

Galaxy Surfactants Ltd.

30th Annual Report
2015 - 2016



Precious - Add - Preserve



Galaxy believes in sustainable development. A development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability at Galaxy

Key indicators of our Sustainability Performance for the year 2015 - 16



Water
Reduction
40%*



Waste
Reduction
64%*



Energy
Conservation
33%*



RSPO Trademark
for Sustainable
Palm Oil



2-0318-12-100-00

Gold Recognition
Level for EcoVadis
CSR Rating



(*On 2014 - 15 baseline)

CORPORATE INFORMATION

CORPORATE IDENTITY NUMBER (CIN)

U39877MH1986PLC039877

BOARD OF DIRECTORS

S. Ravindranath - Chairman

U. Shekhar - Managing Director

G. Ramakrishnan - Executive Director (Innovation)

Ravi Venkateswar - Executive Director (Finance) & Chief Financial Officer

Shashikant Shanbhag - Director (up to September 28, 2015)

Uday K. Kamat - Executive Director (up to March 31, 2016)

Sudhir Patil - Director

Subodh S. Nadkarni - Independent Director

Venkatesh Kasturirangan - Director

M. G. Parameswaran - Independent Director

Nandita Gurjar - Independent Director

BOARD COMMITTEES

Corporate Social Responsibility Committee

U. Shekhar (Chairman)

Ravi Venkateswar (w.e.f. September 28, 2015)

M. G. Parameswaran

Shashikant Shanbhag (upto September 28, 2015)

Nomination & Remuneration Committee

M. G. Parameswaran (Chairman)

S. Ravindranath

Subodh Nadkarni

Audit Committee

Subodh Nadkarni (Chairman)

S. Ravindranath

M. G. Parameswaran

G. Ramakrishnan

Stakeholders Relationship Committee

M. G. Parameswaran (Chairman)

G. Ramakrishnan

Ravi Venkateswar (w.e.f. September 28, 2015)

Shashikant Shanbhag (upto September 28,2015)

AUDITORS

M/s. P. D. Kunte & Co. (Regd.), Chartered Accountants, Mumbai

COMPANY SECRETARY

Vinayak Shitole

BANKERS

Standard Chartered Bank

The Saraswat Co-operative Bank Ltd.

IDBI Bank Ltd.

Citi Bank

DBS Bank Ltd.

The Shamrao Vithal Co-operative Bank Ltd.

Societe Generale

State Bank of India

Kotak Mahindra Bank Ltd.

The Hongkong & Shanghai Banking Corporation Ltd.

HDFC Bank Ltd.

REGISTERED & CORPORATE OFFICE

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

CORPORATE INFORMATION

PLANTS

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

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

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

Plot No. 892, Jhagadia Industrial Estate, Taluka - Jhagadia via Ankleshwar, Dist. Bharuch, Gujarat Pin-393 110 (100% EOU)

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd., Building C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-78. Maharashtra, India. Ph: 022 25946960/70 Fax: 022 25946969, email: rnt.helpdesk@linkintime.co.in

CONTACT

Visit Galaxy at www.galaxysurfactants.com

Send E-mail to galaxy@galaxysurfactants.com

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

Subsidiaries

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

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

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

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

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

Offices

New Delhi

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

The Netherlands

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

Chennai

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

Turkey

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

THIRTIETH ANNUAL GENERAL MEETING

Day and Date : Monday, September 26, 2016
 Time : 2:00 P. M.
 Place : C-49/2, TTC Industrial Area, Pawne,
 Navi Mumbai – 400 703,
 Maharashtra, India

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STANDALONE FINANCIAL PERFORMANCE

5 year track record

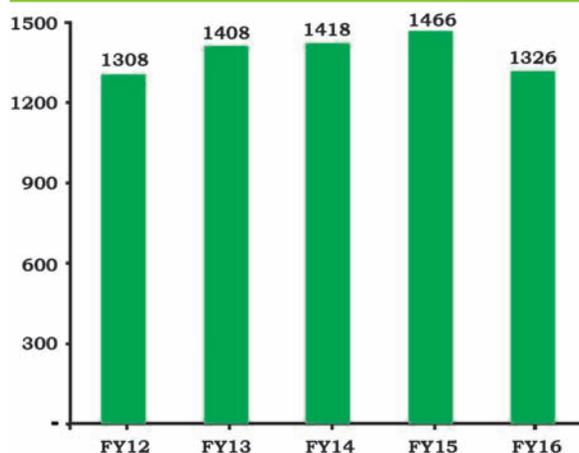
Figures in Rs. Crore

Particulars	FY16	FY15	FY14	FY13	FY12
Profit & Loss Account					
Sales of Products (Net)	1326	1466	1418	1408	1308
Other Income	25	14	18	15	9
PBDIT	210	183	198	132	121
PBIT	187	159	165	99	97
Interest	25	28	36	48	33
Profit Before Taxation	163	130	129	51	64
Profit After Taxation	106	86	83	34	44
Basic Earning Per Share of Rs.10	29.79	24.17	23.53	9.67	12.31
Dividend Per Share of Rs.10	6.00	4.00	4.00	1.00	2.50
Balance Sheet					
Fixed Assets	284	260	268	292	298
Investments	218	120	120	120	93
Net Current Assets	266	304	223	222	168
	767	684	611	634	559
Equity Capital	35	35	35	35	35
Reserves & Surplus	440	360	294	227	197
Loan Funds	271	268	260	349	307
Deferred Tax Liability	20	21	22	23	20
	767	684	611	634	559
PAT/ Sales (%)	8.0	5.9	5.9	2.4	3.3
Return on Capital Employed (%)	26.0	24.7	26.6	16.6	19.6
Return on Net Worth (%)	24.2	23.6	28.2	13.8	20.1
Net Current Assets to Sales (%)	20.0	20.7	15.7	15.8	12.9
Cash Generated from Operations	197	52	135	76	77

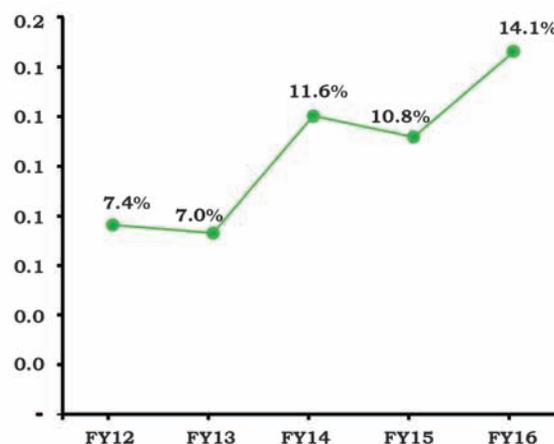
* Figures rounded off to Rs. Crore

STANDALONE PERFORMANCE TRENDS

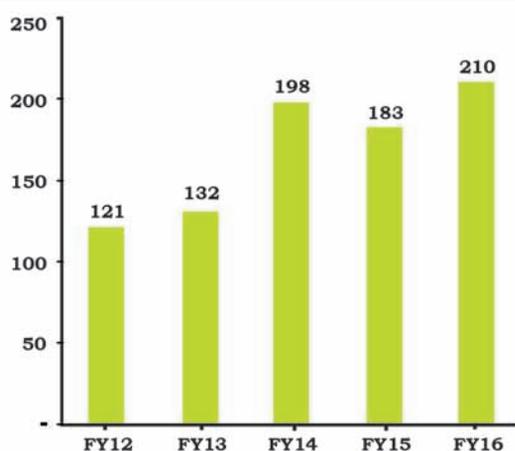
Sales (Rs. Crore)



PBIT as % of Sales



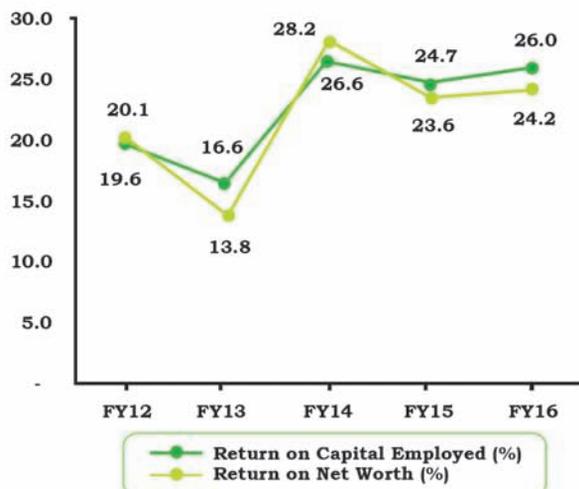
PBDIT (Rs. Crore)



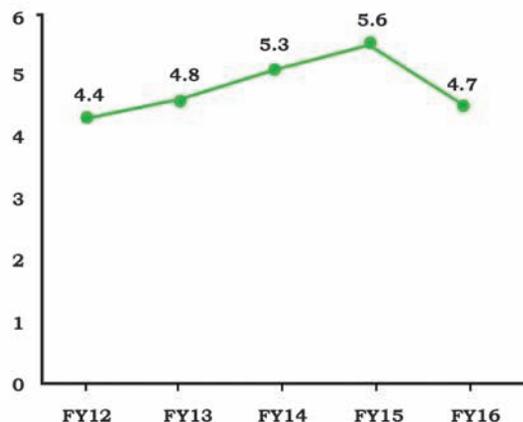
Basic Earning & Dividend Per Share (Rs.)



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



Fixed Assets Turnover (No. of times)



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of GALAXY SURFACTANTS LIMITED will be held on **Monday, September 26, 2016 at 2.00 P.M.** at the Registered Office of the Company situated at C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Special Dividend on Equity Shares for the financial year 2015-16.
3. To appoint a Director in place of Mr. Ravi Venkateswar (DIN 00242672), who retires by rotation and being eligible, offers himself for re-appointment.
4. Ratification of Appointment of Auditors:

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

RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. P. D. Kunte & Co. (Regd.), Chartered Accountants (Firm Registration No. 105479W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-Third AGM of the Company to be held in the year 2019 to examine and audit the accounts of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions:-

5. Remuneration of M/s. A. B. Nawal & Associates, as Cost Auditors of the Company (Ordinary Resolution):

RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made there under, the remuneration payable to the Cost Auditors M/s. A. B. Nawal & Associates, Cost Accountants (Firm Regn. No. PROP/0046) 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, 2017, 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 be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

6. Reappointment of and remuneration payable to Mr. Ravi Venkateswar (DIN 00242672) as Whole-time Director (Ordinary Resolution):

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 200, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Article 169, 170 and other applicable articles of the Articles of Association of the Company, approval of the Company be and

NOTICE TO SHAREHOLDERS

is hereby accorded for the re-appointment of and the terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Ravi Venkateswar (DIN 00242672), as a Whole time Director of the Company, designated as Executive Director (Finance) & Chief Financial Officer, for a period of three years from April 1, 2017 to March 31, 2020 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Ravi Venkateswar.

7. Change in role of Mr. G. Ramakrishnan (DIN 00264760) as Non Executive Director with effect from September 7, 2016 (Ordinary Resolution):

RESOLVED THAT consequent upon retirement of Mr. G. Ramakrishnan from role of the Whole time Director, designated as 'Executive Director (Innovation)' of the Company, with effect from September 6, 2016 and pursuant to the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, Mr. G. Ramakrishnan shall hold office of Non Executive Director liable to retire by rotation with effect from September 7, 2016 and shall be entitled to sitting fees for attending the meetings of the Board and the Committees in which he is a member as well as profit related commission as being paid to other Non Executive Directors.

RESOLVED FURTHER THAT the Company Secretary of the Company, or failing him any of the Whole time Directors be and are hereby severally authorized to digitally sign and file necessary e-forms with the Registrar of Companies and to issue certified true copy of this resolution and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

8. General Approval for Inter company transactions with wholly owned subsidiary companies (Ordinary Resolution):

RESOLVED THAT pursuant to the provisions of the Sections 188 and other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to such other approvals as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company to enter into contracts / arrangements with its wholly owned direct or step down subsidiaries viz., Galaxy Chemicals (Egypt) S.A.E. and Tri-K Industries Inc., USA (Group Companies) for sale, purchase or supply of any goods or materials whether directly or through appointed authorised agents, or for availing or rendering of any services or for providing any finance or capital including underwriting / securing any finance availed by the aforesaid subsidiary companies during the financial year 2016-2017, with / through any of the subsidiary companies in the ordinary course of business, on such terms and conditions as may be decided by Board of Directors of the Company, as appropriate, on arm's length basis and as per the rules and regulations governing such transactions under the applicable provisions of the Act.

RESOLVED FURTHER THAT such approval shall be for a cumulative limit set up for the transaction class and subsidiary companies as given in the Explanatory Statement attached relevant to this business item for the accounting year commencing from April 1, 2016 to March 31, 2017 and such cumulative limit shall stand renewed for the ensuing accounting year 2017-18 till such time the 31st Annual General Meeting is held in Financial Year 2017-18.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all appropriate steps as are required to give effect to this resolution and also to alter, revise, modify, vary such terms and conditions during the tenure of the agreement without any further approval of the Members of the Company and after following such process as they deem appropriate in their best judgment to enable / determine that such related party transactions are done objectively and on arm's length basis as required under the provisions of law governing the same, as per the Companies Act, 2013 and rules made there under and any other provisions of law that may govern such transactions.

NOTICE TO SHAREHOLDERS

By Order of the Board of Directors

Vinayak Shitole

Head – Resource Mobilisation and Utilisation Process
& Company Secretary

Navi Mumbai,
August 1, 2016

Registered Office:

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

NOTES:

1. The relative Explanatory Statement in respect of business under Item Nos. 5 to 8 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A proxy so appointed shall not have any right to speak at the meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
4. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from September 13, 2016 to September 26, 2016 (both days inclusive) for ascertaining the names of the shareholders to whom the special dividend, which if declared at the Annual General Meeting, is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.
6. The special dividend for the financial year ended March 31, 2016, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration as follows:
 - a) For shares held in physical form – to those shareholders whose names appear in the Register of Members on the close of the day on September 26, 2016; and
 - b) For shares held in dematerialised form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on September 26, 2016.

NOTICE TO SHAREHOLDERS

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. Members holding shares in physical form are requested to intimate aforesaid changes to Link Intime. Such members are requested to dematerialise their shares. The ISIN number of the Company is INE600K01018.
9. The Company believes in conducting business in an economically viable, environmentally sound and socially responsible manner under its Sustainability Policy. Accordingly, we request shareholders to update their email address with their depository participants or with the Company to enable the Company to send any kind of communication electronically.
10. Those Members who have so far not encashed their dividend warrants for the financial year 2008-09, 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 205A of the Companies Act, 1956 on the respective date.
11. Members/Proxies are requested to bring their copies of Annual Report and Attendance Slip duly filled in for attending the Annual General Meeting.
12. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.
13. **E-voting:** In compliance with the provisions of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment Rules, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Central Depository Services (India) Limited.
 - i) Members who are holding shares in physical or dematerialized form as on September 19, 2016 shall exercise their vote by electronic means. The Company has engaged the services of the Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The Notice is displayed on the Company's website, www.galaxysurfactants.com and on website of CDSL, www.cdslindia.com.
 - ii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be entitled to exercise their right to vote at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM; but shall not be entitled to cast their vote again.
 - iii) The remote e-voting period commences on September 23, 2016 at 9:00 a.m. and will end on September 25, 2016 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 September 19, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting after closing time mentioned above. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
 - iv) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on September 19, 2016.
 - v) Mr. S. Sathyanarayanan, Practising Company Secretary (Membership No. 4966) (C. P. No. 3251) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

NOTICE TO SHAREHOLDERS

- vi) The Scrutinizer shall immediately after the conclusion of voting at AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in 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.
- vii) The results along with the Scrutinizer's Report, will be placed on the Company's website www.galaxysurfactants.com and on the website of CDSL, www.cdslindia.com immediately after the result is declared by the Chairman, or any person authorized by him.

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

- i. The voting period begins on September 23, 2016 at 9:00 a.m. and ends on September 25, 2016 at 5:00 p.m. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 19, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user, follow the steps given below:

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

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

NOTICE TO SHAREHOLDERS

- xi. Click on the EVSN for the “Galaxy Surfactants Limited” on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK” else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as a Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

NOTICE TO SHAREHOLDERS

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No.4

Pursuant to Section 139(1) of the Companies Act, 2013 (Act), M/s. P. D. Kunte & Co. (Regd.), Chartered Accountants, Mumbai (Firm Registration No. 105479W) were appointed as Statutory Auditors of the Company to hold the office for a period of 5 years from the financial year 2014-15 till the financial year 2018-19. Further, pursuant to Section 139(1) of the Act, the Members of the Company are required to ratify their re-appointment as Statutory Auditors of the Company at every Annual General Meeting; hence the resolution as recommended by the Audit Committee is placed before the members for ratification.

Your Board recommends the resolution at Item No. 4 for the approval of the Members. 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.

Item No.5

The Board of Directors on the recommendations of the Audit Committee has approved the appointment and remuneration of M/s A. B. Nawal & Associates, Cost Accountants in practice to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 on remuneration of Rs.4,50,000/- excluding taxes.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is being sought to ratify the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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

Item No.6

The Current tenure of appointment of Mr. Ravi Venkateswar as Whole time Director, designated as 'Executive Director (Finance) & Chief Financial Officer' is upto March 31, 2017. The Board of Directors, on recommendations of Nomination and Remuneration Committee held on August 1, 2016 and considering the contribution made by Mr. Ravi Venkateswar as Whole time Director thought it fit in the interest of the Company to retain and avail his expertise by re-appointing Mr. Ravi Venkateswar as Whole time Director, designated as 'Executive Director (Finance) & Chief Financial Officer' and Key Managerial Personnel as per the provisions of the Companies Act, 2013 (the Act) for a further period of 3 (Three) years w.e.f. April 1, 2017 to achieve the desired goals of the Company.

Mr. Ravi Venkateswar (55) was appointed as Whole time Director of the Company with effect from April 28, 2014 for period three years upto March 31, 2017. He is a Chartered Accountant by qualification with an experience of over 30 years. The details with respect to his last drawn remuneration are given in Annexure B to the Directors Report. Mr. Ravi Venkateswar does not hold any shares in the Company neither he is related to any Director, Manager or Key Managerial Personnel of the Company. He has attended all the 5 meetings of the Board of Directors held during the year. He is Director in Galaxy Surfactants Limited (Indian Unlisted Public Limited Company) and Galaxy Chemicals (Egypt) S.A.E., Galaxy Chemicals Inc. USA, Tri - K Industries Inc., USA, Rainbow Holdings Gmbh and Galaxy Holding Mauritius Ltd. (Foreign Companies). He is also a member of Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Company.

Mr. Ravi Venkateswar is not disqualified from being appointed as Director under Section 164 of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 152(3) of the Act.

The re-appointments and payment of remuneration including perquisites of Mr. Ravi Venkateswar is subject to the approval of members of the Company under schedule V of the Companies Act, 2013 and other statutory approvals as may be required and their principal terms and conditions of appointment are given below:

NOTICE TO SHAREHOLDERS

1. The Whole time Director shall, subject to the superintendence, control and directions of the Board of Directors, manage the business and affairs of the Company.
2. Period of Agreement and the Tenure of Appointment of the Whole time Director shall be for a period of 3 (Three) years with effect from April 1, 2017 upto March 31, 2020.
3. Mr. Ravi Venkateswar, Whole time Director shall be liable to retire by rotation during his tenure up to March 31, 2020.
4. Remuneration payable to Mr. Ravi Venkateswar as Whole time Director shall be as per below mentioned salary and perquisites on re-appointment:
 - a) Basic Salary: Basic Salary – in the scale of Rs.6,70,000/- to Rs.11,00,000/- per month;
 - b) Perquisites: In addition to the aforesaid salary, Mr. Ravi Venkateswar shall be entitled to the following perquisites:
 - i) **Housing:**
 - **Housing I** – The Expenditure incurred by the Company on hiring fully furnished residential accommodation will be subject to the following ceiling: thirty percent [30%] of the basic salary, over and above ten percent payable by the said appointee;
 - **Housing II** – In case the accommodation is owned by the Company, ten percent [10%] of the basic salary of the said appointee shall be deducted by the Company.
 - **Housing III** – In case no accommodation is provided by the Company, the said appointees shall be entitled to House Rent Allowance (HRA) of thirty percent [30%] of the basic salary.
 - ii) The said appointee shall be entitled for reimbursement of all medical expenses incurred for self and family, as per the Company's Rules. In addition, hospitalization expenses incurred in India for self and family will be paid on actual basis as per the Company's Rules framed in this regard.
 - iii) Leave Travel Assistance for self and family, once in a year incurred in accordance with the Rules specified by the Company.
 - iv) Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
 - v) Personal Accident Insurance: coverage to be extended as per the Company's Rules.
 - vi) A car with driver for official purpose, as per the Company's Rules. Use of car for personal purposes shall be reimbursed to the Company.
 - vii) Telephone, fax facilities and other telecommunication facilities at his residence, as per Company's Rules. Personal long distance phone calls shall be reimbursed to the Company.
 - viii) Contribution to provident fund to the extent it is not taxable, under the Income Tax Act, 1961.
 - ix) Gratuity as per the Payment of Gratuity Act, 1972.
 - x) Leave and Leave Encashment, as per the Company's Rules.
 - c) Commission: Commission shall be decided by the Board of Directors / Nomination & Remuneration Committee of Directors from time to time. The commission in a particular year shall be subject to the overall ceiling laid down under Sections 197 and 198 and other applicable provisions of the Companies Act, 2013 and rules made there under.

Explanation:

- Family for the above purpose means the spouse, the dependent children and dependent parents of the appointee.
 - The aforesaid perquisites may be in the form of reimbursement or allowance.
 - Unless the context otherwise requires, the aforesaid perquisites shall be valued as per the provisions of the Income Tax Act / Rules, wherever applicable and in absence of any such rule, perquisites shall be valued at actual costs.
 - Car for use on Company's business, telephone, fax and other telecommunication facilities at residence for official use will not be considered as perquisites and shall not be included in the remuneration.
5. Annual Increment : The Annual Increments effective from 1st April every year will be decided by the Board of Directors and will be merit based and will take into account the Company's performance, subject to the ceiling prescribed in Schedule V to the Companies Act, 2013, or any modification thereof to the same from time to time.

