deferred tax liabilities/ (assets) As at 1st April, 2018	33.93	(4.24)	(2.02)	27.67
Charge/ (credit) to Statement of Profit and Loss	5.69	(1.85)	0.74	4.58
Charge/ (credit) to Other comprehensive income	-	(0.27)	-	(0.27)
Deferred tax liabilities/ (assets) As at 31st March, 2019	39.62	(6.36)	(1.28)	31.98
Charge/ (credit) to Statement of Profit and Loss	(9.67)	2.26	(0.27)	(7.68)
Charge/ (credit) to Other comprehensive income	-	(0.18)	-	(0.18)
Deferred tax liabilities/ (assets) As at 31st March, 2020	29.95	(4.28)	(1.55)	24.12

17. OTHER NON FINANCIAL LIABILITIES

₹ Crores

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Advances received from customers	12.18	-	4.22	-
Others (Refer Note no 17.1)	5.50	-	4.27	0.32
Deferred revenue income under EPCG scheme	0.03	0.43	0.03	0.46
Total	17.71	0.43	8.52	0.78

Note :

17.1 Others mainly include government dues & taxes payable, salary deductions payable, etc.

18. CURRENT BORROWINGS

₹ Crores

Particulars	2020	2019
Secured (Carried at Amortised cost) :		
Working Capital Loan		
Packing credit loan from banks (Refer Notes)	58.03	28.45
Bank Overdraft (Refer Notes)	144.93	135.51
Total	202.96	163.96

Notes :

Secured Borrowings :

18.1 Packing credit loan 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, specified properties located at Jhagadia & Tarapur and hypothecation of present and future movable assets.

Bank overdrafts in respect of subsidiary companies are secured by assignment of insurance policies on the inventories and partly secured by way of commercial mortgage created on movable assets of the subsidiary company.

18.2 Rate of Interest for loans ranges from 3.00% p.a. to 8.25% p.a.

19. TRADE PAYABLES

₹ Crores

Particulars	2020	2019
Carried at Amortised Cost :		
Total outstanding dues of Micro and Small Enterprises (Refer Note 19.1)	4.36	8.58
Total outstanding dues of creditors other than Micro and Small Enterprises	268.77	297.27
Total	273.13	305.85

Note :

19.1 The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2020.

20. REVENUE FROM OPERATIONS

Particulars	₹ Crores	
	2019-20	2018-19
Revenue from contracts with customers		
Sale of products	2,563.28	2,731.82
Other operating revenue		
(i) Scrap Sales	1.93	1.59
(ii) Government Grant and Incentives (including export benefits)	31.17	29.58
Total	2,596.38	2,762.99

Notes :

20.1 Refer note 34 for geography wise revenue from contracts with customers

20.2 The Group has evaluated the impact of COVID-19 resulting from (i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations (ii) onerous obligations (iii) penalties, if any, relating to breaches of agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

21. OTHER INCOME

Particulars	₹ Crores	
	2019-20	2018-19
(a) Interest Income		
- On Financial Assets at Amortised Cost	1.32	0.49
- On Non Financial assets	0.22	0.34
(b) Other Non - Operating Income		
Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.52)	(1.31)
Liabilities/Provision no longer required written back	1.00	1.05
Foreign exchange differences (Net)	1.90	(4.83)
Commission received (Refer Note 21.2)	-	0.05
Others (Refer Note 21.1)	3.00	8.89
Total	5.92	4.68

Notes:

21.1 Other income includes interest subvention, refund receivable, etc.

21.2 Figure for the year ended 31st March, 2020 is less than 50,000.

22. COST OF MATERIALS CONSUMED

Particulars	₹ Crores	
	2019-20	2018-19
(a) Raw materials	1,578.12	1,856.19
(b) Packing materials	57.27	61.55
Total	1,635.39	1,917.74

23. PURCHASE OF STOCK-IN-TRADE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Purchases of Stock-in-trade	46.15	38.25
Total	46.15	38.25

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	₹ Crores	
	2019-20	2018-19
Opening Stock :		
Finished goods	86.51	80.40
Work-in-progress	57.74	66.93
Stock-in-trade	57.60	42.13
	201.85	189.46
Less: Closing Stock :		
Finished goods	71.79	86.51
Work-in-progress	59.41	57.74
Stock-in-trade	44.99	57.60
	176.19	201.85
Foreign currency translation difference	8.12	4.47
Net (increase) / decrease in inventory	33.78	(7.92)

25. EMPLOYEE BENEFITS EXPENSE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Salaries and wages, including bonus	150.71	136.66
(b) Contribution to provident and other funds	11.00	9.49
(c) Workmen and staff welfare expenses	16.39	14.26
Total	178.10	160.41

26. FINANCE COST

Particulars	₹ Crores	
	2019-20	2018-19
(a) Interest expense (Refer Note 26.2)	22.89	29.35
(b) Other borrowing cost	0.91	0.65
Total	23.80	30.00

Notes :

26.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.73% (2018-2019 : 9.17%).

26.2 Finance Cost during current year includes interest on lease liabilities amounting to ₹ 1.39 Crores.

27. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	₹ Crores	
	2019-20	2018-19
(a) Depreciation on Property, Plant and Equipment	55.72	48.53
(b) Amortisation of Other Intangible Assets	1.78	2.67
(c) Depreciation on Right of Use Asset	4.69	-
Total	62.19	51.20

28. OTHER EXPENSES

Particulars	₹ Crores	
	2019-20	2018-19
Power and fuel	55.48	51.07
Water charges	1.67	1.40
Repairs and maintenance	17.97	13.75
Consumption of stores, spares & consumables	13.81	11.94
Rates and taxes	5.25	3.83
Insurance	11.70	8.01
Freight and forwarding	120.75	114.82
Travelling and conveyance	18.11	17.18
Discount and commission on sales	1.09	1.64
Allowance for Doubtful Debts	1.40	-
Royalty	0.14	0.15
"REACH" registration expenses (Net)	3.86	1.64
CSR expenditure (Refer Note 36)	3.32	3.02
Donations (Refer Note 28.1)	0.03	-
Directors' sitting fees	0.62	0.42
Commission to non-executive directors	0.72	0.71
Rent (including storage charges)	12.57	13.69
Legal and professional fees	22.55	19.53
Allowance for doubtful advances	-	0.47
Miscellaneous expenses	43.01	37.87
Total	334.05	301.14