NOTICE TO SHAREHOLDERS

6. Inadequacy of Profits and Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of the tenure as Whole time Director of Mr. Ravi Venkateswar, remuneration by way of salary, perquisites, commission and other allowances shall be in accordance with the ceiling prescribed in schedule V to the Companies Act, 2013, or any modification thereof to the same from time to time.
- (i) Contribution to provident fund, to the extent this is not taxable, under the Income Tax Act, 1961.
 - (ii) Gratuity as per the Payment of Gratuity Act, 1972.
 - (iii) Leave and Leave Encashment, as per the Company's Rules.

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

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

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

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

None of the Directors or Key Managerial Personnel (KMP) of the Company and /or their relatives is deemed to be concerned or interested in the Resolution at item No.6 of the accompanying Notice except Mr. Ravi Venkateswar.

Item No. 7

Mr. G. Ramakrishnan, Whole time Director of your Company designated as 'Executive Director (Innovation)' intended to retire from the role of Whole time Director of the Company with effect from September 6, 2016 and to continue on the Board as Non-Executive Director with effect from September 7, 2016. Consequent upon his retirement as Whole time Director, his terms of appointment will stand modified as below:

Mr. G. Ramakrishnan would be eligible to get remuneration / benefits in line with other Non Executive Directors such as sitting fees for attending the Board and Committee Meetings and the Commission out of the profits of the Company, if any, within the limits prescribed under the Companies Act, 2013 with effect from 7th September 2016;

Pursuant to the applicable provisions of the Companies Act, 2013 and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, an ordinary resolution would be required to be passed by the Shareholders at the forthcoming Annual General Meeting to change the terms of appointment of Mr. G. Ramakrishnan, as Non Executive Director liable to retire by rotation with effect from September 7, 2016.

Your Board recommends the Resolution at Item No. 7 for the approval of the Members.

None of the Directors or Key Managerial Personnel (KMP) of the Company and /or their relatives is deemed to be concerned or interested in the Resolution at item No.7 of the accompanying Notice except Mr. G. Ramakrishnan.

Item No. 8

In terms of Section 188 of the Companies Act, 2013, your Company cannot enter into any contract or arrangement with any of its subsidiaries viz., Galaxy Chemicals (Egypt) S.A.E. (GCE) and Tri-K Industries Inc. (Tri-K) for any transactions which are not in the ordinary course of business and which are not on an arm's length basis, unless prior approval from its Members has been obtained.

NOTICE TO SHAREHOLDERS

Your Company does enter into business transactions with its subsidiaries in the ordinary course of business for sale, purchase or supply of any goods or materials or rendering of any services or underwriting/ guaranteeing any borrowings by/providing any loans, capital to/through the subsidiary companies.

In addition to the approval of the Board, prior approval of the members by way of a ordinary resolution would be required for entering into related party transactions when the paid-up capital of the Company is equal to or exceeds Rs. 10 crores, or the value of the sale, purchase, supply transaction of materials individually or taken together with previous related party transactions during the financial year exceeds 25% of the annual turnover, or selling, disposing, leasing or buying property exceeding 10% of the net worth, or appointment to office or place of profit exceeding remuneration of Rs 2.5 lakhs per month, or remuneration for underwriting of any securities exceeding 1% of the net worth as per the last audited financial statements of the Company.

Given that the value of the inter-company transactions done with the subsidiary companies is relatively large and of a material value, to remain fully compliant beyond any reason for doubt, your Board proposes to obtain from the members approval to undertake business transactions with Subsidiary Companies in the ordinary course of business within the best judgment of the Board by following such process as it deems appropriate and adequate to meet the requirement of the provisions of the Companies Act, 2013 relating to observance of objectivity and arm's length requirements governing these related party transactions with the direct and step down wholly owned subsidiary companies.

The members approval will be subject to the following terms:

Company	Transaction Class	Period	Value
GCE	Sale & Purchase of materials & services	F.Y. 2016-17	USD 50 million
GCE	Underwriting / Extending loans, Capital	F.Y. 2016-17	USD 50 million
Tri-K	Sale & Purchase of materials & services	F.Y. 2016-17	USD 20 million
Tri-K	Underwriting / Extending loans, Capital	F.Y. 2016-17	USD 10 million

The said approval will cover all the transactions done from April 1, 2016, as if such transactions had prior approval of the Members. To enable to conduct such transactions without interruptions to the regular conduct of business in the ordinary course, the limits given above shall stand renewed for the ensuing financial year 2017-18 till such time they are taken up for review at the 31st AGM to be held in F.Y. 2017.

Your Board recommends the resolution at item No. 8 for the approval of the Members.

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.

Registered Office:

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 Navi Mumbai – 400 703, Maharashtra, India
 Phone: 022- 2761 6666 / 6513 4444
 e-mail : galaxy@galaxysurfactants.com
 website: www.galaxysurfactants.com
 CIN: U39877MH1986PLC039877

Navi Mumbai,
 August 1, 2016,

By Order of the Board of Directors

Vinayak Shitole
 Head – Resource Mobilisation and Utilisation Process
 & Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirtieth Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2016.

1. FINANCIAL RESULTS

Figures in Rs. Crore

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	1351.68	1480.15	1807.30	1875.33
Profit before Interest, Tax & Depreciation	210.41	182.52	237.87	192.00
Less : Interest & Finance Charges	24.62	28.27	31.19	34.39
Less : Depreciation	22.96	23.86	45.22	45.08
Profit for the year before Tax	162.83	130.39	161.46	112.53
Less : Provision for Taxation				
- Current	57.71	44.91	60.60	47.24
- Deferred	(0.51)	(0.25)	(0.27)	(2.74)
- Prior Period Tax Adjustment	-	0.04	-	0.04
Net Profit/(Loss) after Tax	105.63	85.69	101.13	67.99
Add: Opening Balance in Profit & Loss Account	331.55	265.42	261.87	213.44
Less: Depreciation adjusted in Retained Earnings	-	2.49	-	2.49
Amount available for appropriations	437.18	348.62	363.00	278.94
Less : Appropriations: Dividend				
- Interim Dividend	17.73	-	17.73	-
- Special Dividend / Final Dividend	3.54	14.18	3.54	14.18
Total Dividend on Equity Shares	21.27	14.18	21.27	14.18
Provision for Corporate Dividend Tax on Dividend	4.33	2.89	4.33	2.89
Balance as at end of the Year	411.58	331.55	337.40	261.87

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	Rs. in Crore		USD in Thousand	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	249.86	210.09	38169	34357
Profit before Interest, Tax & Depreciation	17.07	8.31	2607	1359
Less : Interest & Finance Charges	0.63	0.59	96	97
Less : Depreciation	6.14	5.41	938	884
Profit for the year before Tax	10.30	2.31	1573	378
Less : Provision for Taxation				
- Current	2.86	2.30	436	376
- Deferred	0.24	(2.49)	36	(407)

DIRECTORS' REPORT

Net Profit/(Loss) after Tax	7.20	2.50	1100	409
Add: Opening Balance in Profit & Loss Account	15.92	13.42	2970	2561
Amount available for appropriations	23.12	15.92	4070	2970
Balance as at end of the Year	23.12	15.92	4070	2970

Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	Rs. in Crore		USD in Thousand	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	394.34	386.14	60240	63145
Profit/(Loss) before Interest, Tax & Depreciation	16.46	12.60	2515	2060
Less : Interest & Finance Charges	10.24	11.35	1565	1855
Less : Depreciation	16.20	15.88	2475	2597
Profit/(Loss) for the year before Tax	(9.98)	(14.63)	(1525)	(2392)
Net Profit/(Loss) after Tax	(9.98)	(14.63)	(1525)	(2392)
Add: Opening Balance in Profit & Loss Account	(75.22)	(60.59)	(13464)	(11072)
Profit/(Loss) carried to Balance Sheet	(85.20)	(75.22)	(14989)	(13464)

2. DIVIDEND

The Board in its meeting held on 5th March 2016 declared an interim dividend of Rs.5 per equity share. Further, the board in its meeting held on 4th June, 2016 has recommended special dividend of Re.1 per equity share for the financial year ended 31st March, 2016. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. The total dividend appropriation (excluding dividend tax) for the current year is Rs. 21.27 crores as against Rs. 14.18 crore in the previous year.

3. 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	
	2015-16	2014-15	2015-16	2014-15
*Net Sales Growth (%)	(9.53)	3.40	(4.47)	10.50
PBIT (% to Net Sales)	14.13	10.82	10.83	7.89
PAT (% to Net Sales)	7.96	5.85	5.68	3.65
ROCE (%)	25.95	24.18	22.65	18.64
Debt : Equity Ratio	0.57	0.67	0.93	1.25
Earnings per Share (Rs.)	29.79	24.17	28.52	19.18
Cash Earnings per Share (Rs.)	36.27	30.83	41.28	31.89
Book Value per Share (Rs.)	134.18	111.61	124.58	101.71

DIRECTORS' REPORT

4. BUSINESS PERFORMANCE

It gives us great pleasure to share with you an update on the overall performance of the Company. In a challenging external environment, your Company has delivered another year of excellent profits. Simultaneously, we are building a sustainable future by focusing on conserving energy and water resources, greener processes and products. We also remain committed to improving the well being of our society through initiatives in education, health and hygiene.

In the current year, we saw considerable changes. While commodity prices came down due to a global slow down, rural demand stagnated in India due to a second year of drought. Competition continued to be aggressive. However, with a sharp focus on costs, smart sourcing of commodities and development of new customers we achieved record profits for the year.

Some of salient aspects of the business and financial performance for the year under review:

- a) Standalone GSL PBT grew to Rs.162.83 crore while sales volumes remained the same as the previous year. The sales value was adversely affected by lower commodity prices.
- b) The Specialities Division of Tri-K Industries Inc., USA continued to grow rapidly in proteins and actives. Meanwhile the Performance Products Division (PPD) grew by expanding the customer base and developing new blends. Compared to the previous year, the sales of Tri-K Industries Inc. grew by 11%, while PBT quadrupled to USD 1.57 mio.
- c) In spite of political problems in the Middle East as well as weak performance in the Eurozone, the performance of Galaxy Chemicals (Egypt) SAE improved due to increased capacity utilization, localization of procurement, reduction in lead time and cost efficiency initiatives. The subsidiary made a cash profit of USD 0.95 mio.

5. PEOPLE ENERGY

Your Company's endeavor is to enable our people to achieve the big dream of Vision 2020. High Performing, Learning and Engaging are the three key words which represent the People Energy (PE) – HR Mission of your Company and the PE vision is to be the employer of choice...

Your Company continues to focus on competency based development programmes. E-learning is another initiative reinforced by PE towards development of select employees. New programmes like Leadership Channel for senior management, Leadership Advantage for identified talent were launched this year to enable Learning on the Go. Career Management Process has strengthened by providing multi process exposure to in-house senior talents in the organization.

The PE process of your Company has won two NIPM trophies at Regional and National Level for HR Best Practices. HR systems have been strengthened through advance user friendly automation.

In pursuit of providing holistic wellness to its employees, your Company under the wellness programme 'MyHealthMyChoice' has the four pillars of Eat Well, Move More, Nirvana and Know More. This initiative is to create a workplace that encourages & supports employees in making healthy choices at work and beyond.

6. QUALITY

Your Company is committed to deliver high quality products and services to its customers. World class practices such as TPM is adopted at our manufacturing sites while internal benchmarking programmes such as Galaxy Manufacturing Excellence Award (GMEA) are conducted annually.

Your Company is the preferred strategic partner of multinational companies such as Unilever, Henkel, Colgate Palmolive, P&G, Reckitt Benckiser, L'Oreal. Your Company received the award "You Can Make A Difference (YCMAD)" from Colgate Palmolive in January 2015.

DIRECTORS' REPORT

Your Company focuses relentlessly on continuous quality improvement in all domains and adheres to international management system certifications such as ISO 14001 (Environment), OHSAS 18001 (Health and Safety), ISO 22716 (Cosmetic GMP), ISO 9001 (Quality), and Social Compliances such as EcoVadis (Gold Level) and SMETA 4-pillar.

7. SAFETY HEALTH & ENVIRONMENT (SHE)

Your Company is committed to protect the environment during its operations & provide a safer & friendly workplace to its workforce. The Company gives priority to Safety, Health and Environmental aspects and is committed to comply with applicable legal requirements. Your Company regularly carries out health checks for its employees including contractors. Your Company is mapping and addressing SHE challenges, if any, through systematic interventions and defined policies and cardinal rules.

Your Company has undertaken Safety Excellence Programme to develop and sustain best safety practices in the organisation.

8. SUSTAINABILITY

Your Company is committed to a cleaner and safer environment. Over the years, your Company has been striving to conduct business in an economically viable, environmentally sound and socially responsible manner. In line with its commitment and Company's Sustainability Goals, your Company has identified various projects and initiatives in order to reduce water, energy, waste and greenhouse gases (GHG) emissions and these efforts have resulted in improved performance as well.

Your Company has released its Sustainability Policy in the year 2015-16 to advocate and influence affirmative sustainability actions. Your Company continued to witness year on year progress in crafting the sustainability framework for the organisation. The Company has initiated Life Cycle Assessment of its product with cradle-to-gate approach. LCA enables the Company to understand the overall environmental impact of the product. To achieve this, cross functional teams are engaged to bring together managerial, operational, technical and functional expertise with well defined responsibilities.

The Company has released its 4th Sustainability Report and shared it with key internal and external stakeholders. The report encapsulated Company's Performance on 3 P's covering dimensions of People, Planet and Profit. The report shows organization's consciousness on sustainability is getting translated into our commitment. Company's sustainability performance and its action plan towards climate change were part of Company's response to Carbon Disclosure Project (CDP) – Supply Chain Module 2015 climate change and your Company achieved progress in its disclosure score from 66 in the year 2013-14 to 98 in the year 2015-16 which is significantly above the global average. The Company received CDP supply chain water score is Management Level 'B', which is better than CDP supply chain water average score 'D'. Your Company gained status of being RSPO (Roundtable on Sustainable Palm Oil) certified Company for all its facilities in India and Egypt. Your Company becomes the first company in India to receive the permission to use RSPO Trademark globally.

The Company has initiated "Sustainability Steward Award" to motivate and recognize sustainability stewards in the organization who have been consistently driving sustainability and thereby bringing sustainability culture in the organisation.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year, the Company has actually disbursed Rs.174.66 lakhs on CSR activities through 180 initiatives in 2015-16.

Your Company continues to remain focused on improving the quality of life & engaging with community through focused projects: Gyan Sanjivani (Education), Arogya Vardheeni (Health & Hygiene), Samajeek Utthaan (Community Development), Stree Unnati (Women Empowerment),

DIRECTORS' REPORT

Vatavaran Suraksha (Environment Protection), Aapda Rahat (Calamity Relief). Through these focused projects during 2015 – 16, your Company impacted the life of around 10,500 people and, cumulatively improving lives of 55,000 underprivileged people. Your Company's CSR footprints have touched the states of Maharashtra, Gujarat, Tamil Nadu, Chhattisgarh, Uttar Pradesh and Nepal.

Most of the projects taken up for CSR are directly implemented, or in participation with established NGOs: Jan Swasthya Sahyog, Chhattisgarh and Sharda Mahila Vikas Society, Gujarat, who have done credible work at the ground level. During the year under review, your Company extended significant infrastructure support to poor and tribal schools in Taloja, Tarapur, Jhagadia and Navi Mumbai in building toilets, bore well, library, art, computer and science laboratories, including major toilet cum sanitization support to 'Samtol Foundation' for run-away children.

Mr. Adarsh Nayyar, who leads our CSR initiatives, was recognised by World CSR Day as one among the '100 Most Impactful CSR Leaders (Global Listing)' for the third time.

10. FIXED DEPOSITS

As on March 31, 2016, your Company holds fixed deposits worth Rs. 6.47 crores as against Rs. 25.69 crores of previous year. As on March 31, 2016, deposits of Rs.6.35 lakhs were unclaimed and there has been no default in repayment of deposits, or payment of interest thereon during the year under review.

Considering the enhanced administration and compliance requirements under the Companies Act 2013 (Act) and costs associated with it, your Company has stopped accepting and renewing maturing deposits with effect from February 1, 2014. All the deposits accepted till such date will be repaid as and when it matures.

11. SUBSIDIARY COMPANIES

As of March 31, 2016, your Company has five wholly owned subsidiaries within the definition of 'Subsidiary Company' under the Companies Act, 2013.

During the year under Review, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared consolidated financial statements of the Company and all its subsidiaries, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure to this Directors' Report. This Statement also provides the details of performance, financial positions of each of the subsidiaries. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and the audited accounts of each of its subsidiaries are available on our website www.galaxysurfactants.com. These documents will also be available for inspection during business hours at registered office of your Company.

Your Company has given the Indian Rupee equivalent of the figures in foreign currency appearing in the accounts of the subsidiary companies and the exchange rates applied as on closing day of the financial year.

12. PARTICULARS OF EMPLOYEES

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

DIRECTORS' REPORT

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of the Companies Act, 2013, Mr. Ravi Venkateswar (DIN 00242672), Executive Director (Finance), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. Also, his terms as Executive Director (Finance) & Chief Financial Officer would be expiring on March 31, 2017. The Board recommends his re-appointment for a further term of three years w.e.f. April 1, 2017 till March 31, 2020.

During the year under review, the designation of Mr. Shashikant R. Shanbhag has been changed from Whole Time Director to Non- Executive Director w. e. f. 23rd May, 2015 and has retired from the services of the Company from the closure of 29th Annual General Meeting. The Board of Directors placed on record their immense appreciation for his role in building the Company from inception as Promoter and Founder Director.

Also, the term of appointment of Mr. Uday Kamat, Executive Director of the Company had expired on March 31, 2016. Accordingly, he ceased to be a Director of your Company from that date. The Board of Directors placed on record their appreciation for the services rendered and valuable contribution made by him.

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

During the year under review the Board met five times. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

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

The Audit Committee of the Board of Directors of your Company comprises of four Directors, i.e., Mr. Subodh Nadkarni (Chairman); Mr. S. Ravindranath and Mr. M. G. Parameswaran, Independent Directors and Mr. G. Ramakrishnan, Whole time Director. The Committee met 4 times during the year under review.

Consequent upon retirement of Mr. Shashikant Shanbhag, the Stakeholder Relationship Committee of the Board of Directors of your Company had been reconstituted under Mr. M. G. Parameswaran, Independent Director; Mr. G. Ramakrishnan and Mr. Ravi Venkateswar, Whole time Directors. The Committee met twice during the year under review.

Consequent upon retirement of Mr. Shashikant Shanbhag, the Corporate Social Responsibility Committee of the Board of Directors of your Company was reconstituted under Mr. U. Shekhar, Chairman CSR Committee & Managing Director; Mr. M. G. Parameswaran, Independent Director and Mr. Ravi Venkateswar, Whole time Director. The Committee met twice during the year under review.

The Nomination and Remuneration Committee (NRC) of the Board of Directors of your Company consists of three Directors, i.e., Mr. Subodh Nadkarni, Mr. M. G. Parameswaran and Mr. S. Ravindranath, Independent Directors. Ms. Nandita Gurjar, Independent Director was appointed as member of NRC with effect from June 4, 2016. The Committee met 3 times during the year under review.

During the year under review, Mr. Ganesh Kamath vacated his office as Company Secretary and Mr. Vinayak Shitole had been appointed as Company Secretary of your Company with effect from May 2, 2015. The Board of Directors placed on record their appreciation for the services rendered by Mr. Ganesh Kamath as Company Secretary.

DIRECTORS' REPORT

Mr. G. Ramakrishnan, a Whole time Director, designated as Executive Director (Innovation), of your Company has decided to retire from the services of the Company with effect from September 6, 2016. However, he will continue as Non-Executive Director on the Board of your Company from September 7, 2016. We place on record our appreciation for the contribution made by Mr. G. Ramakrishnan during his tenure as Executive Director of the Company.

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

- The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.
- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. The Company pays sitting fees and commission to Non-Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee and the Board of Directors within the salary scale approved by the members. The Nomination and Remuneration Committee and the Board decides on the commission payable to the Managing Director, the Executive Directors and the Non-Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 2013, based on the performance of the Company as well as that of the respective Director.
- The Company recognises merit and continuously seeks to enhance the effectiveness of its Board. The Company believes that for effective corporate governance, it is important that the Board has the appropriate balance of skills, experience and diversity of perspectives.
- A person to be appointed as Director, KMP or Senior Management Level should possess adequate qualification, expertise and experience. He should have ability to contribute to the Company's growth. All appointments to the Board are recommended by the Nomination and Remuneration Committee and the Board to the Shareholders.
- The Company has adopted the provisions with respect to appointment and tenure of Directors which are consistent with the Companies Act, 2013. Board appointments will be made on merit basis and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its stakeholders.

14. 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) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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 at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

DIRECTORS' REPORT

- (iv) the Directors had prepared the annual accounts on a going concern basis; and
- (v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. AUDITORS

M/s. P. D. Kunte & Co. (Regd.), Chartered Accountants, were appointed as Statutory Auditors of your Company at the 28th AGM held on September 19, 2014 for a term of 5 years commencing from the end of the 28th AGM till the close of the 33rd AGM to be held in 2019. As per provisions of section 139(1) of the Companies Act, 2013, their appointment is placed for ratification by the shareholders. Your Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Pursuant to the provision of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records are required to be audited. The Board of Directors, based on recommendation of the Audit Committee, has appointed M/s. A. B. Nawal & Associates, Cost Accountants in practice to audit the cost accounts of the Company for the Financial Year 2016-17. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration payable to Cost Auditor has been included in the notice convening the 30th Annual General Meeting.

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 2015-16 is appended as "Annexure D" to this Directors' Report. The Board of Directors has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice, as secretarial auditor of the Company for the Financial Year 2016-17.

16. INTERNAL FINANCIAL CONTROL

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

17. RISK MANAGEMENT POLICY

The Company has formulated and implemented a policy on risk management to manage the risks involved in all the activities of the Company to maximise the opportunities and minimise adversity. This policy is intended to assist in decision making processes that will minimise potential losses, improve the management of uncertainty and the approach to new opportunities, thereby helping the Company to achieve its objectives. The Board of Directors of your Company are of the opinion that, at present, there are no elements of risks which may threaten the existence of the Company.

18. POLICY TO PREVENT SEXUAL HARASSMENT AT WORK PLACE

Your Company treats its employees equally, with dignity and with no gender bias. Your Company believes and ensure 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, no complaints of sexual harassment were received by the Internal Complaints Committee.

DIRECTORS' REPORT

19. DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013

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

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

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

(B) EXTRACT OF ANNUAL RETURN

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

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

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

(D) RELATED PARTY TRANSACTIONS

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

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature.

(E) VIGIL MECHANISM

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

(F) FINANCIALS

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report. There are no qualifications, reservations or adverse remarks in the Auditors Report and the Secretarial Audit Report for the financial year 2015-16.

(G) TRANSFER TO RESERVES

Your Company proposes not to transfer any amount to the General Reserve for the financial year 2015-16.

DIRECTORS' REPORT

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

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

20. ADDITIONAL INFORMATION

Your Company and its subsidiaries will adopt Ind AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015.

21. CAUTIONARY STATEMENT

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

22. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Navi Mumbai
Date: August 1, 2016

U. Shekhar
Managing Director
(DIN: 00265017)

G. Ramakrishnan
Executive Director (Innovation)
(DIN: 00264760)

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE A

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

A. CONSERVATION OF ENERGY

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

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

Disclosures of particulars with respect to conservation of energy:

Power and Fuel Consumption	2015-16	2014-15
(I) ELECTRICITY		
a) Purchased:		
Unit in 1000 KWH	24,802	26,312
Total amount (Rs. in Crore)	19.24	18.65
Rate/KWH (Rs.)	7.76	7.09
b) Own Generation:		
through Diesel Generator:		
Unit in 1000 KWH	1,388	695
Total amount (Rs. in Crore)	0.99	1.26
Rate/KWH (Rs.)	7.10	18.06
c) Own Generation:		
through Solar Power:		
Unit in 1000 KWH	11	11
Total amount (Rs. in Crore)	-	-
Rate/KWH (Rs.)	-	-
(II) FUEL		
a) Light Diesel Oil:		
Quantity in KL	962	1,021
Total Cost (Rs. in Crore)	3.81	5.93
Rate/KL (Rs.)	39,598	58,112
b) Furnace Oil:		
Quantity in KL	484	458
Total Cost (Rs. in Crore)	1.14	1.75
Rate/KL (Rs.)	23,606	38,309

ANNEXURE TO THE DIRECTORS' REPORT

c) Natural Gas:		
Unit in MMBTU	16,852	21,980
Total amount (Rs. in Crore)	1.53	2.43
Rate/MMBTU (Rs.)	910	1,107
d) Coal:		
Quantity in MT	3,074	3,278
Total Cost (Rs. in Crore)	2.04	2.39
Rate/MT (Rs.)	6,632	7,280
e) HSD:		
Quantity in KL	0.45	5
Total Cost (Rs. in Crore)	0.002	0.03
Rate/KL (Rs.)	55,820	63,049

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Primary focus:

The Innovation Process, which is the R&D department of Galaxy Surfactants Limited, helps create superior value by innovating in emerging trends to support Home and Personal care industry. The Innovation Process focuses on the following:

- To understand interactions of surfactant systems with skin and hair for designing new and ultra-mild cleansing systems.
- Development of amino acid based surfactants for cleansing formulations which are mild.
- New Broad Spectrum Antimicrobial preservative systems for personal care products devoid of any controversial health concerns.
- Design methodology for synthetic UV absorbers by "Green Chemistry" principles.
- Development of new synthetic UV absorbers for skin and hair care applications.

Achievements:

- Developed mild cleansing system exploiting domain expertise in surfactant chemistry, process and synergies between different surfactants.
- Designed unique multifunctional hair colour protectant cum conditioner.
- Scaled up novel antimicrobial system for personal care products.
- Finalized and working towards commercialization of newly developed amino acid based surfactant utilizing Green Chemistry principles.
- Market launch of mild sulfate free blend for personal care (Galfusion GGC).
- One patent granted, 9 applications filed including a PCT application and applied in countries including India, US, EP, Brazil, Japan, Russia and China in the area of home and personal care industry.

Figures in Rs. Crore

Particulars	2015-16	2014-15
Expenditure on R & D	12.10	10.27

ANNEXURE TO THE DIRECTORS' REPORT

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Figures in Rs. Crore

Particulars	2015-16	2014-15
Total Foreign Exchange used and earned:		
a) Expenditure incurred in Foreign Currency:		
Raw Material & Packing Material (C.I.F. Value)	487.07	670.41
Traded Goods	9.16	10.92
Capital Goods	5.41	1.86
Spares & others	0.37	0.07
Foreign Travel	0.55	0.77
Exports Commission	0.56	0.44
Professional Fees	0.93	1.00
Exhibitions, Subscription & Membership, Training and Seminars	2.20	1.62
Interest & Processing Charges on Borrowings	1.74	3.74
REACH Registration Expenses	0.33	3.96
Freight, Forwarding & Clearing Charges	4.80	8.57
Others	3.21	6.10
b) Earnings in Foreign Currency:		
F.O.B. Value of Exports	721.95	747.01
(This does not include exports to Nepal, deemed exports)		
Guarantee Commission	1.15	0.98
Interest Income	2.88	4.94
Other Recoveries	46.24	46.82

For and on behalf of the Board

Navi Mumbai
Date: August 01, 2016

U. Shekhar
Managing Director
(DIN: 00265017)

G. Ramakrishnan
Executive Director (Innovation)
(DIN: 00264760)

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE B

Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Report of the Directors for the year ended March 31, 2016.

Persons employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 500,000/- Per Month.

Sr. No.	Name	Age	Designation	Gross Remuneration (Rs. Lakhs)	Qualification	Experience	Date of Commencement of Employment	Previous Employment / Position Held
1.	Mr. U. Shekhar	62	Managing Director	195.24	B.Chem. Engg. (UDCT), PGDEM (IIM Cal)	39	May 20, 1986	Lupin Laboratories Ltd. - Management Trainee
2.	Mr. G. Ramakrishnan	61	Executive Director (Innovation)	195.21	M.Com., F.C.A., F.I.C.W.A., Grad. C.S.	39	May 20, 1986	Colgate Palmolive (I) Ltd. - Accountant
3.	Mr. S. R. Shanbhag	62	Whole-time Director (upto May 22, 2015)	152.92	B.Com. A.C.A., Grad. C.W.A.	39	May 20, 1986	Colgate Palmolive (I) Ltd. - Accountant
4.	Mr. U. K. Kamat	61	Whole-time Director (upto March 31, 2016)	177.99	B.Com., A.C.A., Grad. C.W.A.	39	April 1, 2003	Practising Chartered Accountant
5.	Mr. Ravi Venkateswar	55	Executive Director (Finance) & CFO	194.81	B. Com., F. C.A.	32	April 28, 2014	Godrej Industries Ltd. - Head Corporate Services, Finance, Legal & IT
6.	Mr. K. K. Natarajan	51	Chief of Operations	119.15	B. Com., A.I.C.W.A	31	April 21, 1993	Indian Organic Chemicals Ltd. - Deputy Manager - Finance
7.	Mr. Biswarup Goswami	52	VP - People Energy Process (Global)	83.69	B. Sc. (Chemistry), LL.B., Masters in PM & IR	30	October 6, 2014	EMAAR-MGF / Chief of HR
8.	Mr. M. R. Venkat	60	VP - Home & Personal Care Business (Global)	152.29	B. Sc. Masters Degree in Marketing Management	27	July 1, 2014	CP Kelco/ Country Director India & A & Z Gat Leader
9.	Mr. Yogesh Kalra	47	Head - Business Creation Process	102.71	B.Com., C.A., I.C.W.A.	25	August 1, 1995	Apple Industries Ltd. / Assistant Manager Accounts
10.	Mr. Ganesh Kamath	58	*VP- Special Projects	112.66	A.I.C.W.A., A.C.S.	35	September 10, 2004	IndusInd Bank-Head Credit (Retail)
11.	Mr. Vinayak Shitole	42	**Head RMU & Company Secretary	65.71	B. Com., A.C.A., Grad C.W.A, A.C.S.	18	November 3, 2014	B.A.S.F.-General Manager - Finance
12.	Mr. Satish Chavan	56	Head - Conversion Process	66.64	B. Sc. (Tech.)	22	February 20, 2012	Pidilite Industries Ltd. / Chief - Manufacturing & Operations
13.	Mr. Dhaneshwar Patil	40	Leader - Business Creation Europe	113.94	Ph.D (Chemical Engg.), Executive MBA	13	May 1, 2012	AkzoNobel, Ashland / Manager (R&D, Product and Marketing)

ANNEXURE TO THE DIRECTORS' REPORT

**Mr. Ganesh Kamath has vacated the office as Company Secretary w.e.f. 2nd May 2015*

***Mr. Vinayak Shitole has been appointed as the Company Secretary w. e. f. 2nd May 2015.*

Notes:

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

For and on behalf of the Board

Navi Mumbai
Date: August 01, 2016

U. Shekhar
Managing Director
(DIN: 00265017)

G. Ramakrishnan
Executive Director (Innovation)
(DIN: 00264760)

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE C

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

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

Galaxy Surfactants Ltd. is committed to operate in accordance with the demands of economics, ecology and society. Consequently, the Company makes decisions based not only on financial parameters, but also taking into consideration the social and environmental impact arising out of the actions of the Company. The resultant CSR Policy guidelines <http://www.galaxysurfactants.com/KnowUsBetter/CSRPolicy> are also prepared in line with our Corporate Strategy and our commitment to Corporate Responsibility.

The Company 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, through its integration in the overall business approach.

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

Overview of CSR Projects:

a. Health & Hygiene (AAROGYA VARDHEENI):

Primary healthcare through diagnosis and treatments, promoting preventive healthcare, building awareness about hand, oral & personal hygiene, sanitation and providing monetary support for constructing toilets for girls, boys, cancer patients & run away children shelter home, constructing hand washing station; supporting rehabilitation centres, medical camps and blood donation camps; providing additional nutrition to eradicate malnutrition – children & women; providing bore wells, water purifier for potable drinking water, awareness about ill-effects of tobacco; supporting thalassemia affected children; providing dental chair for community centre.

b. Education (GYAAN SANJEEVANI):

To contribute to improving and facilitating the literacy levels including e-learning in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to developing infrastructure like Computer, Science, Math & Arts Lab, building repairs, furniture, reading libraries, computers for schools/educational centres, and also conducting educational programmes like coaching for math, science & English; safety sessions, career guidance seminars, etc. for the underprivileged students, also livelihood enhancement projects, vocational skills for differently abled.

c. Environment Protection (VATAVARAN SURAKSHA):

Tree plantation, cleanliness drives, awareness for energy/ water conservation & solid waste reduction, promoting solar and other non conventional energy projects

d. Women Empowerment (STREE UNNATI):

Girl child & women education & development, income generation, knowledge about relevant statutes, self defense training.

ANNEXURE TO THE DIRECTORS' REPORT

e. Community Development (SAMAJEEK UTTAAN):

Infrastructure support to old age home, orphans, destitute, undertaking community sanitation projects, water harvesting (check dams), setting up public libraries, safe drinking water, promoting sports through community connect mahotsav, providing hand washing stations, bore-wells.

f. Calamity Relief (AAPDA RAHAT):

Contribution to PM Relief Fund, 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 members of the Board and one of them is an independent board member:

Sr. No.	Names	CSR Committee
1.	Mr. U. Shekhar (Managing Director)	Chairperson
2.	Mr. Ravi Venkateswar (Executive Director) (w.e.f. September 28, 2015)	Member
3.	Mr. M. G. Parameswaran (Non Executive & Independent Director)	Member
4.	Shashikant Shanbhag (upto September 28, 2015)	Member

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

Profit before Tax	Rs. (in lakhs)
2014-15	13,039
2013-14	12,924
2012-13	5,106
Sum of 3 year's PBT	31,069
Simple Average of 3 year's of PBT	10,356

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

Total CSR Budgeted Expenditure (2% of Average PBT of last 3 years) for F.Y: 2015-16: Rs. 207.11 Lakhs

5. Details of CSR budget Spent during the financial year:

- Total amount to be spent (budget) for the financial year: **Rs.207.11 Lakhs**
- The total actual amount spent during the year is: **Rs.174.66 Lakhs**
- Amount unspent during the year is: **Rs.32.45 lakhs**
- Manner in which the amount spent during the financial year is detailed below:

ANNEXURE TO THE DIRECTORS' REPORT

CSR Expenses - Manner of Expenses - 2015-16 (All amount in Rs. Lakhs)							
Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes 1) Local area or other 2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes sub heads 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Arogya Vardheeni	Health & Hygiene, Preventive Healthcare	Construction & Repairs of Toilet Blocks for Girls, Boys & Cancer Patients; Bore well; Water Storage Tank with Piping; Hand Washing Stations; Hand Hygiene Sessions; Blood Donation & Health Camps; Weekly Dispensaries 1) Schools, Slums & Villages near our areas of operation Talaja, Tarapur, Jhagadia, Navi Mumbai 2) a) Maharashtra - Raigarh, Palghar, Mumbai & Thane Districts b) Gujarat - Bharuch District	17.36	1) Direct: 14.94	45.94	All the programmes Implemented through own Site Steering Councils / Volunteers
2	Arogya Vardheeni - Community Hand Hygiene Project (Phase - III)	Preventive Healthcare & Sanitation	Project: 'Rog Mukti Aur Tandrusti: Swach Haath ke Saath - A Community Hand Hygiene Initiative' Installation of Hand Washing Station & Awareness about Diseases caused due to Contaminated Hands 1) Bamhani, Shivtarai & Smeariya Clusters 2) Chhattisgarh - Bilaspur & Mungeli District	8.77	1) Direct 8.50 2) Overheads: 0.15	13.65	Project Implemented through NGO: Jan Swasthya Sahyog, Bilaspur, Chhattisgarh
3	Arogya Vardheeni - Jeevan Daan	Preventive Healthcare	Blood Transfusion Cost of 10 Thallemic Children 2) Maharashtra - Thane District	5.6	1) Direct: 5.6	7.6	Project Implemented through NGO: Triumph Foundation, Thane
4	Arogya Vardheeni - Jeevan Sahara	Eradicating Hunger	Monthly Food Box Distribution to 30 Poor Destitute Senior Citizen (Women) of Swaminagar Slum, Ambernath 2) Maharashtra - Raigarh District	3.1	1) Direct: 3.21	4.11	Project Implemented through NGO: Community Outreach Programme, Thane
5	Arogya Vardheeni	Preventive Healthcare	Dental Care at Saksham - Community Centre 2) Maharashtra - Thane District	3.5	1) Direct: 3.5	3.5	Project Implemented through NGO: Udaan Welfare Foundation, Thane

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes 1) Local area or other 2) Specify the state and district where 3) projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes sub heads 1) Direct expenditure on projects or 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
6	Gyaan Sanjivani	Promoting Education & Special Education / Training to Promote Rural Sports, Naturally recognized sports, Paralympic sports & Olympic Sports	Construction of Additional Room; Furnished Science, Art & Computer Labs; Projector; Building Paintings; Floorings; Repairs of Stairs; Installation of Railing; New Windows; Tables; Cupboards; Book-Cases; New Fans; School Bags & Shoes; Career Guidance Seminars; Home & Road Safety Sessions; 1) Schools & Slums near our areas of operations: Talaja, Tarapur, Jhagadia, Navi Mumbai 2) a) Maharashtra - Raigad, Palghar & Thane b) Gujarat - Bharuch District	54.33	1) Direct: 42.17	79.23	All the Programmes Implemented through own Site Steering Councils / Volunteers
7	Gyan Sanjivani	Education Sector	Installation of Science Lab at Community Centre "SAKSHAM", Thane, Maharashtra 2) Maharashtra - Thane District	1.50	1) Direct: 1.50	1.5	Project is implemented by NGO: Udaan Foundation, Thane
8	Gyan Sanjivani	Education Sector	Reading Library for poor students installed at 2 NMMC Schools, Turbhe, Navi Mumbai, Maharashtra 2) Maharashtra - Thane District	2.50	1) Direct: 2.25 2) Overheads: 0.25	2.5	Project is implemented by NGO: Room to Read, Mumbai
9	Gyan Sanjivani	Education Sector	Whole School Transformation of 5 Schools in Mangaon Block of Raigad District, Maharashtra 2) Maharashtra - Raigad District	13.61	1) Direct: 13.16	13.16	Project is implemented by NGO: Swades Foundation, Mumbai

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes 1) Local area or other 2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes sub heads 1) Direct expenditure on projects or 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
10	Vatavaran Suraksha	Ensuring Environment Sustainability & Ecological Balance	1) Local area or other 2) Specify the state and district where projects or programmes was undertaken Tree Plantations; Cleanliness Drives; Poster & Slogan Competition on Environment; Water harvesting & Check-Dam 1) Schools, Slum & Villages near our areas of operation Taloja, Tarapur, Jhagadia, Navi Mumbai 2) a) Maharashtra - Raigad, Palghar & Thane District; b) Gujarat - Bharuch District	1.01	1) Direct: 0.22	0.97	All the Programmes Implemented through own Site Steering Councils / Volunteers
11	Samajeek Utthaan	Rural Development / Reducing Inequalities faced by Socially & Economically Backward groups	Infrastructure Support - Restrengthening & Renovation of the whole building of old age home; Construction & Renovation of Toilets and Kitchen for Boy's Hostel; Contribution for Check Dam; Distribution of Blankets, Towels, Bed Sheets, Medical Kits & Healthy Foods to Tribal Students of Wanvasi Ashrams & Inmates of Old Age Homes 1) Ashrams, Old Age Homes, Villages near our areas of operation Taloja, Tarapur, Jhagadia, Navi Mumbai 2) Maharashtra - Raigad, Palghar & Thane District; Gujarat - Bharuch District	65.33	1) Direct: 50.54	51.64	All the Programmes Implemented through own Site Steering Councils / Volunteers
12	Samajeek Utthaan	Rural Development / Reducing Inequalities faced by Socially & Economically Backward groups	Financial Support to the NGOs located in 2) i) Tamil Nadu, Ayikudy ii) Uttar Pradesh, Deoband	8.00	1) Direct: 8.00	18	Programmes Implemented by NGO: i) Amar Seva Sangam, Tamil Nadu & ii) Ram Krishna Cancer Hospital, Deoband, U.P

ANNEXURE TO THE DIRECTORS' REPORT

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes 1) Local area or other 2) Specify the state and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes sub heads 1) Direct expenditure on projects or programmes 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
13	Stree Unnati	Empowering Women	Celebration of International Womens Day with Destitute Girls, Paraplegic Patients; Old Age Home for Senior Citizens; Income Generation training to BPL Women & trafficked girls/ women 1) Orphanages, Destitute Homes, Shelter Homes, Slum & Villages near our areas of operations: Talaja, Tarapur, Jhagadia, Navi Mumbai 2) a) Maharashtra - Raigad, Palghar & Thane District; b) Gujarat - Bharuch District	0.75	1) Direct: 0.44	1.74	All the Programmes Implemented through own Site Steering Councils / Volunteers
14	Stree Unnati	Empowering Women	Adolescent Empowerment & Awareness Programs in 5 Tribal Villages of Jhagadia Block 2) Gujarat - Bharuch District	6.40	1) Direct: 6.40	16	Project Implemented through NGO: Sharda Mahila Vikas Society, Jhagadia, Bharuch, Gujarat
15	Aapda Rahat	Calamity Relief	Relief Material for Victims of Natural Disasters (Floods, Drought, Earthquake, etc.) 3) Latur & Nanded Districts Maharashtra 4) P.M Relief Fund during Nepal Earthquake	5.00	1) Direct: 5.53	15.53	All the Programmes Implemented through own Site Steering Councils / Volunteers
Total Direct Expenses				196.76	166.36	275.07	
16	CSR Capacity Building & Personnel Cost			10.35	2) Overheads: 8.30	15.09	
Total Direct + Overheads				207.11	174.66	290.16	

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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 Directors' Report:

Reasons for Amount Unspent during 2015-16					
Sr. No.	Projects	Budget Amount (in lakhs)	Spent Amount (in lakhs)	Unspent Amount (in lakhs)	Reasons
1	Gyan Sanjivani	71.93	59.33	12.6	a) A Beneficiary requested to defer it to next year b) Educational Materials stock was available or not available c) Some items were given by another company
2	Arogya Vardheeni	38.33	34.15	4.18	Some Infrastructure related work deferred due to non availability of labour in remotely located places
3	Vatavaran Suraksha	1.01	0.22	0.79	Suitable land was not available for tree plantation
4	Samajeek Utthaan	73.33	58.54	14.79	Infrastructure related construction / repair, work in progress
5	Stree Unnati	7.15	8.59	-1.44	-
6	Aapda Rahat	5	5.53	-0.53	-
7	Capacity Building	10.36	8.30	2.06	-
Total		207.11	174.66	32.45	

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

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

For and on behalf of the Board

Navi Mumbai
Date: August 1, 2016

U. Shekhar
Chairmen CSR Committee &
Managing Director
(DIN: 00265017)

Ravi Venkateswar
Executive Director (Finance)
(DIN: 00242672)

ANNEXURE TO THE DIRECTORS' REPORT

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

Our Secretarial Audit Report 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.