Note :

28.1 Figure for the year ended 31st March, 2019 is less than ₹ 50,000.

29. INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

Particulars	₹ Crores	
	2019-20	2018-19
Current Tax:		
In respect of current year	61.17	83.37
In respect of prior years	0.17	(0.82)
	61.34	82.55
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	6.66	2.56
Adjustments due to changes in tax rates	(9.43)	-
In respect of prior years	(0.14)	0.76
	(2.91)	3.32
Total	58.43	85.87

30. INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

Particulars	₹ Crores	
	2019-20	2018-19
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(0.60)	(0.27)
Adjustment due to change in Tax Rates	0.41	-
Total	(0.19)	(0.27)
Classification of income tax recognised in other comprehensive income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.19)	(0.27)
Total	(0.19)	(0.27)

31. EARNING PER SHARE (EPS)

Particulars	2019-20	2018-19
Profit for the year (₹ In Crores)	230.41	190.98
Weighted average number of Ordinary (Equity) Shares used in computing basic & diluted EPS	35,454,752	35,454,752
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	64.99	53.87

32. THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

Particulars	2019-20	2018-19
Profit before tax	288.84	276.85
Applicable Income tax rate	25.17%	34.94%
Expected income tax expense	72.70	96.74
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
- Difference in tax rates of subsidiary companies	(6.67)	(10.97)
- Impact of Change in Rates on Opening Deferred Tax	(9.43)	-
- Effect of concessions and allowances	(1.44)	(1.48)
- Effect of expenses/provision not deductible in determining taxable profit	0.54	0.81
- Impact on account of Prior Years Taxation	0.03	(0.07)
- Others	2.70	0.84
Reported income tax expense	58.43	85.87

33. THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

Assessment Year	2019-20	2018-19	Available upto A.Y.
2016-17	3.99	3.99	2024-25
2020-21	12.32	-	2028-29

34. SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

Particulars	2020			2019		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	863.29	1,699.99	2,563.28	974.48	1,757.34	2,731.82
Non Current Assets*	583.58	284.79	868.37	452.77	204.14	656.91

* Includes property plant and equipment, right of use asset, capital work-in-progress, goodwill, other intangible assets and other non-financial non-current assets

Information about major customers

During the year ended 31st March, 2020 and 31st March, 2019 respectively, Revenue from transaction with a single external customer did not amount to 10% or more of the companies revenue from external customers.

35. DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 26.87 Crores (2018 -19 ₹ 26.08 Crores) debited to the Statement of Profit and Loss.

36. DETAILS OF CSR EXPENDITURE

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

Particulars			₹ Crores
	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Group during the year	-	-	3.58
II. Amount spent during the year on:			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	3.32	-	3.32

37. CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

Particulars			₹ Crores
	2020	2019	
Claims against the Group not acknowledged as debts comprise of claims disputed by the group relating to issues of applicability, classification, deductibility, etc.			
– Excise duty & Service tax	2.82	3.96	
– Income tax	0.97	0.97	
– Sales tax	6.93	5.30	
– Custom duty	8.16	8.14	

Note :

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for ₹ 47.03 Crores (2018-19: ₹ 28.46 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 1.09 Crores (2018-19: ₹ 2.07 Crores).

38. RELATED PARTY DISCLOSURES :

(a) Parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Name of the Person	Relation	Relative Name
1) Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmi Shekhar
	Son	Mr. Karthik Shekhar
	Daughter	Ms. Nandini Shekhar
2) Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife	Mrs. Parvathy Natarajan
	Daughter	Ms. Pavithra Natarajan
	Daughter	Ms. Namrata Natarajan
3) Mr. G. Kamath Executive Director (Finance) & Chief Financial Officer		

(ii) Enterprise over which KMP is able to exercise significant influence :

Name of the Company	Name of the Company
1) Galaxy Emulsifiers Private Limited	5) Galaxy Estates & Holdings [Partnership Firm]
2) Galaxy Finsec Private Limited	6) Galaxy Investments [Partnership Firm]
3) Osmania Traders Private Limited	7) Shubh Estates & Properties [Partnership Firm]
4) Galaxy Chemicals [Partnership Firm]	

(b) The related party transactions are as under :

₹ Crores

Sr. No.	Nature of Transactions	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	MANAGERIAL REMUNERATION (Refer Note 38.1) :						
	U. Shekhar						
	Short-term employee benefits			1.86	2.28		
	K. Natarajan						
	Short-term employee benefits			1.86	2.34		
	G. Kamath						
	Short-term employee benefits			1.87	2.42		
2	DIVIDENDS DISTRIBUTED :						
	Galaxy Chemicals	13.18	5.43				
	Galaxy Emulsifiers Pvt. Ltd.	0.92	0.38				
	U. Shekhar			7.19	2.96		
	K. Natarajan			0.02	0.01		
	G. Kamath			0.03	0.01		
	Lakshmi Shekhar					0.22	0.09

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note:

38.1 As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

39. EMPLOYEE BENEFITS**a. Defined contribution plan**

The Parent Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Parent Company has recognised ₹ 4.82 Crores (2018-19 - ₹ 4.09 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

The Subsidiaries make contributions towards 401K & Social security for qualifying employees. The subsidiaries have recognised ₹ 5.02 Crores (2018-19 ₹ 4.65 Crores) for the year being Subsidiaries contribution to 401K & Social security, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan**Gratuity plan**

Gratuity is payable to all eligible employees of the Parent Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Parent 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 Parent Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability and will decrease the return on the plan's assets.