For S. N. ANANTHASUBRAMANIAN & CO Company Secretaries

Aparna Gadgil
Partner
C.P No. 8430
Date : 1st August, 2016
Place : Thane

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE D
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

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

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

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

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, 2016**, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and applicable provisions of the Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
[Not applicable as the Securities of the Company are not listed on any Stock Exchange]
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable as the Securities of the Company are not listed on any Stock Exchange:**
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015);
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

ANNEXURE TO THE DIRECTORS' REPORT

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g. 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;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The Company has identified the following laws as specifically applicable to the Company:
7. The Drugs and Cosmetics Act, 1940;
 8. The Petroleum Act, 1934;
 9. The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
 10. The Indian Boilers Act, 1923;
 11. The Legal Metrology Act, 2009;
 12. The Narcotic Drugs & Psychotropic Substances Act, 1985;
 13. The Special Economic Zones Act, 2005;
 14. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 15. The Explosives Act, 1884;
 16. The Gas Cylinders Rules, 1981;
 17. The Arms Act, 1959;

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

- (i) The Company has generally complied with Secretarial Standards with regard to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and made **effective from 1st July, 2015**;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (**upto 30th November, 2015**) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **made effective from 1st December, 2015** [**Not applicable as the Company is not listed with any Stock Exchange**]

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

We further report that :-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent Seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

ANNEXURE TO THE DIRECTORS' REPORT

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

- The Company has passed a Special Resolution through a postal ballot on 22nd September, 2015 for authorizing the Board for creation of charge/ hypothecation/ mortgage on the movable/ immovable properties of the Company for securing the borrowings of the Company subject to the maximum limit of Rs.1500 Crore.
- Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 the Company has passed a Special Resolution in the 29th Annual General Meeting held on 28th September, 2015 to borrow monies, which together with the monies already borrowed by the Company (apart of the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up share capital of the Company and its free reserves, provided that the total amount of monies so borrowed by the Company shall not at all time exceed the limit of Rs. 1500 Crore.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries

Aparna Gadgil
Partner
C P No. 8430
Date : 1st August, 2016
Place : Thane

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE E

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

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

I. REGISTRATION AND OTHER DETAILS	
CIN	U39877MH1986PLC039877
Registration Date	May 20, 1986
Name of the Company	Galaxy Surfactants Limited
Category / Sub-Category of the Company	Public Limited Company having Share Capital
Address of the Registered Office and Contact Details	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai-400703. Ph: 91-22-6513 4444/ 91-22-2761 6666 Fax: 91-22-2761 5883/ 91-22-2761 5886 E-mail: galaxy@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	No
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078 Ph: 91-22-2594 6970 Fax: 91-22-2594 6969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
Manufacture of Organic Surface- Active Agents (Surfactants) & Preparations based thereon, detergents, Auxiliary washing Preparations (For rinsing/ bleaching cloths) & cleaning preparations (for floors / windows etc.)	3053	81
Manufacture of Basic Organic Chemicals N.E.C. (Includes Manufacture of Activated Natural Mineral Products, Animal Black; Animal or Vegetable Fats & Oils & their fractions, Chemically modified except those hydrogenated Inter-sterified & Re-esterified.	3009	19

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. 4th 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)

ANNEXURE TO THE DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN									
(i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	373500	16614244	16987744	47.91	4841140	12432404	17273544	48.72	0.81
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	543000	543000	1.53	-	543000	543000	1.53	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	9440314	9440314	26.63	-	9454804	9454804	26.67	0.04
Sub-total (A)(1)	373500	26597558	26971058	76.07	4841140	22430208	27271348	76.92	0.85
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	373500	26597558	26971058	76.07	4841140	22430208	27271348	76.92	0.85
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporates	51300	11901	63201	0.18	68821	9900	78721	0.22	0.04
b) Individual Holding									
i. upto Rs. 1 Lakh	895685	1264164	2159849	6.10	1039639	1129550	2169189	6.11	0.01
ii. above Rs. 1 Lakh	1878914	869252	2748166	7.75	1923834	680532	2604366	7.35	-0.40
c) Any Other									
- Clearing Members	200	-	200	-	200	-	200	-	-
- Office Bearers	193500	760846	954346	2.69	43500	731696	775196	2.19	-0.50
- NRI	1708400	600532	2308932	6.51	1706200	600532	2306732	6.51	0.00

ANNEXURE TO THE DIRECTORS' REPORT

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Total Public Shareholding (B)=B(1)+B(2)	4932999	3550695	8483694	23.93	4987194	3196210	8183404	23.08	-0.85
Total (A+B)	5306499	30148253	35454752	100	9828334	25626418	35454752	100.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	5306499	30148253	35454752	100	9828334	25626418	35454752	100.00	-

(ii) SHAREHOLDING OF PROMOTERS / PROMOTER GROUP

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	
1	Unnathan Shekhar	4119440	11.62	0	4248240	11.98	0	0.36
2	Sudhir D Patil	4106040	11.58	0	4156040	11.72	0	0.14
3	Shashikant R. Shanbhag	4067684	11.47	0	4097684	11.56	0	0.09
4	Gopalkrishnan Ramakrishnan	2330108	6.57	0	2407108	6.79	0	0.22
5.	Jayashree Ramakrishnan	1792972	5.06	0	1792972	5.06	0	-
6.	Karthik Shekhar	116000	0.33	0	116000	0.33	0	-
7.	Sridhar Unnathan	122900	0.35	0	122900	0.35	0	-
8.	Shanthi Laxminarasimhan	180000	0.51	0	180000	0.51	0	-
9	Vandana Shashikant Shanbhag	110000	0.31	0	110000	0.31	0	-
11.	Lakshmy Shekhar	8400	0.02	0	8400	0.02	0	-
12.	Lata Nayak	4200	0.01	0	4200	0.01	0	-
13.	Sumathi Gopal	3000	0.01	0	3000	0.01	0	-
14	Anuradha Dayanand Prabhu	9000	0.03	0	9000	0.03	0	-
17	K S Natarajan	3000	0.01	0	3000	0.01	0	-
18	Nilkant Gangadhar Amonker	3000	0.01	0	3000	0.01	0	-
19	Vanita Hiren Kerkar	3000	0.01	0	3000	0.01	0	-
20	Prabhavati Nilkant Amonker	3000	0.01	0	3000	0.01	0	-
21	Marakatham Anandaram	6000	0.02	0	6000	0.02	0	-
25	Galaxy Emulsifiers Pvt Ltd	543000	1.53	0	543000	1.53	0	-
26	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sudhir D Patil as Partners of M/s. Galaxy Chemicals	9155314	25.82	0	9169804	25.86	0	0.04
27	U Shekhar, K Natarajan & Ganesh Kamath as trustees of GSL Employees Welfare Trust	285000	0.80	0	285000	0.80	0	-
	TOTAL	26971058	76.07	0	27271348	76.92	0	0.85

ANNEXURE TO THE DIRECTORS' REPORT

(iii) CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	26971058	76.07	26971058	76.07
2.	Additions during the year (by way of transfer)	300290	0.85	27271348	76.92
3.	At the end of the year			27271348	76.92

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Hemant Kavthekar	1411200	3.98	1411200	3.98
2.	Jayashree Ramesh	558532	1.58	558532	1.58
3.	Padmanabh B Shanbhag	239400	0.68	239400	0.68
4.	Nalin Pravin Shah	177200	0.50	177200	0.50
5.	Wilfred D'Silva	119000	0.34	119000	0.34
6.	Sujata Abhay Kelkar	116496	0.33	116496	0.33
7.	Subramanian Velayudhan Pillai	120000	0.34	90000	0.25
8.	Gopalakrishnan Ramakrishnan - Kamat U K Legal Guardians of Ashwini & Anubhav B Pai	86168	0.24	86168	0.24
9.	Adarsh Nayyar	86116	0.24	86116	0.24
10.	Arjun Rajendran	84500	0.24	84500	0.24

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	U. Shekhar	4119440	11.62	4248240	11.98
2.	G. Ramakrishnan	2330108	6.57	2407108	6.79
3.	Sudhir Patil	4106040	11.58	4156040	11.72
4.	Shashikant R. Shanbhag	4067684	11.47	4097684	11.56
5.	Uday Kamat	105000	0.30	105000	0.30
6.	Ravi Venkateswar	-	-	-	-
7.	M. G. Parameswaran	30000	0.08	30000	0.08
8.	Subodh Nadkarni	30000	0.08	30000	0.08
9.	S. Ravindranath	30000	0.08	30000	0.08
10.	V. Kasturirangan	50000	0.14	50000	0.14
11.	Nandita Gurjar	-	-	-	-
12.	Vinayak Shitole (w.e.f. May 2, 2015)	-	-	-	-
13.	Ganesh Kamath (upto May 2, 2015)	30000	0.08	30000	0.08

ANNEXURE TO THE DIRECTORS' REPORT

V. INDEBTEDNESS (Amount Rs. in lakhs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	23453.67	359.44	2569.30	26382.41
ii) Interest due but not paid				
iii) Interest accrued but not due	82.75	-	361.66	444.40
Total (i+ii+iii)	23536.42	359.44	2930.96	26826.82
Change in Indebtedness during the financial year				
Addition	17508.26	-	-	17508.26
Reduction	15005.60	78.49	1922.20	17006.29
Net Change	2502.66	(78.49)	(1922.20)	501.97
Indebtedness at the end of the financial year				
i) Principal Amount	25956.33	280.95	647.10	26884.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	154.08	-	89.30	243.38
Total (i+ii+iii)	26110.41	280.95	736.40	27127.76

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors					Total Amount
		Unnathan Shekhar (Managing Director)	Gopalkrishnan Ramakrishnan (Whole Time Director)	Shashikant Shanbhag (Whole Time Director up to May 22, 2015)	Uday Kamat (Whole Time Director up to March 31, 2016)	Ravi Venkateswar (Whole Time Director)	
1.	Gross Salary						
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	104.80	104.77	30.58	97.35	104.76	442.26
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.39	0.39	0.33	0	0	1.11
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-	-
2.	Stock Options	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	- as % of profit	80.40	80.40	13.47	72.00	80.40	326.67
	- others, specify	-	-	-	-	-	-
5.	Others (includes retirement benefits and variable pay)	9.65	9.65	108.54	8.64	9.65	146.13
	Total (A)	195.24	195.21	152.92	177.99	194.81	916.17
	Ceiling as per the Act						1892.61

ANNEXURE TO THE DIRECTORS' REPORT

B. Remuneration to other Directors:

1. Independent Directors (Amount Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Names of Directors				Total Amount
		M. G. Parameswaran	S. Ravindranath	Subodh S. Nadkarni	Nandita Gurjar	
1.	Fee for attending Board / Committee Meetings	8.5	6.5	6.5	3.0	24.5
2.	- Commission	6.0	7.5	6.0	6.0	25.5
3.	- Other	-	-	-	-	-
	Total (1)	14.5	14.0	12.5	9.0	50.0

2. Other Non-Executive Directors (Amount Rs. in lakhs)

Sr. No.	Particulars of Remuneration	Names of Directors		Total Amount
		Sudhir Dattaram Patil	V. Kasturirangan	
1.	Fee for attending Board / Committee Meetings	2.0	2.5	4.5
2.	- Commission	6.0	6.0	12.0
3.	- Other	-	-	-
	Total (2)	8.0	8.5	16.5
	Total (B) = (1+2)			66.5
	Overall Ceiling as per the Act			189.26

C. REMUNERATION TO KEY MANAGERIAL REMUNERATION OTHER THAN MD/WTD (Amount Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Ganesh Kamath Company Secretary (upto May 2, 2015)	Mr. Vinayak Shitole Company Secretary (w.e.f. May 2, 2015)
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.43	48.16
(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)	2.96	12.07
	Total	9.39	60.23

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

None

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALAXY SURFACTANTS LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profits and cash flows for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance sheet, Statement of Profit and Loss and Cash flow statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 relating to Contingent Liabilities and Commitments;
 - ii. The Company has made provision, as required under applicable law or accounting standard, for foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Navi Mumbai
Date: June 04, 2016

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure A

Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of even date to the members of GALAXY SURFACTANTS LIMITED on the standalone financial statements for the year ended March 31, 2016.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets at one of the units of the Company have been physically verified by an external agency pursuant to a phased program of physical verification covering all the units of the Company. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its assets. The discrepancies noticed between the book records and the physical verification, which in our opinion are not material, have been properly dealt with in the books of account.
 - (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (other than goods in transit and stocks with third parties) has been physically verified by the Management during / at the end of the year. In respect of stocks with third parties, these have been substantially confirmed by them. In our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. The Company has granted interest free unsecured loan to a party covered in the register maintained under section 189 of the Companies Act, 2013.

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

- iv. In respect of loans, investments, guarantees and security, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to Rules prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other statutory dues. There are no amounts outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any dispute, except as follows:

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Name of the Statute	Nature of Dues	Amount Disputed (Rs Crore)	Period to which Dispute relates	Forum where Dispute is Pending
The Central Excise Act, 1944	Excise Duty	2.87	2006-07 to 2010-11, 2013-14	Appellate Tribunal
		0.01	1990-91	Superintendent of Central Excise on remand by CESTAT
		1.72	2007-08 to 2012-13	Commissioner (Appeals)
Service Tax under Finance Act, 1994	Service Tax	0.23	2008-09 to 2012-13	Commissioner (Appeals)

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not borrowed from financial institutions or issued debentures.
- ix. During the year, the Company has not raised any money by way of initial public offer, further public offer (including debts instruments). In our opinion and according to information and explanations given to us, the term loans have been applied for the purposes for which these were taken.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employee has been noticed or reported during the course of our audit.
- xi. The managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company for the year under audit.
- xiii. According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company for the year under audit.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause (xv) of the Order are not applicable to the Company for the year under audit.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company for the year under audit.

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

Navi Mumbai
Date: June 04, 2016

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Annexure B

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

We have audited the internal financial controls over financial reporting of **Galaxy Surfactants Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (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.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit of test of controls, in our opinion, the Company has adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Navi Mumbai
Date: June 04, 2016

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

BALANCE SHEET

AS AT 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	Note	31 st March 2016	31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	35.45	35.45
Reserves and surplus	2	440.27	360.24
Non-Current Liabilities			
Long term borrowings	3	155.97	79.96
Deferred tax liability (Net)	4	20.04	20.54
Other long term liabilities	5	0.23	0.76
Long term provisions	6	7.88	8.07
Current Liabilities			
Short term borrowings	7	65.74	131.97
Trade payables	8	153.68	146.20
Other current liabilities	9	70.45	71.18
Short term provisions	10	6.99	22.38
TOTAL		956.70	876.75
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	11	235.00	252.07
Intangible assets	11	3.12	2.82
Capital work-in-progress (Refer Note 35)		45.61	5.47
Non-current investments	12	217.65	119.76
Long term loans and advances	13	24.29	20.83
Current Assets			
Inventories	14	131.91	145.63
Trade receivables	15	225.47	248.70
Cash and bank balances	16	8.47	11.92
Short term loans and advances	17	43.02	63.63
Other current assets	18	22.16	5.92
TOTAL		956.70	876.75

Notes A, B and 1 to 39 form an integral part of the Financial Statements

As per our Report attached

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

D. P. SAPRE
Partner
Mem. No. 40740

Navi Mumbai
Date: June 04, 2016

For and on behalf of the Board

U. SHEKHAR
Managing Director

R. VENKATESWAR
Executive Director –
Finance & CFO

G. RAMAKRISHNAN
Executive Director - Innovation

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

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	Note	2015-2016	2014-2015
INCOME			
Revenue from operations	19	1,395.90	1,548.46
Less : Excise duty		69.61	82.51
Sale of Products (Net)		1,326.29	1,465.95
Other operating revenue		16.87	4.45
Revenue from operations (Net)		1,343.16	1,470.40
Other income	20	8.52	9.75
TOTAL REVENUE		1,351.68	1,480.15
EXPENDITURE			
Cost of materials consumed	21	890.30	1,050.58
Purchase of stock-in-trade	22	14.82	12.93
Changes in inventories of finished goods, work-in-process and stock-in-trade	23	12.63	4.54
Employee benefit expenses	24	70.12	63.56
Other expenses	25	153.40	166.02
TOTAL EXPENSES		1,141.27	1,297.63
Profit Before Finance Costs, Tax, Depreciation and Amortisation		210.41	182.52
Finance costs	26	24.62	28.27
Profit Before Tax, Depreciation and Amortisation		185.79	154.25
Depreciation & amortisation	11	22.96	23.86
Profit Before Tax		162.83	130.39
Tax expenses			
- Current tax		57.71	44.91
- Deferred tax		(0.51)	(0.25)
- Prior year tax adjustments		-	0.04
Total tax expenses		57.20	44.70
Profit for the year		105.63	85.69
Earnings per Share		31	
Equity shares of face value Rs. 10 each			
- Basic		29.79	24.17
- Diluted		29.79	24.17

Notes A, B and 1 to 39 form an integral part of the Financial Statements

As per our Report attached

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

D. P. SAPRE
Partner
Mem. No. 40740

Navi Mumbai
Date: June 04, 2016

For and on behalf of the Board

U. SHEKHAR
Managing Director

R. VENKATESWAR
Executive Director –
Finance & CFO

G. RAMAKRISHNAN
Executive Director - Innovation

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	31 st March 2016		31 st March 2015	
A. Cash Flow from Operating Activities				
Profit before tax		162.83		130.39
Adjustments for:				
Add:				
Depreciation	22.96		23.86	
Finance cost	24.61		28.27	
Bad debts/provision for doubtful debts	-		0.03	
Wealth tax	-		0.02	
Loss on sale/discarding of assets	0.47	48.04	-	52.18
Less:				
Profit on sale of assets	-		(0.03)	
Dividend income	.*		.*	
Interest income	(4.53)	(4.53)	(6.03)	(6.06)
Operating Profit before Working Capital Changes		206.34		176.51
Working Capital Changes				
Adjusted for:				
Inventories	13.72		(1.78)	
Trade receivables	23.23		(16.56)	
Loans and advances and other assets	3.85		(11.35)	
Trade payables and other liabilities	10.99		(50.42)	
Other provisions	(0.09)	51.70	4.69	(75.42)
Cash Generated from Operations		258.04		101.09
Taxes paid		(60.56)		(49.34)
Net Cash Flow from Operating Activities (A)		197.48		51.75
B. Cash Flow from Investing Activities				
Capital expenditure		(54.29)		(20.04)
Sale of fixed assets		7.49		0.20
Purchase of non-current investments (Net)		(97.89)		-
Dividend income		.*		.*
Interest income		4.53		6.03
Net Cash Flow used in Investing Activities (B)		(140.16)		(13.81)
C. Cash Flow from Financing Activities				
Net borrowings		5.02		8.77
Finance cost		(24.38)		(28.07)
Equity dividend paid (including dividend tax)		(38.41)		(16.59)
Net Cash Flow used in Financing Activities (C)		(57.77)		(35.89)
Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)		(0.45)		2.05
Cash and cash equivalents - opening balance		7.07		5.02
Unrealised foreign exchange gain/(loss)	0.06		(0.03)	
Cash and cash equivalents - closing balance	6.56	6.62	7.10	7.07
Net Increase/ (Decrease) in Cash and Cash Equivalents		(0.45)		2.05

* Figures less than Rs. 1,00,000

As per our Report attached

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

D. P. SAPRE
Partner
Mem. No. 40740

Navi Mumbai
Date: June 04, 2016

For and on behalf of the Board

U. SHEKHAR
Managing Director

R. VENKATESWAR
Executive Director -
Finance & CFO

G. RAMAKRISHNAN
Executive Director - Innovation

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

A. Corporate Information

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

B. Significant Accounting Policies adopted in preparation of Financial Statements

(a) Basis for preparation of financial statements:

(i) Accounting Convention:

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

(ii) Use of Estimates:

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

(b) Revenue Recognition:

Sale of Goods

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

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

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

Other Income

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

(c) Fixed Assets/Intangible Assets:

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

(d) Depreciation:

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

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

Leasehold land is amortised over the primary period of lease.

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

(e) Inventories:

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

(f) Investments:

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

(g) Foreign Currency Transactions:

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

(h) Research & Development:

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

(i) Employee Benefits:

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

(j) Borrowing Costs:

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

(k) Taxation:

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

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

(l) Earnings per Share:

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

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

(m) Impairment of Assets:

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

(n) Provisions and Contingent Liabilities:

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

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
1	Share Capital		
	Authorised:		
	5,00,00,000 Equity Shares of Rs. 10 each	50.00	50.00
	(Previous Year : 5,00,00,000 Equity Shares of Rs. 10 each)	50.00	50.00
	Issued, Subscribed and Paid-up:		
	3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up		
	(Previous Year : 3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up)	35.45	35.45
	TOTAL	35.45	35.45

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

Equity Shares	31 st March 2016		31 st March 2015	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Balance at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Add: Issue of bonus shares during the period	-	-	-	-
Balance at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

b. Rights, Preferences and Restrictions attached to Equity Shares

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

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

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

Particulars	Aggregate Number of Shares	
	31 st March 2016	31 st March 2015
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserves	1,77,27,376	2,62,91,064

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

Equity Shares

Name of Shareholders	31 st March 2016		31 st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,69,804	25.86	91,55,314	25.82
Unnathan Shekhar	42,48,240	11.98	41,19,440	11.62
Sudhir D. Patil	41,56,040	11.72	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,67,684	11.47
Gopalkrishnan Ramakrishnan	24,07,108	6.79	23,30,108	6.57
Jayashree Ramakrishnan	17,92,972	5.06	17,92,972	5.06

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars		31 st March 2016	31st March 2015
2 Reserves and Surplus			
Capital Reserve:			
Balance as at the beginning of the year and as at the end of the year*		2.11	2.11
	(A)	2.11	2.11
*Capital subsidy received from the Government of Maharashtra under the package scheme of incentives.			
Securities Premium Reserve			
Balance as at the beginning of the year and as at the end of the year		0.20	0.20
	(B)	0.20	0.20
General Reserve:			
Balance as at the beginning of the year		26.38	26.38
Add: Transfer from the statement of profit and loss		-	-
Balance as at the end of the year	(C)	26.38	26.38
Surplus in Statement of Profit and Loss:			
Balance as at the beginning of the year		331.55	265.42
Less: Depreciation on account of Transitional provisions of Schedule II to Companies Act, 2013 (Previous year net of deferred tax of Rs. 1.29 Crore)		-	2.49
Add: Profit for the year		105.63	85.69
Less: Appropriations			
Interim dividend [Per share Rs. 5 (Previous year : Rs.Nil)]		17.73	-
Special/Final dividend [Dividend per share Re. 1 (Previous Year : Rs. 4)]		3.54	14.18
Tax on dividend		4.33	2.89
Balance as at the end of the year	(D)	411.58	331.55
TOTAL (A+B+C+D)		440.27	360.24

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
3 Long Term Borrowings		
Secured:		
Term Loans from Banks		
Rupee loans	72.07	70.10
Foreign currency loans	81.71	-
	153.78	70.10
Unsecured:		
Fixed deposits [#]	-	6.99
Deferral sales-tax liability	2.19	2.87
	2.19	9.86
[#] [Includes due to related parties Rs. Nil (Previous Year : Rs. 1.01 Crore)]		
TOTAL	155.97	79.96

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

3.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan Rs. 0.93 Crore (31 st March 2015: Rs. 5.93 Crore)	BBR+ 2.25%	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan I & II amounting to Rs. 40.00 Crore [Rs. 20.00 Crore each] (31 st March 2015: Rs. 40 Crore)	PLR - 2.75% for both I & II	I - 12 Quarterly installments of Rs. 1.67 Crore each commencing from April 2016. II - 12 Quarterly installments of Rs. 1.67 Crore each commencing from May 2016.
Term Loan Rs. 1.25 Crore (31 st March 2015: Rs. 6.25 Crore)	PLR - 3 %	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011
Term Loan Rs. 8.75 Crore (31 st March 2015: Rs. 19.75 Crore)	PLR - 5%	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011 & Rs. 1.50 Crore for New loan of Rs. 30 Crore commenced from Sept 2012
Term Loan NIL (31 st March 2015: Rs. 15.28 Crore)	12.25%	18 quarterly installments of Rs. 1.53 Crore each commenced from June 2013
Term Loan NIL (31 st March 2015: Rs. 14.00 Crore)	BBR+2.90%	20 quarterly installments of Rs. 1 Crore each commenced from Dec 2013.
Term Loan Rs. 15 Crore (31 st March 2015: NIL)	11.50%	Quarterly installments starting from 18months - 5 Years including a moratorium of 18 months
Term Loan Rs. 30.00 Crore (31 st March 2015: NIL)	PLR - 3.50 %	Quarterly installments with a moratorium of 8 quarters from the date of first disbursement
Foreign Currency Loan		
Term Loan NIL (31 st March 2015: Rs. 1.36 Crore)	3M LIBOR +2.75%	16 quarterly installments after a moratorium of 15 months from the date of each drawdown. Yearly repayments after drawdown would be: 1st year Nil, 2nd year 15%, 3rd year 25%, 4th year 30% and 5th year 30%.
Term Loan Rs. 97.89 Crore (31 st March 2015: NIL)	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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

- 3.3 Fixed deposits from public includes cumulative deposits with maturity period of 3 years carrying rate of interest 11% p.a and non-cumulative fixed deposits with maturity period of 2 to 3 years carrying interest from 10% p.a to 11% p.a. Interest on cumulative deposits is paid half yearly on compounding basis on maturity and interest in respect of non-cumulative deposits is paid quarterly.
- 3.4 Deferral sales-tax liability denotes interest-free sales tax deferral under the package schemes of incentives of 1988 and 1993 formulated by the Government of Maharashtra. Sales tax deferral liability under the 1988 scheme is repayable after 12 years in 6 annual installments and in case of 1993 scheme after 10 years in 5 annual installments from the initial date of deferment of liability.

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
4	Deferred Tax Liabilities (Net)		
	Deferred Tax Liabilities:		
	On difference between book depreciation and tax depreciation [Including Rs. NIL (Previous Year : Rs. 1.29 Crore) taken to retained earnings on account of transitional provisions of Schedule II to Companies Act, 2013]	25.42	24.12
	Deferred Tax Assets:		
	Employee retirement benefits	(3.39)	(3.36)
	Others	(1.99)	(0.22)
	TOTAL	20.04	20.54
5	Other Long Term Liabilities		
	Interest accrued but not due on fixed deposits (Refer Note 5.1)	-	0.52
	Security deposits	0.23	0.24
	TOTAL	0.23	0.76
5.1	Includes Rs. NIL (Previous Year : Rs. 0.06 Crore) due to related parties.		
6	Long Term Provisions		
	Employee retirement benefits		
	Leave encashment	3.37	2.99
	Gratuity	4.51	5.08
	TOTAL	7.88	8.07
7	Short Term Borrowings		
	Working capital loans from banks		
	Secured		
	Rupee Loans (Refer Note 7.1 & 7.2)	38.95	11.76
	Foreign currency loans (Refer Note 7.1 & 7.2)	26.79	120.21
	TOTAL	65.74	131.97

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

7.2 Rate of Interest for rupee loans ranging from 6.25% p.a. to 12.50% p.a. and for foreign currency loans from 0.84% p.a to 3.39% p.a.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
8	Trade Payables		
	Dues of Micro, Small and Medium Enterprises (Refer Note 8.1)	2.84	0.83
	Others (Refer Note 8.2)	150.84	145.37
	TOTAL	153.68	146.20

8.1 Disclosure of outstanding dues of Micro, Small and Medium Enterprise under trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on 31st March, 2016 to Micro, Small and Medium Enterprises on account of principal or interest (Previous year: Rs. Nil).

8.2 Others include:

Payable to subsidiary company **Rs. 1.77 Crore** (Previous year: Rs. 0.14 Crore) (Refer Note 36)

	Particulars	31 st March 2016	31 st March 2015
9	Other Current Liabilities		
	Current Maturities of :		
	- Long term loans (Refer Note 3.1 and 3.2)	40.05	32.47
	- Fixed deposits (Refer Note 3.3 and 9.1)	6.41	18.63
	- Deferral of sales-tax (Refer Note 3.4)	0.61	0.72
	Interest accrued but not due on borrowings (Refer Note 9.2)	1.86	3.11
	Interest accrued and due on borrowings	0.57	0.80
	Advance from customers	5.28	1.26
	Unclaimed dividends (Refer Note 9.3)	0.57	0.23
	Unclaimed redeemed 12% preference capital	0.03	0.03
	Unclaimed matured deposits and interest accrued thereon	0.07	0.08
	Creditors for capital expenditure	3.09	1.79
	Statutory liabilities	3.90	6.60
	Due to employees	7.74	5.37
	Other liabilities	0.27	0.09
	TOTAL	70.45	71.18

9.1 Includes **Rs. 0.42 Crore** (Previous Year: Rs. 5.66 Crore) due to related parties. Refer Note 36

9.2 Includes **Rs. 0.09 Crore** (Previous Year: Rs. 1.74 Crore) due to related parties. Refer Note 36

9.3 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

	Particulars	31 st March 2016	31 st March 2015
10	Short Term Provisions		
	Income tax (Net of advance tax)	0.39	3.06
	Wealth tax	-	0.02
	Proposed dividend	3.54	14.18
	Tax on proposed dividend	0.73	2.89
	Employee Retirement Benefits		
	Leave encashment	1.38	1.53
	Gratuity	0.95	0.70
	TOTAL	6.99	22.38

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

11. Fixed Assets

Figures in Rs. Crore

Particulars	Gross Block			Depreciation / Amortization				Net Block		
	As at 1 st April 2015	Additions during the year	Deletions during the year	As at 31 st March 2016	As at 1 st April 2015	For the Year	On account of Transitional provision of Schedule II	Deletions	As at 31 st March 2016	As at 31 st March 2015
Tangible Assets:										
Leasehold Land	27.08	-	8.13	18.95	3.46	0.34	-	1.19	16.34	23.62
Buildings (Refer Note 11.1)	97.82	1.02	0.24	98.60	26.97	3.25	-	0.15	68.53	70.85
Plant & Equipment	326.16	9.51	7.01	328.66	184.77	14.16	-	6.11	135.84	141.39
Furniture & Fixtures	16.39	0.34	0.04	16.69	6.43	1.84	-	0.04	8.46	9.96
Vehicles	4.32	0.68	0.30	4.70	1.97	0.58	-	0.28	2.43	2.35
Office Equipment	14.31	1.37	0.41	15.27	10.41	1.86	-	0.40	3.40	3.90
Sub Total (A)	486.08	12.92	16.13	482.87	234.01	22.03	-	8.17	235.00	252.07
Intangible Assets:										
Software	7.50	1.23	0.01	8.72	4.97	0.90	-	0.01	2.86	2.53
Technical know how	0.30	-	-	0.30	0.01	0.03	-	-	0.26	0.29
Sub Total (B)	7.80	1.23	0.01	9.02	4.98	0.93	-	0.01	3.12	2.82
TOTAL (A+B)	493.88	14.15	16.14	491.89	238.99	22.96	-	8.18	238.12	254.89
Previous Year	476.55	18.35	1.02	493.88	212.20	23.86	3.78	0.86	254.89	264.35

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

*Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
12	Non Current Investments (At cost - fully paid unless otherwise stated)		
1	Trade Investments - Unquoted		
(i)	Investment in Equity Shares		
	Subsidiary Companies		
	Galaxy Chemicals Inc. 12,000 shares of face value US \$ 0.01 each (Previous Year : 12,000 Shares)	0.46	0.46
	Galaxy Holdings (Mauritius) Ltd. 5,00,000 shares of face value US \$1 each (Previous Year : 5,00,000 Shares)	2.37	2.37
		2.83	2.83
(ii)	Investment in Preference Shares		
	Subsidiary Company		
	Galaxy Holdings (Mauritius) Ltd. 3,94,00,000 shares of face value US \$1 each (Previous Year : 2,44,00,000 shares)	214.79	116.89
		214.79	116.89
2	Non-Trade Investments		
i)	Investment in Equity Instruments		
a)	Quoted		
	Union Bank of India 7,200 shares of Rs. 10 each (Previous Year : 7,200 shares)	0.01	0.01
		0.01	0.01
b)	Unquoted		
	The Saraswat Co-operative Bank Ltd. 2,000 shares of Rs. 10 each (Previous Year : 2,000 shares)	-*	-*
	The North Kanara G.S.B. Co-operative Bank Ltd. 15,000 shares of Rs. 10 each (Previous year : 15,000 shares)	0.02	0.02
	Shamrao Vithal Co-operative Bank Ltd. 1,000 Shares of Rs. 25 each (Previous Year : 1,000 Shares)	-*	-*
		0.02	0.02
ii)	Investment in Government or Trust Securities		
	Unquoted		
	National Savings Certificates	-*	-*
	Kisan Vikas Patra	-*	-*
		-*	-*
iii)	Other Investments		
	Unquoted		
	Tarapur Environment Protection Society 7,729 Shares of face value of Rs. 100 each (Previous Year : 7,729 Shares)	-*	-*
	Narmada Clean Tech Ltd. 63,900 Shares of Rs. 10 each (Previous Year : 63,900 Shares)	-*	-*
		-*	-*
	TOTAL	217.65	119.76
	Aggregate amount of Quoted Investments	0.01	0.01
	Market Value of Quoted Investments	0.09	0.11
	Aggregate amount of Unquoted Investments	217.64	119.75

*Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
13 Long Term Loans and Advances		
Unsecured, considered good:		
Capital advances	2.96	1.38
Security deposits	4.68	4.66
Loan to related party (Refer note 36)	1.17	1.42
Advances recoverable in cash or kind for value to be received	11.26	10.28
Income tax payments (Net of provisions)	4.22	3.09
TOTAL	24.29	20.83

14 Inventories		
(At lower of cost or net realisable value)		
Raw materials [Including in transit of Rs. 15.88 Crore (Previous year : Rs. 11.53 Crore)]	49.91	50.37
Work-in-process	26.97	35.72
Packing materials [Including in transit of Rs. 0.22 Crore (Previous year : Rs. 0.16 Crore)]	3.46	3.18
Finished goods [(Including in transit of Rs. 8.15 Crore (Previous year : Rs. 11.84 Crore)]	39.82	42.05
Stock-in-trade [(Including in transit of Rs.0.99 Crore (Previous year : Rs. 0.75 Crore)]	3.99	5.64
Consumables, stores and others [(Including in transit of Rs. 0.06 Crore (Previous year : Rs. 0.04 Crore)]	7.76	8.67
TOTAL	131.91	145.63

15 Trade Receivables		
Outstanding for a period exceeding 6 months from the date they were due for payment		
Unsecured, considered good	1.02	13.29
Other trade receivables		
Unsecured, considered good	224.45	235.41
TOTAL	225.47	248.70

15.1 Includes **Rs. 50.62 Crore** (Previous year: Rs. 106.23 Crore) receivable from subsidiaries. Refer note 36

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
16 Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on hand	0.24	0.25
Balance with banks in current accounts	6.38	6.82
	6.62	7.07
Other Bank Balances		
Term deposits with maturity less than 3 months (Refer note 16.2)	0.49	-
Term deposits with maturity more than 3 months but less than 12 months (Refer note 16.1)	0.76	1.95
Term deposits with maturity more than 12 months (Refer note 16.3)	-	2.64
Unclaimed dividend accounts	0.57	0.23
Unclaimed preference capital redemption account	0.03	0.03
	1.85	4.85
TOTAL	8.47	11.92

16.1 Includes margin money against term loans **Rs. 0.05 Crore** (Previous Year: Rs. 1.58 Crore).

16.2 Includes deposits pledged with bank as lien against bank guarantees **Rs. 0.15 Crore** & **Rs. -*** pledged with sales tax authorities (Previous Year: Nil).

16.3 Includes deposits pledged with bank as lien against bank guarantees **Rs. Nil** (Previous Year: Rs. 0.15 Crore) & pledged with sales tax authorities **Rs. Nil** (Previous Year: Rs. -*).

Particulars	31 st March 2016	31 st March 2015
17 Short Term Loans and Advances		
Unsecured, considered good:		
Security deposits	0.10	0.03
Loans and advances to related parties (Refer note 36)	4.66	6.12
Income tax refund receivable	0.12	1.31
Advances recoverable in cash or kind for value to be received	38.14	56.17
TOTAL	43.02	63.63

18 Other Current Assets		
Interest accrued on term deposits	0.24	0.45
Export incentives	21.90	5.38
Other receivables	0.02	0.09
TOTAL	22.16	5.92

* Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	2015-2016	2014-2015
19	Revenue from Operations		
	Sale of products (Gross)	1,395.90	1,548.46
	Less : Excise duty	69.61	82.51
	Sale of products (Net)	1,326.29	1,465.95
	Other Operating Revenues		
	Export incentives	16.87	4.45
	Revenues from Operations	1,343.16	1,470.40

19.1	Particulars of Sale of Products		
	Organic surface active agents / preparations	1,076.47	1,208.38
	Fatty alkanolamides / fatty acid esters	51.84	71.85
	Specialty chemicals	267.54	268.24
	Others	0.05	(0.01)
	TOTAL	1,395.90	1,548.46

20	Other Income		
	Interest income on:		
	- Term deposits	0.37	0.49
	- Others	4.16	5.54
	Dividend on non-current investments	-*	-*
	Scrap sales	0.94	1.35
	Foreign exchange differences (Net)	-	1.05
	Profit on sale of fixed assets (Net)	-	0.03
	Commission received	1.15	0.98
	Miscellaneous income	1.90	0.31
	TOTAL	8.52	9.75

21	Cost of Materials Consumed		
	Raw materials	839.36	996.99
	Packing materials	50.94	53.59
	TOTAL	890.30	1,050.58

21.1	Particulars of Materials Consumed		
	Acids, alkalis and amines	95.17	103.39
	Fatty alcohol, fatty acid, oils and ethylene oxide	642.82	770.10
	Other raw materials	101.37	123.50
	Packing materials	50.94	53.59
	TOTAL	890.30	1,050.58

21.2	Value of Materials consumed	Rs. Crore	%	Rs. Crore	%
	Imported	511.09	57	724.85	69
	Indigeneous	379.21	43	325.73	31
	TOTAL	890.30	100	1,050.58	100

* Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	2015-2016	2014-2015
22	Purchase of Stock-in-trade		
	Specialty chemicals	14.82	12.93
	TOTAL	14.82	12.93
23	Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade:		
	Inventories at the beginning of the year		
	Finished goods	42.05	57.27
	Work-in-process	35.72	27.75
	Stock-in-trade	5.64	2.93
		83.41	87.95
	Inventories at the end of the year		
	Finished goods	39.82	42.05
	Work-in-progress	26.97	35.72
	Stock-in-trade	3.99	5.64
		70.78	83.41
	(Increase)/Decrease in inventories	12.63	4.54
24	Employee Benefits Expenses:		
	Salaries, wages and allowances	60.17	52.80
	Contribution to provident and other funds	4.98	6.59
	Workmen and staff welfare expenses	4.97	4.17
	TOTAL	70.12	63.56
24.1	Managerial Remuneration included under Employee Benefit Expenses:		
	Remuneration Paid to Managing Director and Whole-Time Directors (Refer Note 36)		
	Salaries and allowances	4.42	4.73
	Commission	3.27	-
	Contribution to provident and other funds	0.39	0.43
	TOTAL	8.08	5.16

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	2015-2016	2014-2015
25 Other Expenses		
Consumption of stores and spare parts, consumables	7.95	8.96
Power & fuel	29.82	33.59
Water charges	0.82	1.14
Repairs and maintenance:		
- Plant and machinery	7.08	5.55
- Building	0.19	2.47
- Others	2.03	1.79
Rent (including storage charges)	1.79	1.83
Insurance	3.72	3.98
Rates and taxes includes wealth tax of Rs. Nil (Previous year Rs. 0.02 Crore)	6.84	5.79
Travelling and conveyance	8.28	8.34
Freight and forwarding (Net of recovery)	50.39	57.59
Legal & professional fees	11.03	9.05
Discount and commission on sales	1.26	1.28
CSR expenditure (Refer Note 38)	1.75	1.16
Donations	.*	.*
Directors' sitting fees	0.29	0.29
Bad Debts written off	-	0.03
Commission to non-executive directors	0.38	0.33
Loss on sale/ discard of fixed assets (Net)	0.47	-
Foreign exchange differences (Net)	0.50	-
REACH registration expenses (Net)	0.34	3.96
Bank charges	1.63	2.31
Printing & stationery, postage	2.75	2.72
Royalty	0.13	0.05
Miscellaneous expenses	13.96	13.81
TOTAL	153.40	166.02

25.1 Value of Stores and Spares Consumed	Rs. Crore	%	Rs. Crore	%
Imported	0.19	2.39	0.13	1.45
Indigeneous	7.76	97.61	8.83	98.55
TOTAL	7.95	100	8.96	100

25.2 Payment to Auditors included under Legal and Professional Fees#	Rs. Crore	%
Audit fees	0.24	0.24
Other services	0.02	.*
Out of pocket expenses	0.02	.*
TOTAL	0.28	0.24

26 Finance Costs	Rs. Crore	%
Interest expense	21.14	24.35
Other borrowing cost	3.48	3.92
TOTAL	24.62	28.27

* Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

27 Contingent Liabilities and Claims not provided for

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
(a) Counter guarantees given to banks	10.41	23.52
(b) Corporate guarantees given to bank in connection with borrowings by subsidiary company	159.68	204.81
(c) Export bills discounted [Including factored debts with recourse option Rs. Nil /- (Previous year Rs.34 Crores)]	-	50.37
(d) Letter of credit outstanding	8.05	18.52
(e) Claims against the Company not acknowledged as debts		
- Excise duty & service tax	5.44	3.97
- Income tax	2.00	2.72
- Sales tax	1.24	1.24
- Custom duty	0.32	0.17
- Cess on electricity	0.95	0.93
(f) Custom duty liability in case of non-fulfilment of export obligation	0.05	0.24

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

Particulars	31 st March 2016	31 st March 2015
Contracts remaining to be executed (Net of advances)	9.80	12.14

29 Other Details

Particulars	2015-2016	2014-2015
(a) Earnings in Foreign Currencies:		
F.O.B value of exports	721.95	747.01
Guarantee commission	1.15	0.98
Interest	2.88	4.94
Other recoveries	46.24	46.82
(b) Value of Imports on CIF Basis:		
Raw materials and packing materials	487.07	670.41
Traded goods	9.16	10.92
Capital goods	5.41	1.86
Consumables & stores	0.37	0.07
(c) Expenditure in Foreign Currency:		
Traveling & conveyance	0.55	0.77
Commission on exports	0.56	0.44
Professional fees	0.93	1.00
Exhibitions, subscription, membership and seminar	2.20	1.62
Interest and processing charges on borrowings	1.74	3.74
REACH registration expenses (Net)	0.33	3.96
Freight, forwarding & clearing charges	4.80	8.57
Other expenses	3.21	6.10

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

30 Derivative Instruments:

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

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

Forward Exchange Contracts outstanding as at the year end:

Figures in Rs. Crore

Currency	Type	Cross Currency	31 st March 2016	31 st March 2015
USD	Sell	INR	83.60	3.15
EUR	Sell	INR	5.73	5.17

Currency Option contracts outstanding as at the year end:

Currency	Type	Cross Currency	31 st March 2016	31 st March 2015
USD	Buy	INR	1.50	0.03

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

Particulars	Currency	31 st March 2016		31 st March 2015	
		Amount in Foreign currency	Amount in INR	Amount in Foreign currency	Amount in INR
Trade receivables	USD	1.11	73.25	3.47	217.08
	EUR	0.01	1.30	0.05	3.62
Other receivables	USD	0.07	4.70	0.08	4.93
	EUR	.*	0.01	.*	0.02
Cash & bank balances	USD	.*	0.18	.*	0.14
	EUR	.*	0.29	.*	0.08
	GBP	-	-	.*	.*
	TRL	-	-	.*	.*
Trade payables	USD	1.03	68.07	1.51	94.41
	EUR	.*	0.21	.*	0.09
	GBP	.*	0.02	.*	0.04
	JPY	-	-	0.07	0.04
	CHF	-	-	.*	0.02
Borrowings	USD	0.29	19.67	1.85	115.37
	EUR	0.09	7.13	0.07	4.84