Salary risk

The present value of the Gratuity liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

Particulars	As at 31 st March	
	2020	2019
	₹ Crores	
	Funded Plan Gratuity	
I Expense recognised in the Statement of Profit and Loss for the year		
1 Current service cost	1.21	1.06
2 Interest cost on benefit obligation (net)	0.36	0.31
3 Net value of remeasurements on the obligation and plan assets	-	-
4 Past service cost and loss/(Gain) on curtailments and settlement	-	-
5 Total expenses included in employee benefits expense	1.57	1.37
II Recognised in other comprehensive income for the year		
1 Actuarial (gains)/ losses arising from changes in financial assumption	1.57	0.44
2 Actuarial (gains)/ losses arising from changes in experience adjustment	0.74	0.49
3 Actuarial (gains)/ losses arising from changes in demographic adjustment	-	0.01
4 Return on plan asset	0.06	(0.15)
5 Recognised in other comprehensive income	2.37	0.79
III Change in the present value of defined benefit obligation		
1 Present value of defined benefit obligation at the beginning of the year	19.32	16.70
2 Current service cost	1.21	1.06
3 Interest cost/(income)	1.48	1.25
4 Remeasurements (gains)/ losses		
(a) Actuarial (gains)/ losses arising from changes in demographic assumption	-	0.01
(b) Actuarial (gains)/ losses arising from changes in financial assumption	1.57	0.44
(c) Actuarial (gains)/ losses arising from changes in experience adjustment	0.74	0.49
5 Past Service cost	-	-
6 Benefits paid	(0.30)	(0.63)
7 Liabilities assumed/(settled)	-	-
8 Present value of defined benefit obligation at the end of the year	24.02	19.32
IV Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	14.57	12.61
2 Interest income	1.12	0.94
3 Contribution by employer	2.63	1.50
4 Benefits paid	(0.30)	(0.63)
5 Remeasurements (gains)/ losses		
(a) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(b) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
(c) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6 Return on plan assets excluding interest income	(0.06)	0.15
7 Fair value of plan assets at the closing of the year	17.96	14.57

Particulars	As at 31 st March	
	Funded Plan Gratuity	
	2020	2019
V Net Asset/(Liability) recognised in the Balance Sheet		
1 Present value of defined benefit obligation as at 31 st March	(24.02)	(19.32)
2 Fair value of plan assets as at 31 st March	17.96	14.57
3 Surplus/(Deficit)	(6.06)	(4.75)
4 Current portion of the above	(3.00)	(2.56)
5 Non current portion of the above	(3.06)	(2.19)
VI Actuarial assumptions		
1 Discount rate	6.83%	7.69%
2 Attrition rate	Between 15% to 4% based on service of employee	Between 15% to 4% based on service of employee
3 Average salary escalation rate	7.50%	7.50%
4 Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
VII Major Category of Plan Assets as a % of the Total Plan Assets		
1 Insurer managed funds *	100%	100%
*In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII The expected contributions to the plan for the next annual reporting period	3.00	2.56
IX Quantitative sensitivity analysis for significant assumptions are as below		
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.		
1 Discount rate varied by +1%	22.20	17.96
2 Discount rate varied by -1%	26.10	20.85
3 Salary growth rate varied by +1%	26.06	20.84
4 Salary growth rate varied by -1%	22.19	17.95
5 Withdrawal rate (W.R.) varied by + 1%	23.89	19.31
6 Withdrawal rate (W.R.) varied by - 1%	24.13	19.29
X Maturity profile of defined benefit obligation		
1 Year 1	1.30	2.80
2 Year 2	1.48	0.95
3 Year 3	2.72	1.28
4 Year 4	2.01	2.34
5 Year 5	3.44	1.67
6 Years 6-10	8.85	7.64
7 11 Years and above	29.07	25.02

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the Statement of Profit and loss account. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

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

40. CAPITAL MANAGEMENT

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	₹ Crores	
	2020	2019
Short term debt	202.96	163.96
Long term debt	169.35	133.84
Total	372.31	297.80
Equity	1,067.75	876.73
Long term debt to equity	0.16	0.15
Total debt to equity	0.35	0.34

41. CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	₹ Crores	
	2020	2019
A) Financial Assets		
a) Measured at Amortised cost		
i) Cash and Cash equivalents	47.70	25.03
ii) Bank Balances other than Cash and Cash Equivalents	6.82	0.66
iii) Loans	8.18	10.59
iv) Trade Receivable	439.39	426.75
v) Current Investment	5.78	-
vi) Other Financial Assets	4.14	2.66
Sub-Total	512.01	465.69
b) Measured at Fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	3.14	2.31
Sub-Total	3.14	2.31
Total Financial Assets	515.15	468.00
B) Financial Liabilities		
a) Measured at Amortised cost		
i) Non-current Borrowings	116.63	89.23
ii) Current Borrowings	202.96	163.96
iii) Lease Liabilities	23.57	-
iv) Trade Payables	273.13	305.85
v) Other Financial Liability	61.90	71.80
Sub-Total	678.19	630.84
b) Derivatives measured at Fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	0.93	-
Sub-Total	0.93	-
Total Financial Liabilities	679.12	630.84

42. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Group has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest rate risk and Commodity price risk.

A) MARKET RISK

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risk and Commodity price risk. These risks may affect the Groups income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding. To a certain extent we use interest rate swap to minimise the risk.

b) Commodity Risk

The Group is exposed to the price risk associated with purchasing of the raw materials. The Group typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Group's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the Group. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

c) Currency Risk

The Group is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would increase/decrease the Rupee value of debtors/ creditors. To a certain extent the Group uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Group's foreign currency exposure at the end of the reporting periods are as follows

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March, 2020						
Borrowings	(0.60)	(45.13)	(0.07)	(5.97)	-	(51.10)
Trade Receivables & Other financial assets	1.39	105.22	0.19	16.06	30.00	151.28
Trade Payables & Other financial liabilities	(1.18)	(89.31)	(0.01)	(0.47)	(3.78)	(93.56)
Total	(0.39)	(29.22)	0.11	9.62	26.22	6.62
As at 31st March, 2019						
Borrowings	(0.74)	(51.26)	(0.02)	(1.55)	-	(52.81)
Trade Receivables & Other financial assets	1.76	121.63	0.36	27.68	0.52	149.83
Trade Payables & Other financial liabilities	(2.03)	(140.51)	(0.01)	(0.54)	(1.29)	(142.34)
Total	(1.01)	(70.14)	0.33	25.59	(0.77)	(45.32)

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date's are as follows.