31 Earnings Per Share (EPS):

Particulars	31 st March 2016	31 st March 2015
Net profit after tax (Rs. Crore)	105.63	85.69
Weighted average number of equity shares outstanding during the year	3,54,54,752	3,54,54,752
Nominal value of equity shares (Rs.)	10	10
Earnings per Share basic & diluted (Rs.)	29.79	24.17

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

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

a. Investments made

The same are classified under respective heads. Refer Note 12

b. Guarantees/Securities given

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

c. Loans given

Figures in Rs. Crore

Particulars	Loan Balance as on	
	31st March 2016	31st March 2015
Galaxy Surfactants Limited – Employees’ Welfare Trust	1.17	1.42

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

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

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

a) Defined Contribution Plan:

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Company has recognised **Rs. 3.18 Crore** for the period (Previous Year : Rs. 2.98 Crore) being Company’s contribution to Provident Fund and ESIC contribution, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss [Refer Note 24].

b) Defined Benefit Plans:

General Description of Defined Benefit Plans

Gratuity Plan

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

Leave Plan

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

i. Changes in the Obligation:

Figures in Rs. Crore

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Present value of the obligation as at beginning of the year	12.13	8.26	4.51	3.13
Interest cost	0.77	0.61	0.29	0.29
Past service cost	-	-	-	-
Current service cost	0.70	0.38	0.49	0.17
Curtailment cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Benefits paid	(1.48)	(0.22)	(0.32)	(0.19)
Actuarial (gain) / loss on obligations	1.02	3.10	(0.21)	1.11
Present value of the obligation as at end of the year	13.14	12.13	4.76	4.51

ii. Fair value of Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Present value of plan assets as at beginning of the year	6.35	5.79	-	-
Expected return on plan assets	0.37	0.41	-	-
Actuarial gain / (loss) on plan assets	0.16	0.12	-	-
Contributions	0.98	0.25	-	-
Benefits paid	(0.18)	(0.22)	-	-
Fair value of plan assets as at end of the year	7.69	6.35	-	-
Return on Plan Assets:				
Expected return on plan assets	0.37	0.41	-	-
Actuarial gain/(loss) on plan assets	0.16	0.12	-	-
Actual return on plan assets	0.53	0.53	-	-
The actual return on Plan Assets:				
Actual returns on plan assets administered by LIC of India	0.53	0.53	-	-

iii. Amount recognised in the Balance sheet:

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Present value of plan assets as at end of the year	13.14	12.13	-	-
Fair value of plan assets as at end of the year	7.69	6.35	-	-
Present value of unfunded obligation as at end of the year	-	-	4.76	4.51
Net liability recognised in the Balance Sheet	5.46	5.78	4.76	4.51

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

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

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Insurer managed funds	100%	100%	-	-

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

Figures in Rs. Crore

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Current service cost	0.70	0.38	0.48	0.17
Interest cost	0.77	0.61	0.29	0.29
Expected return on plan assets	(0.37)	(0.41)	-	-
Net actuarial (gain) / loss to be recognised	0.87	2.98	(0.21)	1.11
Expenses recognised in the Statement of Profit and Loss	1.96	3.56	0.57	1.57

vi. Principal actuarial assumptions:

Particulars	Gratuity		Leave Encashment	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
Discount rate	7.80%	7.80%	7.80%	7.80%
Expected rate of return on plan assets	7.80%	8.50%	-	-
Attrition rate	5.00%	5.00%	5.00%	5.00%
Average salary escalation rate	7.00%	7.00%	7.00%	7.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate

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

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

vii. Experience adjustments

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012
Gratuity					
Defined benefit obligation	13.14	12.13	8.26	8.74	6.87
Fair value of plan assets	7.69	6.35	5.79	5.42	4.13
Surplus / (deficit)	(5.46)	(5.78)	(2.47)	(3.32)	(2.74)
Actuarial adjustments on plan liabilities	1.02	0.86	(0.55)	0.54	0.40
Actuarial adjustments on plan assets	(0.16)	(0.12)	0.01	-*	-*
Leave Encashment					
Defined benefit obligation	4.76	4.51	3.13	3.21	3.43

*Figures less than Rs.1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

34 Segment Reporting (Accounting Standard 17):

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

Figures in Rs. Crore

Segment Revenues		2015-2016	2014-2015
A.	Revenues within India	624.50	746.04
B.	Revenues outside India	771.40	802.42
Gross sale of products		1395.90	1,548.46

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

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
Opening Balance	0.49	-
Additions during the Year		
Interest & other finance charges	1.71	0.05
Personnel cost	0.84	0.25
Travelling & conveyance	0.05	-*
Insurance charges	-	0.12
Professional fees	0.05	0.07
Total pre-operative expenses	3.15	0.49
Less : Capitalised during the year	-	-
Balance as at the year end	3.15	0.49

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

36 Disclosure as per Accounting Standard 18 – Related Parties:

a) Names of the related parties and nature of relationship

Direct Subsidiaries:

Galaxy Chemicals Inc.
Galaxy Holdings (Mauritius) Ltd.

Step down Subsidiaries

Galaxy Chemicals (Egypt) S.A.E
Rainbow Holdings GmbH
TRI-K Industries Inc.

Key management personnel and their relatives:

Key Management Personnel- Whole-Time Directors	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife
	Mr. Karthik Shekhar, Son
	Ms. Nandini Shekhar, Daughter
Mr. S. R. Shanbhag (till 22 nd May , 2015)	Mrs. Vandana Shanbhag, Wife
	Mrs. Sneha Salil Save, Daughter
	Mr. Pranav Shanbhag, Son
Mr. G. Ramakrishnan	Mrs. Jayashree Ramakrishnan, Wife
	Mr. Amit Ramakrishnan, Son
	Mr. Akaash Ramakrishnan, Son
Mr. U. K. Kamat	Mrs. Dhanvanti Kamat, Wife
	Mr. Paresk Kamat, Son
	Ms. Mallika Kamat, Daughter
Mr. R. Venkateswar	Mrs. Geetha Venkateswar, Wife
	Mrs. Priyanka Venkateswar, Daughter
	Ms. Sneha Venkateswar, Daughter

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

b) The related party transactions are as under:

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	Income:								
	a Sales:								
	Galaxy Chemicals (Egypt) S.A.E.	102.51	134.02						
	TRI-K Industries Inc.	66.58	48.69						
	b Guarantee Commission:								
	Galaxy Chemicals (Egypt) S.A.E.	1.15	0.98						
	c Interest :								
	Galaxy Chemicals (Egypt) S.A.E.	2.88	4.89						
	TRI-K Industries Inc.	.*	0.05						
2	Expenditure:								
	a Purchases:								
	Galaxy Chemicals (Egypt) S.A.E.	0.12	-						
	TRI-K Industries Inc.	4.18	1.64						
	b Interest :								
	TRI-K Industries Inc.	.*	.*						
	Galaxy Chemicals (Egypt) S.A.E.	.*	-						
	c Other Expenses:								
	TRI-K Industries Inc.	0.19	0.06						
	d Managerial Remuneration:								
	U. Shekhar					1.95	1.05		
	G. Ramakrishnan					1.95	1.12		
	S. R. Shanbhag					0.45	1.03		
	U. K. Kamat					1.78	1.02		
	R. Venkateswar					1.95	0.94		
	e Interest on Fixed Deposits:								
	Galaxy Chemicals			0.09	0.27				
	U. Shekhar					0.17	0.55		
	Karthik Shekhar							0.01	0.06

*Figures less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	Nandini Shekhar							0.03	0.05
	Jayashree Ramakrishnan							0.02	0.08
	Others							0.03	0.02
f	Dividend / Interim Dividend:								
	Galaxy Chemicals			8.25	3.65				
	Galaxy Emulsifiers Pvt. Ltd.			0.49	0.22				
	Galaxy Surfactants Limited - Employees' Welfare Trust			0.26	0.11				
	U. Shekhar					3.81	1.65		
	S. R. Shanbhag					3.69	1.63		
	G. Ramakrishnan					2.11	0.93		
	U. K Kamat					0.09	0.04		
	Jayashree Ramakrishnan							1.66	0.72
	Others							0.21	0.10
3	Unsecured Loans:								
a	Fixed Deposit Received								
b	Fixed Deposit Repaid:								
	Galaxy Chemicals			1.90	-				
	U. Shekhar					3.30	0.80		
	G. Ramakrishnan					-	0.01		
	Karthik Shekhar							0.25	0.40
	Nandini Shekhar							0.18	0.22
	Jayashree Ramakrishnan							0.59	0.11
	Others							0.03	0.36
c	Balances as at year end:								
	Galaxy Chemicals			-	1.90				
	U. Shekhar					-	3.30		
	Karthik Shekhar							-	0.25
	Nandini Shekhar							0.14	0.32
	Jayashree Ramakrishnan							0.07	0.66#
	Lakshmy Shekhar							0.16	0.16
	Others							0.06	0.09

Includes fixed deposit of Rs. 0.04 Crore as transmission to legal heir.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
d	Interest accrued but not due on Fixed Deposits:								
	Galaxy Chemicals			-	0.58				
	U. Shekhar					-	1.01		
	Karthik Shekhar							-	0.08
	Nandini Shekhar							0.05	0.09
	Lakshmi Shekhar							0.05	0.03
	Others							-	0.01
4	Investments:								
a	Balance as at Year end:								
	Galaxy Chemicals Inc.	0.46	0.46						
	Galaxy Holdings (Mauritius) Ltd	217.15	119.26						
5	Trade Receivables:								
a	Balance as at Year end:								
	Galaxy Chemicals (Egypt) S.A.E.	41.02	91.65						
	TRI-K Industries Inc.	9.60	14.58						
6	Trade Payables:								
a	Balance as at Year end:								
	Galaxy Chemicals (Egypt) S.A.E.	-*	-						
	TRI-K Industries Inc.	1.77	0.14						
7	Loans and Advances:								
a	Expenses incurred on behalf of Related Parties:								
	Galaxy Chemicals (Egypt) S.A.E.	0.28	0.24						
	TRI-K Industries Inc.	0.38	-*						

*Figures less than Rs.1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
b	Balance as at year end:								
	Galaxy Chemicals (Egypt) S.A.E.	4.35	6.07						
	TRI-K Industries Inc.	0.31	0.05						
	Galaxy Surfactants Ltd - Employees' Welfare Trust			1.17	1.42				
8 a	Bank Guarantee given on behalf of Related Parties:								
	Galaxy Chemicals (Egypt) S.A.E.	-	31.25						
b	Corporate/SBLC Guarantee as at year end:								
	Galaxy Chemicals (Egypt) S.A.E.	159.68	173.56						

37 Operating Leases:

Assets taken on operating lease:

The Company has entered into operating lease agreements towards use of godowns, offices and residential premises for its employees. Most of the lease agreements provide for cancellation by either party with a notice period of 30 days. Lease rental payments recognised in the Statement of Profit and Loss for the year are **Rs. 0.91 Crore** (Previous Year Rs. 0.98 Crore).

38 Details of CSR Expenditure

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

Figures in Rs. Crore

Particulars	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Company during the year	-	-	2.07
II. Amount spent during the year on:			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	1.75	-	1.75

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

39 Previous Year Figures:

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

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

For and on behalf of the Board

D. P. SAPRE
Partner
Mem. No. 40740

U. SHEKHAR
Managing Director

G. RAMAKRISHNAN
Executive Director - Innovation

Navi Mumbai
Date: June 04, 2016

R. VENKATESWAR
Executive Director –
Finance & CFO

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

Customization
with **C**are

MILD IS THE NEW CARE

Galsoft[®]

Galsoft series is next generation cleansing solutions which are mild & gentle to skin; provides deep cleansing with rich creamy foam

Galsoft[®] SCG

Sodium Cocoyl Glycinate

**Feel moisturized
with every wash**
Glycine based Amino acid surfactant, leaves the skin revitalized and moisturized with every wash

Galsoft[®] SCI

Sodium Cocoyl Isethionate

**Enhance your bathing
experience**
Deep cleansing with moisturizing effect and rich creamy foam

Galsoft[®] SCGL

Disodium Cocoyl Glutamate

Rejuvenate your senses
Glutamate based Amino acid surfactant provides gentle cleansing and leaves the skin soft and smooth

Galsoft[®] NaLS

Sodium Lauroyl Sarcosinate

High foam indulgence
Sarcosine based Amino acid surfactant, breaks the conventional norms, mild surfactant which provides extremely high foam

Galsoft[®] SCT40

Sodium Cocoyl Taurate

The Gentle one
Amino acid Surfactant based on Taurine, ideal for baby care



CONSOLIDATED FINANCIAL PERFORMANCE

5 year track record

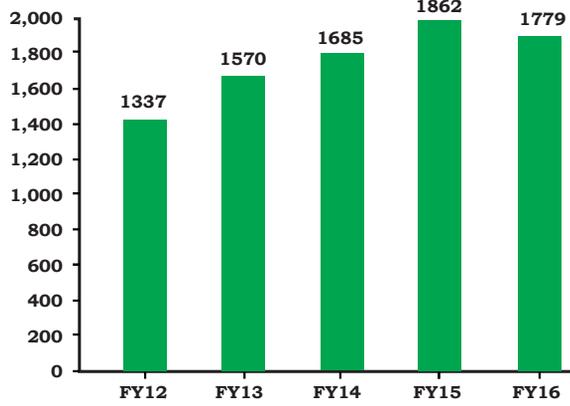
Figures in Rs. Crore

Particulars	FY16	FY15	FY14	FY13	FY12
Profit & Loss Account					
Sales of Products (Net)	1779	1862	1685	1570	1337
Other Income	28	13	16	13	9
PBDIT	238	192	219	121	117
PBIT	193	147	164	71	89
Interest	31	34	42	52	34
Profit Before Taxation	161	113	122	19	55
Profit After Taxation	101	68	75	0.29	33
Basic Earning Per Share of Rs.10 (Rs.)	28.52	19.18	21.22	0.08	9.29
Dividend Per Share of Rs.10 (Rs.)	6.00	4.00	4.00	1.00	2.50
Balance Sheet					
Fixed Assets	487	466	480	483	473
Investments	0.03	0.03	0.03	0.03	0.03
Net Current Assets	386	369	265	259	202
Total*	873	835	745	742	675
Equity Capital	35	35	35	35	35
Reserves & Surplus	406	325	270	202	199
Loan Funds	413	456	417	481	420
Deferred Tax Liability	19	19	23	24	21
Total*	873	835	745	742	675
PAT/ Sales (%)	5.7	3.7	4.5	0.0	2.5
Return on Capital Employed (%)	23.0	19.0	22.0	10.0	15.4
Return on Net Worth (%)	25.2	20.4	27.8	0.1	15.1
Net Current Assets to Sales (%)	21.7	19.8	15.7	16.5	15.1
Cash Generated from Operations	170	41	155	55	84

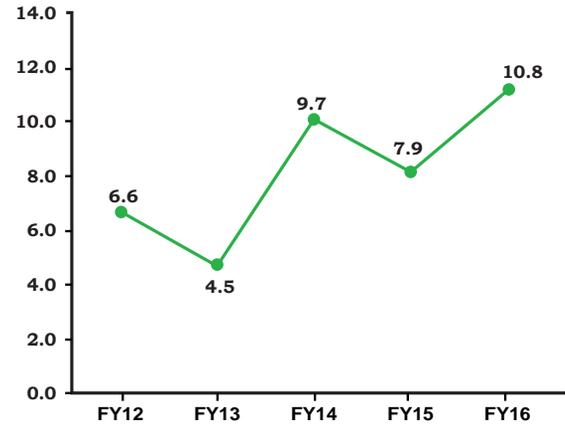
* Figures rounded off to Rs. Crore

PERFORMANCE TRENDS (CONSOLIDATED)

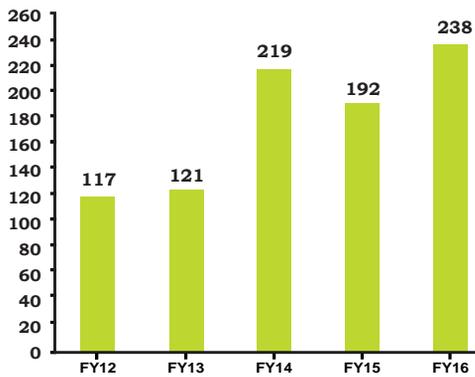
Sales (Rs. Crore)



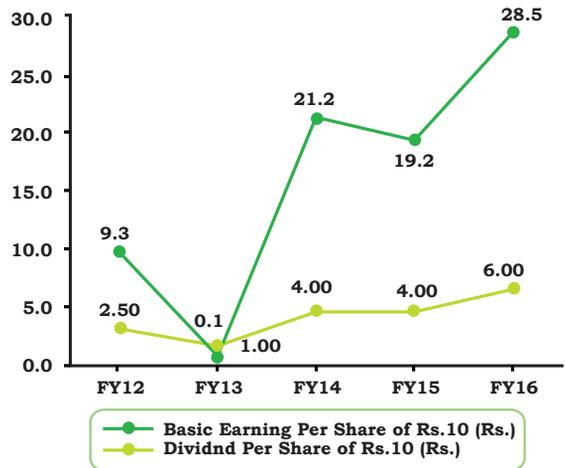
PBIT as % of Sales



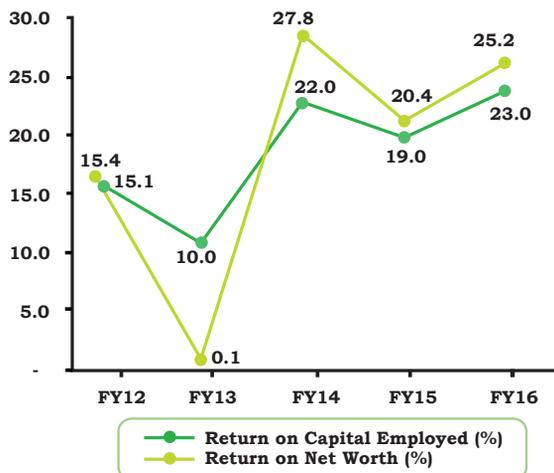
PBDIT (Rs. Crore)



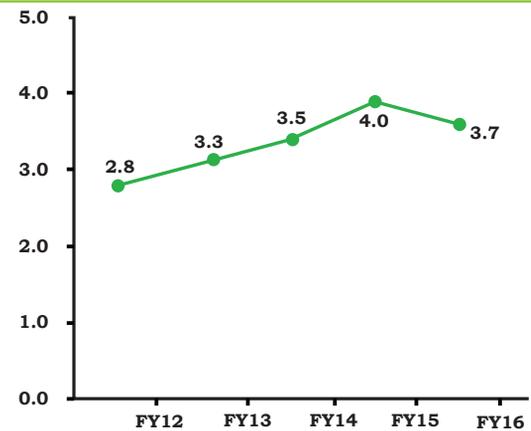
Basic Earning & Dividend Per Share (Rs.)



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



Fixed Assets Turnover (No. of times)



INDEPENDENT AUDITORS REPORT

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

To the Members of Galaxy Surfactants Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements (the “Consolidated Financial Statements”) of **Galaxy Surfactants Limited** (“the Holding Company”) and its subsidiaries (hereinafter together with the Holding Company referred to as the “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

INDEPENDENT AUDITORS REPORT

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2016 and the consolidated profit and consolidated cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. (23.86) Crore as at 31st March, 2016, total revenues (loss) of Rs. (3.42) Crore and net cash inflows amounting to Rs. 0.78 Crore 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 sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on other legal and regulatory Requirements below is not modified except for as mentioned above in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal And Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act. The Group does not have any subsidiary companies incorporated in India.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITORS REPORT

ON CONSOLIDATED FINANCIAL STATEMENT OF GALAXY SURFACTANTS LIMITED

- (i) The Consolidated Financial Statements disclose the impact of pending litigation on the consolidated financial position of the Group – Refer Note 28 to the Consolidated Financial Statements.
- (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.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. The Group does not have any subsidiary companies incorporated in India.

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

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

Place: Mumbai
Date: June 04, 2016

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

Annexure A

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

We have audited the internal financial controls over financial reporting of **Galaxy Surfactants Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. None of the Subsidiary Companies are incorporated in India under Companies Act, 2013 and accordingly, we have reported on adequacy of internal control over financial reporting only in case of the Holding Company.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

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

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

According to the information and explanations given to us and based on our audit of test of controls, in our opinion, the Company has adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai
Date: June 04, 2016

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	Note	31 st March 2016	31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	1	35.45	35.45
Reserves and surplus	2	406.25	325.17
Non-Current Liabilities			
Long term borrowings	3	194.25	141.07
Deferred tax liability (Net)	4	18.67	19.03
Other long term liabilities	5	2.52	1.32
Long term provisions	6	7.88	8.07
Current Liabilities			
Short term borrowings	7	142.36	233.14
Trade payables	8	185.63	172.67
Other current liabilities	9	100.26	98.50
Short term provisions	10	7.17	22.57
TOTAL		1,100.44	1,056.99
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	11	424.94	446.20
Intangible assets	11	10.82	13.23
Capital work-in-progress		50.75	6.51
Non-current investments	12	0.03	0.03
Long term loans and advances	13	30.03	25.03
Current Assets			
Inventories	14	235.77	245.99
Trade receivables	15	250.19	221.27
Cash and bank balances	16	16.38	19.06
Short term loans and advances	17	57.53	73.34
Other current assets	18	24.00	6.33
TOTAL		1,100.44	1,056.99

Notes A, B and 1 to 36 form an integral part of the Consolidated Financial Statements

As per our Report attached

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

For and on behalf of the Board

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

G. RAMAKRISHNAN

Executive Director - Innovation

Navi Mumbai

Date: June 04, 2016

R. VENKATESWAR

Executive Director –
Finance & CFO

V. SHITOLE

Head - Resource Mobilisation &
Utilisation Process & Company
Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED ON 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	Note	2015-2016	2014-2015
INCOME			
Revenue from operations	19	1,848.74	1,944.81
Less : Excise duty		69.61	82.51
Sale of Products (Net)		1,779.13	1,862.30
Other operating revenue		22.30	9.49
Revenue from operations (Net)		1,801.43	1,871.79
Other income	20	5.87	3.54
TOTAL REVENUE		1,807.30	1,875.33
EXPENDITURE			
Cost of materials consumed	21	1,115.33	1,252.92
Purchase of stock-in-trade	22	70.27	75.10
Changes in inventories of finished goods, work-in-process and stock-in-trade	23	14.44	(4.64)
Employee benefit expense	24	144.42	128.47
Other expenses	25	224.97	231.48
TOTAL EXPENSES		1,569.43	1,683.33
Profit Before Interest, Tax, Depreciation and Amortization		237.87	192.00
Finance costs	26	31.19	34.39
Profit Before Tax, Depreciation and Amortization		206.68	157.61
Depreciation & amortization	11	45.22	45.08
Profit Before Tax		161.46	112.53
Tax expenses			
-Current tax		60.60	47.24
-Deferred tax		(0.27)	(2.74)
-Prior year tax adjustments		-	0.04
Total tax expenses		60.33	44.54
Profit for the year		101.13	67.99
Earnings per Share	29		
Equity shares of face value Rs. 10 each			
-Basic		28.52	19.18
-Diluted		28.52	19.18

Notes A, B and 1 to 36 form an integral part of the Consolidated Financial Statements

As per our Report attached

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

For and on behalf of the Board

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

G. RAMAKRISHNAN

Executive Director - Innovation

Navi Mumbai

Date: June 04, 2016

R. VENKATESWAR

Executive Director –
Finance & CFO

V. SHITOLE

Head - Resource Mobilisation &
Utilisation Process & Company
Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2016

Figures in Rs. Crore

Particulars	31 st March 2016		31 st March 2015	
A. Cash Flow from Operating Activities				
Profit before tax		161.46		112.53
Adjustments for:				
Add:				
Depreciation	45.23		45.08	
Finance cost	31.19		34.39	
Bad debts/provision for doubtful debts	-		-*	
Wealth tax	-		0.02	
Loss on sale/discarding of assets	0.47	76.89	-	79.49
Less:				
Dividend income	-*		-*	
Profit on sale of assets	-		(0.02)	
Interest income	(1.70)	(1.70)	(1.11)	(1.13)
Operating Profit before Working Capital Changes		236.65		190.89
Working Capital Changes				
Adjusted for:				
Inventories	10.21		(15.60)	
Trade receivables	(28.92)		(16.80)	
Loans and advances and other assets	(5.50)		(19.18)	
Trade payables and other liabilities	19.19		(51.30)	
Other provisions	(0.10)	(5.12)	4.57	(98.31)
Cash Generated from Operations		231.53		92.58
Taxes paid		(61.78)		(51.52)
Net Cash Flow from Operating Activities (A)		169.75		41.06
B. Cash Flow from Investing Activities				
Capital expenditure		(61.74)		(26.23)
Sale of fixed assets		7.49		0.21
Foreign currency translation reserve		(6.46)		(1.34)
Dividend income		-*		-*
Interest income		1.70		1.11
Net Cash Flow used in Investing Activities (B)		(59.01)		(26.25)
C. Cash Flow from Financing Activities				
Net borrowings		(40.88)		33.74
Finance cost		(38.19)		(34.19)
Equity dividend paid (including dividend tax)		(38.41)		(16.59)
Net Cash Flow used in Financing Activities (C)		(110.48)		(17.04)
Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C)		0.26		(2.23)
Cash and cash equivalents - opening balance		13.93		16.16
Unrealised foreign exchange gain/(loss)	0.05		(0.03)	
Cash and cash equivalents - closing balance	14.14	14.19	13.96	13.93
Net Increase/ (Decrease) in Cash and Cash Equivalents		0.26		(2.23)

* Figures less than Rs. 1,00,000

As per our Report attached

For P.D. Kunte & Co. (Regd.)

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

G. RAMAKRISHNAN

Executive Director - Innovation

Navi Mumbai

Date: June 04, 2016

R. VENKATESWAR

Executive Director -
Finance & CFO

V. SHITOLE

Head - Resource Mobilisation & Utilisation Process & Company
Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

A. Basis of Consolidation

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

a) Basis of Accounting:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company, i.e., for the year ended 31st March, 2016.
- (ii) The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

b) Principles of Consolidation:

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

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

(c) Particulars of Subsidiaries:

Name of the Company	Country of Incorporation	Percentage of Voting Power as at 31 st March, 2016
Galaxy Chemicals Inc.	USA	100%
Galaxy Holdings (Mauritius) Ltd.	Mauritius	100%
Galaxy Chemicals (Egypt) S.A.E.	Egypt	100%
Rainbow Holdings GmbH	Germany	100%
TRI-K Industries Inc.	USA	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

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

(a) Basis for preparation of financial statements:

(i) Accounting Convention:

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

(ii) Use of Estimates:

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

(b) Revenue Recognition:

Sale of Goods:

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

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

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

Other Income:

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

(c) Fixed Assets / Intangible Assets:

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

(d) Depreciation & Amortisation:

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

Leasehold land is amortised over the primary period of lease.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(e) Inventories:

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

(f) Investments:

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

(g) Foreign Currency Transactions:

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

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

(h) Research and Development:

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

(i) Employee Benefits:

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

(j) Borrowing Costs:

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

(k) Taxation:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

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

(l) Earnings per Share:

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

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

(m) Impairment of Assets:

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

(n) Provision and Contingent Liabilities:

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
1	Share Capital		
	Authorised:		
	5,00,00,000 Equity Shares of Rs. 10 each	50.00	50.00
	(Previous Year : 5,00,00,000 Equity Shares of Rs. 10 each)	50.00	50.00
	Issued, Subscribed and Paid-up:		
	3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up		
	(Previous Year : 3,54,54,752 Equity Shares of Rs. 10 each, fully paid-up)	35.45	35.45
	TOTAL	35.45	35.45

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

Equity Shares	31 st March 2016		31 st March 2015	
	No. of Shares	Rs. Crore	No. of Shares	Rs. Crore
Balance at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Add: Issue of bonus shares during the period	-	-	-	-
Balance at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

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

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

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

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

Particulars	Aggregate Number of Shares	
	31 st March 2016	31 st March 2015
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserves	1,77,27,376	2,62,91,064

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

Equity Shares

Name of Shareholders	31 st March 2016		31 st March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,69,804	25.86	91,55,314	25.82
Unnathan Shekhar	42,48,240	11.98	41,19,440	11.62
Sudhir D. Patil	41,56,040	11.72	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,67,684	11.47
Gopalkrishnan Ramakrishnan	24,07,108	6.79	23,30,108	6.57
Jayashree Ramakrishnan	17,92,972	5.06	17,92,972	5.06

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31st March 2015
2 Reserves and Surplus		
Capital Reserve:		
Balance as at the beginning of the year and as at the end of the year*	2.11	2.11
(A)	2.11	2.11
*Capital subsidy received from the Government of Maharashtra under the package scheme of incentives.		
Capital Reserve on Consolidation:		
Balance as at the beginning of the year and as at the end of the year	3.11	3.12
(B)	3.11	3.12
Securities Premium Reserve:		
Balance as at the beginning of the year and as at the end of the year	0.20	0.20
(C)	0.20	0.20
Foreign Currency Translation Reserve:		
Balance as at the beginning of the year	31.49	24.22
Add: Net adjustment for the year	5.56	7.27
Balance as at the end of the year	(D) 37.05	31.49
General Reserve:		
Balance as at the beginning of the year	26.38	26.38
Add: Transfer from the statement of profit and loss	-	-
Balance as at the end of the year	(E) 26.38	26.38
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	261.87	213.44
Less: Depreciation on account of Transitional provisions of Schedule II to Companies Act, 2013 (Net of Deferred tax of Rs. 1.29 Crore)	-	2.49
Add: Profit for the year	101.13	67.99
Less: Appropriations		
Transfer to general reserve	-	-
Interim dividend [Per share Rs. 5 (Previous year : Rs.Nil)]	17.73	-
Special/Final dividend [Dividend per share Re. 1 (Previous Year : Rs. 4)]	3.54	14.18
Tax on dividend	4.33	2.89
Balance as at the end of the year	(F) 337.40	261.87
TOTAL (A+B+C+D+E+F)	406.25	325.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31st March 2015
3 Long Term Borrowings		
Secured:		
Term Loans from Banks		
Rupee loans	72.07	70.10
Foreign currency loans	84.65	6.94
Term Loans from Others	35.33	54.17
	192.05	131.21
Unsecured:		
Fixed deposits#	-	6.99
Deferral sales-tax liability	2.20	2.87
	2.20	9.86
#[Includes due to related parties Rs. Nil (Previous Year : Rs. 1.01 Crore)](Refer Note 32)		
TOTAL	194.25	141.07

- 3.1 Term loans from banks are secured by first pari passu charge created / to be created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present & future movable assets, and by second pari passu charge created/to be created on current assets, both present and future.
- 3.2 Term loans from others are secured by a first charge created/to be created over movable and immovable assets (other than working capital assets) of Galaxy Chemicals (Egypt) S.A.E., assignment of insurance policies over those assets and a corporate guarantee by the Ultimate Holding Company.
- 3.3 Term loan from banks is collateralized and secured by all equipments and fixtures, inventories and receivables of Tri-K Industries Inc. and matures on November 30, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

3.4 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan Rs. 0.93 Crore (31 st March 2015: Rs. 5.93 Crore)	BBR+ 2.25%	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan I & II amounting to Rs. 40.00 Crore [Rs. 20.00 Crore each] (31 st March 2015: Rs. 40 Crore)	PLR - 2.75% for both I & II	I - 12 Quarterly installments of Rs. 1.67 Crore each commencing from April 2016. II - 12 Quarterly installments of Rs. 1.67 Crore each commencing from May 2016.
Term Loan Rs. 1.25 Crore (31 st March 2015: Rs. 6.25 Crore)	PLR - 3 %	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011.
Term Loan Rs. 8.75 Crore (31 st March 2015: Rs. 19.75 Crore)	PLR - 5%	20 quarterly installments of Rs. 1.25 Crore each commenced from July 2011 & Rs. 1.50 Crore for New loan of Rs. 30 Crore commenced from Sept 2012.
Term Loan NIL (31 st March 2015: Rs. 15.28 Crore)	12.25%	18 quarterly installments of Rs. 1.53 Crore each commenced from June 2013.
Term Loan NIL (31 st March 2015: Rs. 14.00 Crore)	BBR+2.90%	20 quarterly installments of Rs. 1 Crore each commenced from Dec 2013.
Term Loan Rs. 15 Crore (31 st March 2015: NIL)	11.50%	Quarterly installments starting from 18 months - 5 Years including a moratorium of 18 months.
Term Loan Rs. 30.00 Crore (31 st March 2015: NIL)	PLR - 3.50 %	Quarterly installments with a moratorium of 8 quarters from the date of first disbursement.
Foreign Currency Loan		
Term Loan NIL (31 st March 2015: Rs. 1.36 Crore)	3M LIBOR +2.75%	16 quarterly installments after a moratorium of 15 months from the date of each drawdown. Yearly repayments after drawdown would be: 1st year Nil, 2nd year 15%, 3rd year 25%, 4th year 30% and 5th year 30%.
Term Loan Rs. 97.89 Crore (31 st March 2015: NIL)	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.
Term Loan of Rs.26.50 Crore (31 st March 2015: Rs. 37.50 Crore)	6M Libor + 3.6%	12 half yearly installments of USD 0.1 Crore each commenced from June 2012.
Term Loan of Rs.30.92 Crore (31 st March 2015: Rs. 37.50 Crore)	6M Libor + 3.5%	12 half yearly installments of USD 0.07 Crore each commenced from March 2014.
Term Loan of Rs. 7.36 Crore (31 st March 2015: Rs.11.11 Crore)	LIBOR + 2.00%	Yearly installments of USD 0.07 crores for 2016 & 2017 and USD 0.04 crores for 2018.

*BBR - Bank Base Rate PLR - Prime Lending Rate

- 3.5 Fixed deposits from public includes cumulative deposits with maturity period of 3 years carrying rate of interest 11% p.a. and non-cumulative fixed deposits with maturity period of 2 to 3 years carrying interest from 10% p.a. to 11% p.a. Interest on cumulative deposits is paid half yearly on compounding basis on maturity and interest in respect of non-cumulative deposits is paid quarterly.
- 3.6 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
4 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities:		
On difference between book depreciation and tax depreciation	27.73	25.88
[Includes Rs. NIL (Previous Year : Rs. 1.29 Crore) taken to retained earnings on account of transitional provisions of Schedule II to Companies Act, 2013]		
Deferred Tax Assets:		
Employee retirement benefits	(3.39)	(3.36)
Others	(5.67)	(3.49)
TOTAL	18.67	19.03

5 Other Long Term Liabilities		
Interest accrued but not due on fixed deposits (Refer Note 5.1)	-	0.52
Security deposits	0.23	0.24
Deferred rent	0.34	0.32
Other liabilities	1.95	0.24
TOTAL	2.52	1.32
5.1 Includes Rs. NIL (Previous Year : Rs. 0.06 Crore) due to related parties.		

Particulars	31 st March 2016	31 st March 2015
6 Long Term Provisions		
Employee Retirement Benefits:		
Leave encashment	3.37	2.99
Gratuity	4.51	5.08
TOTAL	7.88	8.07

7 Short Term Borrowings		
Working Capital Loans from Banks		
Secured:		
Rupee loans (Refer Note 7.1 and 7.3)	38.95	11.76
Foreign currency loans (Refer Note 7.2 and 7.3)	103.41	221.38
TOTAL	142.36	233.14

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

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

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

7.3 Rate of interest for rupee loans ranging from 6.25% p.a. to 12.50% p.a. and for foreign currency loans from 0.84% p.a to 3.39% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	31 st March 2016	31 st March 2015
8	Trade Payables		
	Dues of Micro, Small and Medium Enterprises (Refer Note 8.1)	2.83	0.83
	Others	182.80	171.84
	TOTAL	185.63	172.67

8.1 Disclosure of outstanding dues of Micro, Small and Medium Enterprise under trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2016 to Micro, Small and Medium Enterprises on account of principal or interest (Previous year : Rs. Nil).

	Particulars	31 st March 2016	31 st March 2015
9	Other Current Liabilities		
	Current Maturities of :		
	- Long term loans (Refer Note 3.1-3.4)	66.55	57.47
	- Fixed deposits (Refer Note 3.5 and 9.1)	6.41	18.63
	- Deferral of sales-tax (Refer Note 3.6)	0.61	0.72
	Interest accrued but not due on borrowings (Refer Note 9.2)	2.31	3.61
	Interest accrued and due on borrowings	0.57	0.80
	Advance from customers	7.55	2.52
	Unclaimed dividends (Refer Note 9.3)	0.57	0.23
	Unclaimed redeemed 12% preference capital	0.03	0.03
	Unclaimed matured deposits and interest accrued thereon	0.07	0.08
	Creditors for capital expenditure	3.09	1.79
	Statutory liabilities	4.47	7.11
	Due to employees	7.76	5.19
	Other liabilities	0.27	0.32
	TOTAL	100.26	98.50

9.1 Includes **Rs. 0.42 Crore** (Previous Year: Rs. 5.66 Crore) due to related parties.

9.2 Includes **Rs. 0.09 Crore** (Previous Year: Rs. 1.74 Crore) due to related parties.

9.3 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.

	Particulars	31 st March 2016	31 st March 2015
10	Short Term Provisions		
	Income tax (Net of advance tax)	0.41	3.07
	Wealth tax	-	0.02
	Proposed dividend	3.54	14.18
	Tax on proposed dividend	0.73	2.89
	Employee Retirement Benefits		
	Leave encashment	1.54	1.71
	Gratuity	0.95	0.70
	TOTAL	7.17	22.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

11. Fixed Assets

Figures in Rs. Crore

Particulars	Gross Block				Depreciation / Amortization				Net Block			
	As at 1 st April 2015	Additions during the year	Adjustments#	Deletions during the year	As at 31 st March 2016	As at 1 st April 2015	For the Year	On account of Transitional provision of Schedule II	Adjustments	Deletions	As at 31 st March 2016	As at 31 st March 2015
Tangible Assets:												
Leasehold Land	31.54	-	0.27	8.13	23.68	6.03	0.86	-	0.16	1.19	5.86	25.51
Buildings (Refer Note 11.1)	170.92	1.02	4.39	0.24	176.09	37.19	6.76	-	0.67	0.15	44.47	133.73
Plant & Equipment	497.46	12.13	10.32	7.01	512.90	230.64	27.47	-	2.93	6.11	254.93	266.82
Furniture & Fixtures	20.44	0.39	0.24	0.04	21.03	8.16	2.46	-	0.11	0.04	10.69	12.28
Vehicles	4.49	0.68	0.01	0.30	4.88	2.00	0.60	-	-	0.28	2.32	2.49
Office Equipment	19.80	1.63	0.33	0.41	21.35	14.43	2.44	-	0.25	0.40	16.72	5.37
Sub Total (A)	744.65	15.85	15.56	16.13	759.93	298.45	40.59	-	4.12	8.17	424.94	446.20
Intangible Assets:												
Software	10.63	1.65	0.19	-*	12.47	6.92	1.78	-	0.13	-*	8.83	3.71
Trademark	1.50	-	0.09	-	1.59	0.61	0.52	-	0.04	-	1.17	0.89
Goodwill	11.00	-	0.66	-	11.66	2.66	2.30	-	0.20	-	5.16	8.34
Technical know how	0.30	-	-	-	0.30	0.01	0.03	-	-	-	0.04	0.29
Sub Total (B)	23.43	1.65	0.94	-*	26.02	10.20	4.63	-	0.37	-*	15.20	13.23
TOTAL (A+B)	768.08	17.50	16.50	16.13	785.95	308.65	45.22	-	4.49	8.17	435.76	459.43
Previous Year	732.24	25.82	11.08	1.06	768.08	258.19	45.08	3.78	2.47	0.87	308.65	474.05

#Differences due to changes in exchange rates

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

* Figures less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
12 Non Current Investments		
(At cost - fully paid unless stated otherwise)		
Non Trade Investments		
(Valued at Cost unless stated otherwise)		
i) Investment in Equity Instruments		
a) Quoted		
Union Bank of India	0.01	0.01
7,200 shares of Rs. 10 each (Previous Year : 7,200 shares)		
	0.01	0.01
b) Unquoted		
The Saraswat Co-operative Bank Ltd.	-*	-*
2,000 shares of Rs. 10 each (Previous Year : 2,000 shares)		
The North Kanara G.S.B. Co-operative Bank Ltd.	0.02	0.02
15,000 shares of Rs. 10 each (Previous year : 15,000 shares)		
Shamrao Vithal Co-operative Bank Ltd.	-*	-*
1,000 Shares of Rs. 25 each (Previous Year : 1,000 Shares)		
	0.02	0.02
ii) Investment in Government or Trust Securities		
Unquoted		
National Savings Certificates	-*	-*
Kisan Vikas Patra	-*	-*
	-*	-*
iii) Other Investments		
Unquoted		
Tarapur Environment Protection Society	-*	-*
7,729 Shares of face value of Rs. 100 each (Previous Year : 7,729 Shares)		
Narmada Clean Tech Ltd.	-*	-*
63,900 Shares of Rs. 10 each (Previous Year : 63,900 Shares)		
	-*	-*
TOTAL	0.03	0.03
Aggregate amount of Quoted Investments	0.01	0.01
Market Value of Quoted Investments	0.09	0.11
Aggregate amount of Unquoted Investments	0.02	0.02

* Figures less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
13 Long Term Loans and Advances		
Unsecured, considered good:		
Capital advances	2.96	1.38
Security deposits	10.41	6.13
Loan to related party (Refer Note 32)	1.17	1.42
Advances recoverable in cash or kind for value to be received	11.26	10.28
Income tax payments (Net of provisions)	4.23	5.82
TOTAL	30.03	25.03

14 Inventories		
(At lower of cost or net realisable value)		
Raw materials [[Including in transit of Rs. 22.76 Crore (Previous year : Rs. 18.57 Crore)]	79.12	78.46
Work-in-process	40.61	49.61
Packing materials [[Including in transit of Rs. 0.22 Crore (Previous year : Rs. 0.16 Crore)]	7.40	5.23
Finished goods [[Including in transit of Rs. 8.15 Crore (Previous year : Rs. 16.97 Crore)]	59.29	67.86
Stock-in-trade [[Including in transit of Rs. 7.84 Crore (Previous year : Rs. 0.75 Crore)]	36.76	33.63
Consumables, stores and others [[Including in transit of Rs. 0.06 Crore (Previous year : Rs. 0.05 Crore)]	12.59	11.20
TOTAL	235.77	245.99

15 Trade Receivables		
Outstanding for a period exceeding 6 months from the date they were due for payment		
Unsecured, considered good	2.39	1.38
Unsecured considered doubtful	-	0.16
Other trade receivables		
Unsecured, considered good	247.80	219.89
Unsecured, considered doubtful	0.57	0.38
	250.76	221.81
Less : Provision for doubtful debts	0.57	0.54
	TOTAL	250.19
		221.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
16 Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on hand	0.28	0.30
Balance with banks in current accounts	13.91	13.63
	14.19	13.93
Other Bank Balances:		
Term deposits with maturity less than 3 months (Refer Note 16.2)	0.49	-
Term deposits with maturity more than 3 months but less than 12 months (Refer Note 16.1)	1.10	2.23
Term deposits with maturity more than 12 months (Refer Note 16.3)	-	2.64
Unclaimed dividend accounts	0.57	0.23
Unclaimed preference capital redemption account	0.03	0.03
	2.19	5.13
TOTAL	16.38	19.06

16.1 Includes margin money against term loans **Rs. 0.05 Crore** (Previous Year: Rs. 1.58 Crore).

16.2 Includes deposits pledged with bank as lien against bank guarantees **Rs. 0.15 Crore** & Rs. -* pledged with sales tax authorities (Previous Year: Nil).