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March, 2020						
Borrowings	(0.25)	(18.64)	(0.07)	(5.97)	-	(24.61)
Trade Receivables & Other financial assets	1.05	79.61	0.05	4.17	30.00	113.78
Trade Payables & Other financial liabilities	(1.08)	(81.74)	(0.01)	(0.47)	(3.78)	(85.99)
Total	(0.28)	(20.77)	(0.03)	(2.27)	26.22	3.18
As at 31st March, 2019						
Borrowings	(0.09)	(6.31)	(0.02)	(1.55)	-	(7.86)
Trade Receivables & Other financial assets	1.66	114.72	0.26	19.86	0.52	135.10
Trade Payables & Other financial liabilities	(1.86)	(128.41)	(0.01)	(0.54)	(1.29)	(130.24)
Total	(0.29)	(20.00)	0.23	17.77	(0.77)	(3.00)

B) CREDIT RISK MANAGEMENT

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from our operating activities, primarily from trade receivables. The Group's customer base majorly has creditworthy counterparties which limits the credit risk. The Group's exposures are continuously monitored and wherever necessary Group takes advances/LC's to minimise the risk.

a) Trade Receivables and Advances

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/advances. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the group has evaluated that there is no provision required under expected credit loss model. Further, the Group reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables

₹ Crores

Particulars	Year Ended 31 st March	
	2020	2019
Balance as at beginning of the year	0.06	1.10
Additions during the year	1.40	0.06
Amount of loss reversed / written back	(0.06)	(1.11)
Foreign currency translation difference	0.09	0.01
Balance at end of the year	1.49	0.06

b) Other Financial Assets

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

C) LIQUIDITY RISK

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March, 2020					
Deferral Sales Tax Liability	0.28	0.20	0.08	-	-
Short term borrowings	202.96	202.96	-	-	-
Long term borrowings	169.07	52.53	67.32	49.22	-
Lease Liabilities	23.57	3.89	8.83	6.35	4.50
Trade payables	273.13	273.13	-	-	-
Other Financial Liabilities	10.11	9.77	-	-	0.34
Total	679.12	542.48	76.23	55.57	4.84
As at 31st March, 2019					
Deferral Sales Tax Liability	0.63	0.35	0.20	0.08	-
Short term borrowings	163.96	163.96	-	-	-
Long term borrowings	133.21	44.26	62.72	26.23	-
Trade payables	305.85	305.85	-	-	-
Other Financial Liabilities	27.19	26.92	-	-	0.27
Total	630.84	541.34	62.92	26.31	0.27

43. SENSITIVITY ANALYSIS**A) Foreign Currency Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March, 2020				
	USD	+1%	0.03	-
	EUR	+1%	(0.04)	-
Year ended 31st March, 2019				
	USD	+1%	(0.21)	-
	EUR	+1%	0.18	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

B) Interest Rate Sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both long term & short term borrowings. The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March, 2020				
	INR	+25 bps	(0.76)	-
Year ended 31st March, 2019				
	INR	+25 bps	(0.92)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

44. OFFSETTING OF BALANCES

The Group has not offset financial assets and financial liabilities.

45. COLLATERALS

The Group has long term loans and working capital loans which are secured by hypothecation of current and movable assets and mortgage of immovable properties.

46. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

₹ Crores

Financial Instruments regularly measured using Fair Value- recurring Items							Applicable for Level 2 and Level 3 hierarchy
Particulars	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs
	Financial assets/ Financial liabilities	Category	2020	2019			
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	3.14	2.31	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
	Financial liabilities		0.93	-			

47. FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTISED COST

₹ Crores

Particulars	Carrying Value	Fair value (Level 2)
As at 31st March, 2020		
Financial liabilities		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	0.28	0.26
Total	0.28	0.26
As at 31st March, 2019		
Financial liabilities		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	0.63	0.57
Total	0.63	0.57

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value

48. IND-AS YET TO BE NOTIFIED

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Consolidated

49. ADDITIONAL DISCLOSURE

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount
Galaxy Surfactants Limited	83.34%	889.84	79.07%	182.18	(6.55%)	(2.18)	68.26%	180.00	89.25%	782.51	88.20%	168.45	(2.85%)	(0.52)	80.26%	167.93
Foreign Subsidiaries																
Galaxy Chemicals Inc	0.02%	0.18	(0.02%)	(0.04)	0.03%	0.01	(0.01%)	(0.03)	0.02%	0.21	(0.02%)	(0.04)	0.11%	0.02	(0.01%)	(0.02)
Galaxy holdings (Mauritius) Ltd.	1.69%	18.01	1.01%	2.33	(25.78%)	(8.58)	(2.37%)	(6.25)	2.77%	24.26	0.57%	1.08	19.32%	3.53	2.20%	4.61
Rainbow Holdings GmbH	(1.68%)	(17.94)	(0.54%)	(1.25)	(4.57%)	(1.52)	(1.05%)	(2.77)	(1.73%)	(15.17)	(0.69%)	(1.31)	4.71%	0.86	(0.22%)	(0.45)
Galaxy Chemicals (Egypt) S.A.E.	20.80%	222.14	10.88%	25.08	55.80%	18.57	16.55%	43.65	20.36%	178.49	10.29%	19.65	49.10%	8.97	13.68%	28.62
Tri-K Industries Inc.	15.57%	166.27	10.65%	24.54	41.38%	13.77	14.53%	38.31	14.60%	127.97	15.70%	29.98	29.45%	5.38	16.90%	35.36
Eliminations	(19.74%)	(210.75)	(1.05%)	(2.43)	39.69%	13.21	4.09%	10.78	(25.27%)	(221.54)	(14.05%)	(26.83)	0.16%	0.03	(12.81%)	(26.80)
Total	100.00%	1,067.75	100.00%	230.41	100.00%	33.28	100.00%	263.69	100.00%	876.73	100.00%	190.98	100.00%	18.27	100.00%	209.25