16.3 Includes deposits pledged with bank as lien against bank guarantees **Rs. Nil** (Previous Year: Rs. 0.15 Crore) & pledged with sales tax authorities **Rs. Nil** (Previous Year: Rs. -*).

Particulars	31 st March 2016	31 st March 2015
17 Short Term Loans and Advances		
Unsecured, considered good:		
Security deposits	0.10	0.03
Income tax refund receivable	0.12	1.31
Advances recoverable in cash or kind for value to be received	57.31	72.00
TOTAL	57.53	73.34

18 Other Current Assets		
Interest accrued on term deposits	0.08	0.29
Export incentives	21.90	5.38
Other receivables	2.02	0.66
TOTAL	24.00	6.33

* Figures less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

Particulars	2015-2016	2014-2015
19 Revenue from Operations		
Sale of products (Gross)	1,848.74	1,944.81
Less : Excise duty	69.61	82.51
Sale of products (Net)	1,779.13	1,862.30
Other Operating Revenues		
Export incentives	22.30	9.49
Revenues from Operations	1,801.43	1,871.79
20 Other Income		
Interest Income on:		
- Term deposits	0.37	0.51
- Others	1.33	0.60
Dividend on non-current investments	-*	-*
Profit on sale of assets	-	0.02
Scrap sales	0.94	1.45
Foreign exchange differences (Net)	0.27	-
Commission received	1.01	0.59
Miscellaneous income	1.95	0.37
TOTAL	5.87	3.54
21 Cost of Materials Consumed		
Raw materials	1,050.36	1,186.73
Packing materials	63.30	65.05
Translation difference	1.67	1.14
TOTAL	1,115.33	1,252.92
22 Purchase of Stock-in-trade		
Surfactants & specialty chemicals	67.69	73.45
Translation difference	2.58	1.65
TOTAL	70.27	75.10
23 Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade:		
Inventories at the beginning of the year		
Finished goods	67.86	78.45
Work-in-process	49.61	42.74
Stock-in-trade	33.63	25.27
	151.10	146.46
Inventories at the end of the year		
Finished goods	57.50	67.86
Work-in-progress	40.61	49.61
Stock-in-trade	38.55	33.63
	136.66	151.10
(Increase)/Decrease in Inventories	14.44	(4.64)

* Figures less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	2015-2016	2014-2015
24	Employee Benefits		
	Salaries, wages and allowances	123.51	108.00
	Contribution to provident and other funds	9.05	10.20
	Workmen and staff welfare expenses	11.86	10.27
	TOTAL	144.42	128.47

25	Other Expenses		
	Consumption of stores and spare parts, consumables	8.13	8.64
	Power & fuel	34.35	36.80
	Water charges	0.82	1.14
	Repairs and maintenance:		
	- Plant and machinery	8.03	6.35
	- Building	0.97	2.95
	- Others	2.31	2.12
	Rent (including storage charges)	6.75	6.59
	Insurance	6.82	6.82
	Rates and taxes [(includes wealth tax of Rs. Nil (Previous: year Rs. 0.02 Crore)]	8.39	6.84
	Travelling and conveyance	17.60	14.91
	Freight and forwarding (Net of recovery)	79.30	83.61
	Legal & professional fees	14.10	11.86
	Discount and commission on sales	2.93	3.52
	CSR expenditure (Refer Note 34)	1.75	1.16
	Donations	.*	.*
	Directors' sitting fees	0.29	0.29
	Commission to non-executive directors	0.38	0.33
	Bad debts/provision for bad debts	-	.*
	Loss on sale/ discard of fixed assets (Net)	0.47	-
	Foreign exchange differences (Net)	-	1.79
	REACH registration expenses (Net)	0.48	4.10
	Royalty	0.13	0.05
	Bank charges	1.63	2.31
	Printing & stationary, postage	2.75	2.72
	Miscellaneous expenses	26.59	26.58
	TOTAL	224.97	231.48

26	Finance Costs		
	Interest expense	24.62	28.25
	Other borrowing cost	6.57	6.14
	TOTAL	31.19	34.39

* Figures less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

27 Contingent Liabilities and Claims not provided for

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
(a) Counter guarantees given to banks	10.73	23.79
(b) Corporate guarantees given to bank in connection with borrowings by subsidiary company	159.68	204.81
(c) Export bills discounted [Including factored debts with recourse option Rs. Nil (Previous year Rs.34 Crores)]	-	50.37
(d) Letter of credit outstanding	8.05	18.52
(e) Claims against the Company not acknowledged as debts		
- Excise duty & service tax	5.44	3.97
- Income tax	2.00	2.72
- Sales tax	1.24	1.24
- Custom duty	0.32	0.17
- Electricity cess	0.95	0.93
(f) Duty liability in case of non-fulfilment of export obligation	0.05	0.24
(g) Manufacturing contract stipulating a minimum specific production volume commitment by September 30, 2017 - Pending commitment as on 31 st March 2016	21.06	-

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

Figures in Rs. Crore

Particulars	31 st March 2016	31 st March 2015
Contracts remaining to be executed (Net of advances)	9.80	12.14

29 Earnings per share

Particulars	31 st March 2016	31 st March 2015
Net profit after tax (Rs. Crore)	101.13	67.99
Weighted average number of equity shares outstanding during the year	3,54,54,752	3,54,54,752
Nominal value of equity shares (Rs.)	10	10
Earnings per Share basic & diluted (Rs.)	28.52	19.18

30 Segment Reporting (Accounting Standard 17)

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

Figures in Rs. Crore

Particulars	2015-16	2014-15
A. Revenues within India	624.50	746.04
B. Revenues outside India	1224.24	1198.77
Gross sales of products	1848.74	1944.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

31 Asset Purchase of Surfactants International, LLC.:

On January 16, 2014, the Company, through its subsidiary TRI-K Industries Inc. entered into an Asset Purchase Agreement (the "Agreement") with Surfactants International, LLC ("SI") for the purpose of expanding its business operations and obtaining the right to service specific clients which SI had relationships with. SI is engaged in the sale and distribution of chemicals for the personal care, household, institutional and special industrial product industries throughout the United States. An amount of USD 0.20 Crore was paid over and above the current assets acquired. This has been treated in the consolidated financial statements as under:

Identifiable Intangible Assets and Goodwill:	USD (Crore)	INR (Crore)
Trademarks / Tradenames	0.02	1.44
Goodwill	0.18	10.54
Total Fair Value of Assets acquired	0.20	11.98

The total acquisition related expense associated with the purchase of assets of SI amounted to \$0.01 Crore (Rs. 0.66 Crore) comprising of legal fees and valuation report expense. Entire amount is expensed and charged to the Statement of Profit and Loss in the year of incurrence.

Trademarks / Trade names are being amortised over a period of 3 years.

Goodwill is being amortised over a period of 5 years.

32 Related Parties Disclosures

a. Names of the related parties and nature of relationship:

Key Management Personnel and their relatives:

Key Management Personnel- Whole-Time Directors	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife
	Mr. Karthik Shekhar, Son
	Ms. Nandini Shekhar, Daughter
Mr. S. R. Shanbhag (till 22 nd May, 2015)	Mrs. Vandana Shanbhag, Wife
	Mrs. Sneha Salil Save, Daughter
	Mr. Pranav Shanbhag, Son
Mr. G. Ramakrishnan	Mrs. Jayashree Ramakrishnan, Wife
	Mr. Amit Ramakrishnan, Son
	Mr. Akaash Ramakrishnan, Son
Mr. U. K. Kamat	Mrs. Dhanvanti Kamat, Wife
	Mr. Paresh Kamat, Son
	Ms. Mallika Kamat, Daughter
Mr. R. Venkateswar	Mrs. Geetha Venkateswar, Wife
	Mrs. Priyanka Venkateswar, Daughter
	Ms. Sneha Venkateswar, Daughter

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

- b. The following transactions were carried out with related parties in the ordinary course of business:

Figures in Rs. Crore

	Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	Expenditure:						
	A Managerial Remuneration:						
	U. Shekhar			1.95	1.05		
	G. Ramakrishnan			1.95	1.12		
	S. R. Shanbhag			0.45	1.03		
	U. K. Kamat			1.78	1.02		
	R. Venkateswar			1.95	0.94		
	B Remuneration:						
	Amit Ramakrishnan					0.55	0.54
	C Interest on Fixed Deposits:						
	Galaxy Chemicals	0.09	0.27				
	U. Shekhar			0.17	0.55		
	Karthik Shekhar					0.01	0.06
	Nandini Shekhar					0.03	0.05
	Jayashree Ramakrishnan					0.02	0.08
	Others					0.03	0.02
	D Dividend:						
	Galaxy Chemicals	8.25	3.65				
	Galaxy Emulsifiers Pvt. Ltd.	0.49	0.22				
	Galaxy Surfactants Limited - Employees' Welfare Trust	0.26	0.11				
	U. Shekhar			3.81	1.65		
	S. R. Shanbhag			3.69	1.63		
	G. Ramakrishnan			2.11	0.93		
	U. K. Kamat			0.09	0.04		
	Jayashree Ramakrishnan					1.66	0.72
	Others					0.21	0.10
2	Unsecured Loans:						
	A Fixed Deposit repaid:						
	Galaxy Chemicals	1.90	-				
	U. Shekhar			3.30	0.80		
	G. Ramakrishnan			-	0.01		
	Karthik Shekhar					0.25	0.40
	Nandini Shekhar					0.18	0.22
	Jayashree Ramakrishnan					0.59	0.11
	Others					0.03	0.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2016

Figures in Rs. Crore

	Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
B	Balances as at year end:						
	Galaxy Chemicals	-	1.90				
	U. Shekhar			-	3.30		
	Karthik Shekhar					-	0.25
	Nandini Shekhar					0.14	0.32
	Jayashree Ramakrishnan					0.07	0.66#
	Lakshmy Shekhar					0.16	0.16
	Others					0.06	0.09
C	Interest accrued but not due on Fixed Deposits:						
	Galaxy Chemicals	-	0.58				
	U. Shekhar			-	1.01		
	Karthik Shekhar					-	0.08
	Nandini Shekhar					0.05	0.09
	Lakshmy Shekhar					0.05	0.03
	Others					-	0.01
3	Loans and Advances:						
A	Balance as at year end:						
	Galaxy Surfactants Limited - Employees' Welfare Trust	1.17	1.42				

Includes Rs. 0.04 Crore as transmission of fixed deposit to legal heir

33 Leases

Operating Leases

- a) Tri-K Industries Inc. has entered into non-cancellable lease agreement for the use of a corporate office, manufacturing facility and storage. The following is the schedule of the future minimum lease payments under this non-cancellable operating lease:

Year ending March 31	Rs. Crore
2017	3.90
2018	3.83
2019	2.55
2020	2.39
2021	2.47
Total Minimum Lease Payments	15.14

Rent expenses for the year 2016 and 2015 amounts to **Rs. 3.15 Crore (USD 0.04 Crore)** & Rs.3.18 Crore (USD 0.04 Crore)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2016

- b) Surfactants Ltd has entered into operating lease agreements towards use of godowns, offices and residential premises for its employees. Most of the lease agreements provide for cancellation by either party with a notice period of 30 days. Lease rental payments recognised in the Statement of Profit and Loss for the year are **Rs. 0.91 Crore** (Previous Year : Rs.0.98 Crore).

34 Details of CSR Expenditure

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

Figures in Rs. Crore

Particulars	In Cash	Yet to be Paid	Total
I. Gross Amount required to be spent by the Company during the year	-	-	2.07
II. Amount Spent during the year on:			
a. Construction/Acquisition of any asset	-	-	-
b. On purpose other than above	1.75	-	1.75

- 35** One of the subsidiary company [Galaxy Chemicals (Egypt) SAE] has accumulated losses of USD 1.50 Crore (Rs. 85 Crore).

During FY 2015-16, the said subsidiary company has been granted a shareholder's loan amounted to USD 1.50 Crore subject to interest rate and six months Libor + 5% or 7% Egyptian government-rate.

USD 1 Crore had been used for capital increase in Galaxy Chemicals (Egypt) SAE and remaining USD 0.5 Crore to support the credit need of the company that may arise from business performance and timing gaps.

36 Previous Year Figures:

Figures pertaining to the subsidiary companies and figures relating to previous year have been reclassified/ regrouped wherever necessary to bring them in line with the Company's financial statements.

As per our Report attached

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

For and on behalf of the Board

D. P. SAPRE
Partner
Mem. No. 40740

U. SHEKHAR
Managing Director

G. RAMAKRISHNAN
Executive Director - Innovation

Navi Mumbai
Date: June 04, 2016

R. VENKATESWAR
Executive Director –
Finance & CFO

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

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Figures in Rs. Crore

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments (Other than in Subsidiaries)	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% shareholding	Country
1	Galaxy Chemicals Inc	USD	66.25	-*	(0.35)	0.34	0.76	-	-	(0.03)	-	(0.03)	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	66.25	217.15	3.39	227.76	0.05	-	-	2.12	0.04	2.08	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	75.42	0.17	(9.80)	6.31	17.43	-	-	(1.06)	-	(1.06)	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	66.25	163.67	(85.20)	321.77	222.32	-	394.34	(9.98)	-	(9.98)	-	100%	Egypt
5	TRI-K Industries Inc.	USD	66.25	-*	45.93	105.55	47.17	-	248.67	10.30	3.09	7.20	-	100%	USA

* Figures less than Rs. 1,00,000

Customization
with **C**are



GalFUSION

Gentle Care

Sulfate Free Cleansing Solutions

PARABEN FREE

SILICONE FREE

EASY TO FORMULATE



FACE WASH



SHOWER GEL

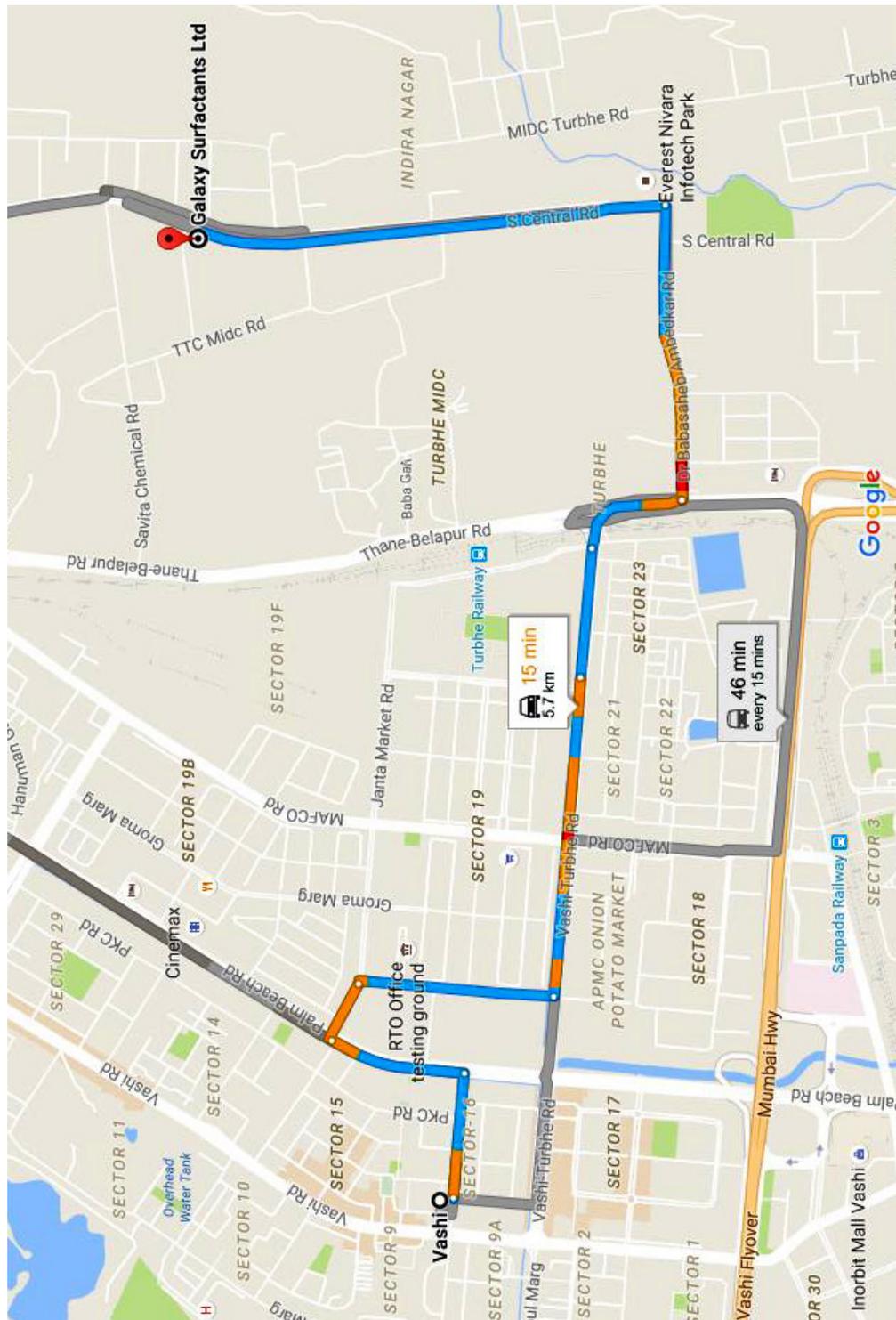


SHAMPOO



BABY WASH

MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



GALAXY SURFACTANTS LIMITED

CIN: U39877MH1986PLC039877

Regd. Office: C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai – 400703, India,

Tel.: 2761 6666; Fax: 2761 5883; E-mail: galaxy@galaxysurfactants.com

Website: www.galaxysurfactants.com

ATTENDANCE SLIP

(Please fill and handover at the entrance of the meeting hall)

DP ID and Client ID:	Folio No.:
----------------------	------------

Name of the Member: _____ Name of the Proxy: _____

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company on Monday, September 26, 2016 at 2.00 p.m. at the Registered Office of the Company at C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703.

Name of the attending Member/ Proxy

Member's/ Proxy's Signature
(To be signed at the time of handing over this slip)

Notes:

1. Shareholder/Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand-over at the entrance duly signed.
2. Shareholder/Proxy holder should bring his/her copy of the Notice for reference at the Meeting.

GALAXY SURFACTANTS LIMITED

CIN: U39877MH1986PLC039877

Regd. Office: C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai – 400703, India,

Tel.: 2761 6666; Fax: 2761 5883; E-mail: galaxy@galaxysurfactants.com

Website: www.galaxysurfactants.com

Form No. MGT- 11

Proxy Form

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

Name of the member(s):	
Registered address:	
E-mail id:	
Folio No./*Client id:	
*DP id:	

*Applicable for investors holding shares in electronic form

I/We, being the member(s) of _____ Shares of Galaxy Surfactants Limited, hereby appoint:

1. Name:.....
Address:.....
.....
email id:..... Signature:.....

Or failing him

2. Name:.....
 Address:.....

 email id:..... Signature:.....

Or failing him

3. Name:.....
 Address:.....

 email id:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Monday, September 26, 2016 at 2.00 p.m. at the Registered Office of the Company at C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai - 400 703 and at any adjournment thereof in respect of such resolutions as are indicated below :-

Sr. No.	Resolutions	For	Against
1	Adoption of audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.		
2	Confirmation of the payment of Interim Dividend on Equity Shares and to declare a Special Dividend on Equity Shares for the financial year 2015-16.		
3	Appointment of a Director in place of Mr. Ravi Venkateswar (DIN 00242672), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Ratification of appointment of Auditors of the Company		
5	Remuneration of M/s. A. B. Nawal & Associates, as Cost Auditors of the Company.		
6	Reappointment of and remuneration payable to Mr. Ravi Venkateswar (DIN 00242672) as Whole-time Director.		
7	Change in role of Mr. G. Ramakrishnan (DIN 00264760) as Non Executive Director with effect from September 7, 2016		
8	General Approval for Intercompany transaction with wholly owned subsidiary companies.		

Signature of Shareholder:.....

Signature of Proxy:.....

Signed this day of, 2016

Affix
Revenue
Stamp

Notes:

1. Member is requested put '✓' tick mark in the appropriate column against the respective resolutions. If any of the column, 'For' or 'Against', left blank, the proxy will be entitled to vote for the resolutions in the manner as he/ she think appropriate.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company.
3. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.
4. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
5. A proxy need not be a member of the Company.

CORPORATE SOCIAL RESPONSIBILITY (2015 - 16)

Galaxy believes that profitable growth should also be a responsible growth. To accomplish our mission of Corporate Social Responsibility, we have undertaken well defined projects. We give below some of the completed projects which have aided the beneficiaries.

AROGYA VARDHEENI



Mr. U. Shekhar -Managing Director inaugurated a new facility supported by Galaxy at Gadge Baba Shelter Home for Cancer Patients in Dadar on 21st Apr, 2015.

GYAN SANJIVANI



Mrs. Jayashree Ramakrishnan, wife of our Executive Director Mr. G. Ramakrishnan inaugurated libraries developed by Galaxy at two Navi Mumbai Municipal Corporation Schools on 21st Oct, 2015.

VATAVARAN SURAKSHA



Cleanliness drives were conducted by Galaxy volunteers in Turbhe, Tarapur and Jhagadia. Our Managing Director, Mr. U. Shekhar also participated in the cleanliness drive conducted at Turbhe Railway Station on 27th Jan, 2016.

AAPDA RAHAT



In collaboration with NGO Aarambh, 242 drums were distributed in drought affected Marathwada region. Laxman Sawant and Sachin Sanap drove this initiative.



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

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Email: galaxy@galaxysurfactants.com | Website: www.galaxysurfactants.com