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. NATARAJAN
Executive Director & COO
DIN: 07626680

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

N. KETKAR
Company Secretary

Place : Navi Mumbai
Date : 25th June, 2020

STATEMENT PURSUANT TO FIRST PROVISIO 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

₹ Crores

Sr. No	Name of the Subsidiary Company	Reporting Currency	Exchange rate in ₹ at the year end	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments (Other than in Subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% shareholding	Country
1	Galaxy Chemicals Inc	USD	75.68	-*	0.18	0.30	0.12	-	-	(0.04)	-	(0.04)	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	75.68	2.37	15.64	206.98	188.97	-	-	2.42	0.09	2.33	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	82.98	0.17	(18.11)	6.18	24.12	-	-	(1.25)	-	(1.25)	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	75.68	163.67	58.46	464.04	241.91	5.78	690.78	25.08	-	25.08	-	100%	Egypt
5	Tri-K Industries Inc.	USD	75.68	-*	166.27	221.74	55.47	-	339.65	31.99	7.45	24.54	-	100%	USA

* Figures less than 50,000

NOTICE TO MEMBERS

NOTICE is hereby given that THIRTY FOURTH ANNUAL GENERAL MEETING of the Members of GALAXY SURFACTANTS LIMITED will be held on Tuesday, September 8, 2020 through video conferencing / other audio visual means at 3:00 p.m. (IST) to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of Board of Directors and Auditors thereon;
2. To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Auditors thereon;
3. To confirm the payment of interim dividend during financial year 2019-20 declared on March 16, 2020 and approve the same as final dividend for the financial year 2019-20;
4. To appoint a Director in place of Mr. K. Ganesh Kamath (DIN: 07767220), who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Dr. Nirmal Koshti (DIN: 07626499), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

6. To ratify the remuneration payable to M/s Nawal Barde Devdhe & Associates, Cost Auditors:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of the Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the remuneration payable to the Cost Auditors M/s Nawal Barde Devdhe & 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, 2021, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is hereby ratified and confirmed;

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

7. To approve payment of sitting fees to Mr. Uday K. Kamat (DIN: 00226886), Non-Executive director of the Company nominated to the Board of the Subsidiary Company for attending/participating in the subsidiary Board Meetings:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meetings of the 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 Members be and is hereby accorded for the payment of sitting fees to Mr. Uday K. Kamat (DIN: 00226886), Non-Executive director of the Company, by the operating subsidiaries on the Board of which he is nominated as a director, for attending / participating in their Board Meetings, for a period of 3 years with effect from April 1, 2021, as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the Members of the Company.”

8. To approve re-appointment of Mr. G. Ramakrishnan (DIN: 00264760) as a Strategic Advisor to the Company:

To consider and, if thought fit, to pass 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 modifications or re-enactments thereof, for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of Members be and is hereby accorded for re-appointment of Mr. G. Ramakrishnan (DIN: 00264760), Non-Executive director of the Company, to the office or place of profit by the

Company as a Strategic Advisor for implementation and rollout of the strategy formulated to tap the potential of the North American marketplace as a source of growth for the products of the Company and new product innovations and the payment of consideration to him by the Company as set out in the Explanatory Statement, for a period upto 2 years w. e. f. June 1, 2020, within the meaning of Section 188 and other applicable provisions, if any, of the Companies Act, 2013;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to take all steps necessary, proper or expedient to give effect to this resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. G. Ramakrishnan (DIN: 00264760) will receive remuneration from the Company.”

9. To approve re-appointment of Mr. Uday K. Kamat (DIN: 00226886) as a Strategic Advisor to the Company:

To consider and, if thought fit, to pass 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 modifications or re-enactments thereof, for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of Members be and is hereby accorded for re-appointment of Mr. Uday K. Kamat (DIN: 00226886), Non-Executive director of the Company, to the office or place of profit by the Company as a Strategic Advisor for implementation and rollout of the strategy formulated to tap the potential of the North American marketplace as a source of growth for the products of the Company and new product innovations and the payment of consideration to him by the Company as set out in the Explanatory Statement, for a period upto 2 years w. e. f. June 1, 2020, within the meaning of Section 188 and other applicable provisions, if any, of the Companies Act, 2013;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to take all steps necessary, proper or expedient to give effect to this resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. Uday K. Kamat (DIN: 00264760) will receive remuneration from the Company.”

10. To approve re-appointment of Mrs. Nandita Gurjar (DIN: 01318683) as an Independent Director for a second term of 5 years:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, Mrs. Nandita Gurjar (DIN: 01318683), who was appointed on September 28, 2015 as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and meets the criteria of independence as provided under Section 149 (6) of the Act along with the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years commencing from September 8, 2020 till September 7, 2025 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or committees thereof and profit related commission, if any, in terms of applicable provisions of the Act and as determined by the Board 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 authorised to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

Navi Mumbai
June 25, 2020

Niranjan Ketkar
Company Secretary

Registered Office:
C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India,
Phone: +91-22-27616666

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") with respect to the Special Business under Item Nos. 6 to 10 as set out in the Notice is annexed hereto.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 34th AGM (AGM) of the Company shall be conducted through VC / OAVM.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer - Mr. S Sathyanarayanan by email through their registered email address to ss.and.co.cs@gmail.com with copies marked to the Company at investorservices@galaxysurfactants.com and to its RTA at instameet@linkintime.co.in.
5. In accordance with, the General Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.galaxysurfactants.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. All documents referred to in the accompanying Notice are available for inspection through electronic mode. Members seeking to inspect such documents can send an email to investorservices@galaxysurfactants.com.
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.
8. In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email ID. In case the shareholder holding shares in physical mode has not registered his/her/their email address with the Company/its RTA and/or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.
9. Members holding shares in physical form are requested to dematerialize their shares on priority basis. The ISIN number of the Company is INE600K01018.
10. Those Members who have so far not encashed their dividend warrants for the financial year 2012-13, 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 are requested to send in their queries at least a week in advance to the Company Secretary at investorservices@galaxysurfactants.com to facilitate clarifications during the meeting.

Procedure for joining meeting through VC/OAVM:

12. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM facility (instameet) provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time

scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

13. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 30 (thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
14. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
 - a. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - i. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - ii. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - iii. Mobile No.
 - iv. Email ID
 - b. Click "Go to Meeting"
15. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
16. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
17. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
18. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call: - Tel : +91-22-49186175

19. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

20. Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email ID, mobile number at investorservices@galaxysurfactants.com from Thursday, September 3, 2020 from 9.00 a.m. to Saturday, September 5, 2020 till 5.00 p.m..
21. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
22. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE MEETING
 - a. **Remote 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 Link Intime. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by Link Intime as per instructions stated below.
 - (i) Members who are holding shares in physical or dematerialized form as on Tuesday, September 01, 2020 shall exercise their vote by electronic means. The Company has engaged the services of the Link Intime to provide the e-voting facility. The Notice is displayed on the Company's website, www.galaxysurfactants.com, and on website of Link Intime India Pvt. Ltd. www.linkintime.co.in
 - (ii) The remote e-voting period commences on Saturday, September 5, 2020 at 9:00 a.m. and will end on Monday, September 7, 2020 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 Tuesday, September 01, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime 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.

- (iii) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on Tuesday, September 01, 2020.
- (iv) Mr. S Sathyanarayanan, Practicing Company Secretary (Membership No. F4966) (C. P. No. 3251) has been appointed as the Scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.
- (v) The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 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.
- (vi) The results along with the Scrutinizer's Report, will be placed on the Company's website www.galaxysurfactants.com and shall also be submitted to stock exchanges.

The e-voting instructions for members receiving an e-mail of this Notice of Annual General Meeting are as under:

- **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
 - i. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 - ii. Click on "Login" tab, available under 'Shareholders' section.
 - iii. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 - iv. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

- v. Your Password details are given below:
 - a. If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders on their registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- vii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- viii. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- ix. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- x. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xi. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

- b. Electronic voting during the AGM:
Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:
 - i. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
 - ii. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on '**Submit**'.
 - iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
 - iv. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
 - v. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
 - vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call:- Tel : +91-22-49186000.

EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE 34TH ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS ON TUESDAY, SEPTEMBER 8, 2020

Item no. 6

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Nawal Barde Devdhe & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 on remuneration of ₹ 450,000/- plus any taxes and reimbursement of out of pocket expense as agreed between the Company and the Cost Auditors.

In terms of the provisions of the 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 ratified by the Members of the Company. Accordingly, the consent of the Members is being sought for the aforesaid remuneration to the Cost Auditors for the financial year ending March 31, 2021.

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 an Ordinary Resolution for the approval of the Members.

Item no. 7

At the 32nd Annual General Meeting, the members approved the payment towards sitting fees to Mr. Uday K. Kamat (DIN: 00226886) by wholly owned subsidiary of the Company on which he is nominated as the Director for attending participating in their Board Meetings for a period April 1, 2018 to March 31, 2021.

On the approval of the Audit Committee, the Board of Directors at their meeting held on June 25, 2020 have considered the payment of sitting fees by the operating subsidiaries to Mr. Uday K. Kamat on which he is nominated as a director.

Any payment received by the Directors of the Company from the subsidiary attracts the provisions of the Section 188 of the Act covering appointment to place of profit.

Approval of the members is being sought under section 188 for the payment of sitting fees to Mr. Uday K. Kamat on the following terms:

- a) The approval shall be valid for the period of 3 (three) years from April 1, 2021 to March 31, 2024.
- b) The payment of sitting fees by any operating subsidiary shall not exceed USD 10,000 per annum.

- c) In addition to the above, Mr. Uday K. Kamat shall be entitled to reimbursement of expenditure incurred for attending the Board meetings of the subsidiary.

The payment shall be subject to requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mr. Uday K. Kamat, is deemed to be interested to be concerned or interested in the Resolution at Item no. 7 of the accompanying notice.

Further, Mr. Uday K. Kamat and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the resolution at no. 7 as an Ordinary resolution for the approval of members.

Item no. 8

In the 32nd Annual General Meeting held on August 9, 2018, Mr. G. Ramakrishnan (DIN: 00264760) who is a Promoter and Non-Executive Director of the Company was appointed as a strategic advisor to undertake focused exploration and study of the North American marketplace with a view to help the Company formulate appropriate strategies to more fully exploit the potential of that marketplace for the period upto May 31, 2020.

Mr. G. Ramakrishnan holds a Master's Degree in Commerce from University of Bombay. He is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He is also a qualified Company Secretary. He has over thirty-five years of experience with the Company in its Personal and Home care business in various areas including strategic planning, marketing and sales, general management and human resources management.

In recognition of the large and growing North American market, the Company in 2009 made the strategic decision to acquire TRI-K Industries, Inc. ("TRI-K"), a New Jersey based manufacturer of cosmetic ingredients. Over the years, the Company and TRI-K has increased business in North America. It is the considered view of your Board that North America continues to be a very important market and source of new product innovation, and for strategic acquisitions, alliances and hires for the Company.

Mr. G. Ramakrishnan has long experience with the Company and has been closely involved in the formulation and implementation of the Company's strategic initiatives. Mr. G. Ramakrishnan along with Mr. Uday K. Kamat have undertaken focused exploration and study of the customers in North America and have formulated a medium term strategy to help the Company to more fully exploit the potential of the market. Your Board is of the opinion that the continued involvement of

Mr. G. Ramakrishnan along with Mr. Uday K. Kamat is crucial for the successful rollout of the strategy.

Your Board on the recommendation of the Audit Committee in their meeting held on June 25, 2020 have approved the extension of the term of appointment of Mr. G. Ramakrishnan as a strategic advisor to the Company for a further period of 2 years on the following terms:

Duties: Implementation of North American Strategy, to periodically travel to North America, to engage with customers, vendors, R&D laboratories and facilities, potential acquisition targets and hires, and other strategic participants in the marketplace;

Term of appointment: Upto two years, starting June 1, 2020;

Annual remuneration: Upto ₹ 60 Lakhs (Rupees Sixty Lakhs) per annum (exclusive of taxes);

Expense reimbursement: business expenses to be reimbursed;

Mr. G. Ramakrishnan is a Non-Executive Director of the Company and has abstained himself from voting in the Board for the proposal of his re-appointment as a strategic advisor.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mr. G. Ramakrishnan, is deemed to be interested to be concerned or interested in the Resolution at Item no. 8 of the accompanying notice.

Mr. G. Ramakrishnan and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the Resolution at Item no. 8 as an Ordinary Resolution for the approval of the Members.

Item no. 9

In the 32nd Annual General Meeting held on August 9, 2018, Mr. Uday K. Kamat (DIN: 00226886) Non-Executive Director of the Company was appointed as a strategic advisor to undertake focused exploration and study of the North American marketplace with a view to help the Company formulate appropriate strategies to more fully exploit the potential of that marketplace for the period upto May 31, 2020.

Mr. Uday K. Kamat holds a Bachelor's Degree in Commerce from University of Mumbai. He is an Associate Member of the Institute of Chartered Accountants of India and qualified Cost Accountant from the Institute of Cost and Works Accountants of India. He has over thirty-five years of experience in the field of finance, commerce, project management and general management. Mr. Uday K. Kamat has been associated with the Company as an Executive Director from April 1, 2003 to March 31, 2016.

In recognition of the large and growing North American market, the Company in 2009 made the strategic decision to acquire TRI-K Industries, Inc. ("TRI-K"), a New Jersey based manufacturer of cosmetic ingredients. Over the years, each of the Company and TRI-K has increased business in North America. It is the considered view of your Board that North America continues to be a very important market and source of new product innovation, and for strategic acquisitions, alliances and hires for the Company.

Mr. Uday K. Kamat has long experience with the Company and has been closely involved in the formulation and implementation of the Company's strategic initiatives. Mr. Uday K. Kamat along with G. Ramakrishnan have undertaken focused exploration and study of the customers in North America and have formulated a medium term strategy to help the Company to more fully exploit the potential of the market. Your Board is of the opinion that the continued involvement of Mr. Uday K. Kamat along with Mr. G. Ramakrishnan is crucial for the successful rollout of the strategy.

Your Board on the recommendation of the Audit Committee in their meeting held on June 25, 2020 have approved the re-appointment of Mr. Uday K. Kamat as a strategic advisor to the Company on the following terms:

Duties: To periodically travel to North America, to engage with customers, vendors, R&D laboratories and facilities, potential acquisition targets and hires, and other strategic participants in the marketplace;

Term of appointment: Upto two years, starting June 1, 2020;

Annual remuneration: Upto ₹ 60 Lakhs (Rupees Sixty Lakhs) per annum (exclusive of taxes);

Expense reimbursement: business expenses to be reimbursed;

Mr. Uday K. Kamat is a Non-Executive Director of the Company and has abstained himself from voting in the Board for the proposal of his re-appointment as a strategic advisor.

None of the Directors, Key Managerial Personnel and/or their relatives, except Mr. Uday K. Kamat, is deemed to be interested to be concerned or interested in the Resolution at Item no. 9 of the accompanying notice.

Further, Mr. Uday K. Kamat and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the Resolution at Item no. 9 as an Ordinary Resolution for the approval of the Members.

Item no. 10

Mrs. Nandita Gurjar (DIN: 01318683) was appointed as an Independent Director of the Company in its 29th AGM held on September 28, 2015 to hold office till the conclusion of 34th AGM (first term).

It is proposed to re-appoint Mrs. Gurjar as an Independent Director, not liable to retire by rotation, for the second term of five years from September 8, 2020.

As per Section 149 of the Companies Act, 2013 (the Act) such re-appointment for a second term requires the approval of the shareholders by way of Special Resolution.

Both the Nomination and Remuneration Committee of directors and the Board were of the opinion, after evaluating their performance, appropriate mix of skills, experience, competency and other attributes, that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as an independent director.

Mrs. Gurjar fulfils the terms and conditions specified under the Act and rules made thereunder for her reappointment as an Independent Director.

Mrs. Gurjar meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI (LODR) Regulations, 2015).

If re-appointed, Mrs. Gurjar will be entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Act, and as determined by the board from time to time, within the overall limits specified under the Act 2013 as well as the SEBI (LODR) Regulations, 2015.

Copy of draft letter of appointment of Mrs. Gurjar setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Notice has been received from a member of the Company under Section 160 of the Act, signifying his intention to propose the candidature of Mrs. Nandita Gurjar for appointment as an independent director and to move the resolution as set out in item no. 10 of this notice.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Director seeking appointment/re-appointment at this AGM is given in the Annexure to the Notice of this AGM.

Mrs. Gurjar does not hold any shares in the Company.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mrs. Nandita Gurjar, is deemed to be interested to be concerned or interested in the Resolution at Item no. 10 of the accompanying notice.

The Board, therefore, recommends the Special Resolution as set out at item no. 10 of the Notice for approval by the members of the Company.

By Order of the Board of Directors

Navi Mumbai
June 25, 2020

Niranjan Ketkar
Company Secretary

Registered Office:
C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India,
Phone: +91-22-27616666

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 34TH ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETING (SS-II) AND REGULATION 36(3) OF THE LISTING REGULATIONS:

Annexure-1

Name of Director	Nandita Gurjar	K. Ganesh Kamath	Dr. Nirmal Koshti
Director Identification Number	01318683	07767220	07626499
Age (years)	59	62	63
Qualification	M. A. (Psychology), Advanced Management Program from Harvard Business School	Qualified Company Secretary from the Institute of Company Secretaries of India. Cost Accountant from The Institute of Cost and Work Accountants of India. Associate of The Institute of Bankers, London and The Indian Institute of Bankers. Bachelor of Law from Mangalore University.	Ph. D. – Organic Chemistry, postdoctoral Research experience in Academia (University of East Anglia, England, New Mexico State University and Texas A & M University, USA)
Date of First Appointment	February 1, 2015	April 1, 2017	October 1, 2016
Expertise in specific General functional Area	Over 20 years of experience in the field of IT and Human Resources	More than 20 years of experience in the banking and financial sector.	More than 35 years. Associated With Galaxy Group from the Year 1986. Ph. D. – Organic Chemistry, postdoctoral Research experience in Academia (University of East Anglia, England, New Mexico State University and Texas A & M University, USA)
Shareholding in the Company	NIL	20,000 equity shares of ₹ 10 each	15,856 equity shares of ₹ 10 each
Relationship with other Directors / KMPs	NIL	NIL	NIL
Terms and conditions of Re-appointment/ Appointment	As per resolution no. 10 of the notice read with explanatory statement thereto	As approved in the 33 rd AGM by Shareholders of the Company	Appointed as Non-Executive Director
Remuneration last drawn including sitting fee	Commission: ₹ 0.10 Cr Sitting fees: ₹ 0.06 Cr	Salary: ₹ 1.87 Cr.	No remuneration/sitting fees was paid from Galaxy Surfactants Ltd.
Remuneration proposed to be paid	As per resolution no. 10 of the notice read with explanatory statement thereto	As approved in the 33 rd AGM by Shareholders of the Company	No remuneration/ sitting fees to be paid from Galaxy Surfactants Ltd.
No. of Board meetings attended during the Financial Year (2019-20)	5/6	6/6	5/6
Directorships of other Boards as on March 31, 2020	<ul style="list-style-type: none"> Birlasoft Limited (a listed Company) as an Independent Director i.e. August 7, 2019 Sai Life Sciences Limited as a Director i.e. February 11, 2019 	<ul style="list-style-type: none"> Galaxy Chemicals (Egypt) SAE Galaxy Holdings Mauritius Limited Rainbow Holdings GmbH 	<ul style="list-style-type: none"> TRI-K Industries Inc. USA
Membership/ Chairmanship of Committees of other Boards as on March 31, 2020	<ul style="list-style-type: none"> Birlasoft Limited: <ul style="list-style-type: none"> Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee Sai Life Sciences Limited: <ul style="list-style-type: none"> Member of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee 	NIL	NIL

GSL

Award and Certificate Won	Awarded by	Product / Innovation / Purpose for which Award won
AWARDS GIVEN BY CUSTOMER		
Sustainable Palm Index 2018 (Score: 85/100 – Compliant practices)	L'Oréal	For Sustainability / Sustainable Sourcing
AWARDS RECEIVED FROM EXTERNAL BODIES		
TOP Level Award i.e. "Award of Excellency" for yr. 2017-18	CHEMEXCIL	For outstanding export performance during the period. 'Award of Excellency' are bestowed to those companies who had won the 'Trishul Award' last year and again achieved the same highest level of export performance. [Trishul Award cannot be given to the same company for two consecutive years and hence felicitated with Award of Excellency]
IDF CSR Award	Indian Development Foundation	For participation and support extended to IDF's humanitarian projects
Winner of "Water Heroes" Contest for the Month of December 2019	Ministry of Water Resources & Ganga Rejuvenation – Government of India	Water Conservation Project – Overall India
Certificate of Appreciation	Government of Maharashtra	Afforestation Project in Tetavali, Rabale, Navi Mumbai – in partnership with NGO "HARIYALI"
BBS-National Award for Avinash Shinde	Forum of Behavioural Safety	Being a mentor & leader in implementation of BBS across all sites of Galaxy
Top 12 Ingredient Trends for 2020 by GCI Global Cosmetic Industry	GCI Global Cosmetic Industry	Galguard Trident S
Secured 10 out of 10 Gold Certifications at Mumbai CCQC Chapter in Sep 2019	CCQC Mumbai	Quality Circle Competition
2 nd award in Essay, Safety posters among Taloja industries	TMA & award presented by Jt. Director DISH	Participation in Safety Week Celebration at TMA
CERTIFICATIONS RECEIVED FROM EXTERNAL BODIES		
IRCA Certified ISO 45001:2018 Lead Auditor	BSCIC Certification Pvt. Ltd.	Our In-house Team has Qualified this.
IRCA Certified ISO 14001:2015 Lead Auditor	BSCIC Certification Pvt. Ltd.	Our In-house Team has Qualified this.
BVQI – Internal Auditor for IMS – ISO14001:2015 & ISO 45001:2018	BVQI	Successfully completed Internal Auditor course – (Participation by all units - Taloja, Tarapur and Jhagadia) Taloja-22, Tarapur-24, Jhagadia-18
ISO 45001:2018 certification (Transition from OHSAS 18001:2018) & ISO 14001:2015 Certification	BVQI	Taloja
EnMS 50001:2018	BSi	Taloja
4-pillar SMETA compliance	Intertek	GSL + GCE

GCE

AWARDS RECEIVED FROM EXTERNAL BODIES

1. ISO 45001:2018 2. Kosher Certificate 3. RSPO MB recertification	Bureau Veritas OK Kosher Certification Control Union	GCE facility All products of GCE GCE facility
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TRI-K

AWARDS RECEIVED FROM EXTERNAL BODIES

Cosmos/Ecocert Certificate	Ecocert Greenlife	Cosmos/Ecocert Certificate for proteins ingredients
Top 12 Ingredient Trends for 2020 by GCI Global Cosmetic Industry	GCI Global Cosmetic Industry	Hemp Tein Z NPNF



Galaxy Surfactants Ltd.

CIN: L39877MH1986PLC039877

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

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