

GALAXY AGRICO EXPORTS LIMITED

RAJKOT

ANNUAL REPORT

2009-2010

DIRECTORS' REPORT

To,
The Members,
GALAXY AGRICO EXPORTS LTD.,

The Directors have pleasure in presenting their SIXTEENTH ANNUAL REPORT and the Audited Statement of Accounts of your company for the year ended **31st MARCH, 2010**

01) FINANCIAL RESULTS:

Particulars	[Rs. in Lacs]	
	31.03.10	31.03.09
Total Income	592.16	672.19
Total Expenditure excluding Interest & Depreciation	580.77	584.69
Profit before Interest & Depreciation	11.39	87.50
Less : Interest & Financial charges	18.11	32.70
Depreciation & Miscellaneous Expenditure Written Off	40.49	42.34
Profit/(Loss) before tax	(47.21)	12.46
Less : Provision for Tax:		
Current Tax	Nil	0.80
Deferred Tax	(3.64)	4.01
Fringe Benefit Tax	Nil	0.46
Profit/(Loss) after tax	(43.57)	7.19
Balance of P&L A/c. Brought Forward from Previous Year	229.17	226.45
Add : Excess/(Short) Provision of Tax of earlier year	0.30	0.22
Less : Prior Period Expenses	Nil	(4.69)
Balance of P&L A/c. Carried Forward to Balance Sheet	185.90	229.17

02) DIVIDEND:

Your directors do not recommend any dividend for the year ended on 31st March, 2010.

03) OPERATIONS:

The Company recorded a lower net turnover of **Rs.528.50** Lac as compared to Rs.692.15 Lac in the previous year and Profit/(Loss) after tax of **Rs.(43.57)** Lac as compared to Rs.7.19 Lac in the previous year.

During the year, the company sold off major portion of its Plant and Machinery used for manufacturing of Agricultural implements and proposes to dispose off the remaining Plant and Machinery of Agricultural implements as and when they get the buyer for the same. Company has set up a manufacturing unit of bearing rings. In future company will expand its capacity in manufacturing bearing rings.



04) RESPONSIBILITY STATEMENT:

Your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2010 and of the Loss of the Company for that year;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

05) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Your Company has given utmost priority for conversation of energy and shall continue to do the same in future.

A. Power & Fuel Consumption:

		2009-2010	2008-2009
(i)	Electricity		
a)	Purchased:		
	Units	1460752	487272
	Total Amount Rs.	93,69,265	37,99,983
	Rate/Unit Rs.	6.41	7.80
b)	Own Generation	Nil	Nil
(ii)	Fuel		
	Quantity (Ltrs.)	23740	113246
	Total Cost Rs.	5,70,186	21,53,288
	Average Cost (Per Ltr.) Rs.	24.02	19.01

B. Consumption per unit of Production:

Your company manufactures variety of products. The products, before reaching the finishing stage, passes through various operations. It is, therefore, not feasible to furnish the information in respect of consumption of power and fuel per unit of production.



C Foreign Exchange Earning & Outgo:

		[Amt. in lacs]	
		2009-2010	2008-2009
Foreign Exchange earned	Rs.	270.12	610.35
Foreign Exchange used	US \$	Nil	0.10

06) Environment:

Your company has taken due care not to disturb the ecological balance of the region. The company also planted number of trees in the surrounding area to keep the environment pollution free.

07) DIRECTORS:

Shri Manoj H. Shah and Shri Sanjay J. Patel retire by rotation and being eligible offer themselves for re-appointment.

08) PARTICULARS OF EMPLOYEES:

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

09) AUDIT COMMITTEE:

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement the Audit Committee comprises of the following Directors:

Mr. Bharat T. Shah
Mr. Ajay R. Patel
Mr. Manoj H. Shah

The Audit Committee of the Board of Directors reviews, acts and reports to the Board with respect to various auditing and accounting matters.

10) AUDITORS:

M/s. Mistry & Associates Chartered Accountants retired as Auditors of the company. The Company had appointed **ARUN M. KOTHARI**, Chartered Accountant, as Auditor of the company. He will retire at the ensuing Annual General Meeting and is eligible for reappointment and has indicated his willingness to act as such. Your Directors request you to appoint him as Auditor for the current financial year. He has furnished a certificate to the Company to the effect that his appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

11) CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with Auditor's Certificate on its compliance is attached as a part of the Annual Report.

Regd. Off. : 302, Diwall Chambers, Opp. Mehta Petrol Pump, Dhebar Road, Rajkot - 360 002. Gujarat. (India)
Ph. : 91-281-2234139, 2233091, Fax : 2224888, Website : <http://www.galaxyagrico.com>
E-mail : info@galaxyagrico.com / galaxy_ad1@sancharnet.in

Factory : 236, Jai Kishan Ind. Estate, Behind Murlidhar Weigh Bridge, Veraval (Shapar) Dist. : (Rajkot). Guj. (India)
Ph. : 91-2827-252676, 252990 Fax : 254371 E-mail : works@galaxyagrico.com






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12) ACKNOWLEDGEMENT:

Your directors wish to express their appreciation to all employees of the Company for their excellent support and co-operation in achieving the Organizational Goals during the period under review. The Board wishes to thank the Government, Company's Bankers and all other Institutions connected with the company who have extended their support to the company during its operations.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,


Jayantilal D. Patel
Chairman & Managing Director


Manoj H. Shah
Director

Rajkot, Dated 20th July, 2010



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e) Risk & Concerns

The company operates in an environments which is affected by various risks, some of which hare controllable while some are outside the control of the company. Some of the risk that are potentially significant in nature are raw material prices, cyclical nature of industry, interest rate, etc. The demand for automobiles has a significant impact on the demand and price of product manufactured by the company.

f) Internal control systems & their adequacy

The company has as effective Internal control System in place and this is periodically reviewed for effectiveness. The company also has in place cross-functional internal Audit team focusing on the controls, reporting to the Audit Committee.

g) Discussion on financial performance with to operational performance.

The financial performance of the company has been given separately in the Directors Report.

h) Material developments in human resources / industrial relation front, including number of people employed.

The company continues to maintain excellent relations, which also ensures human resource development. Training and educational programme are conducted as per requirements to improve efficiency.

For, Galaxy Agrico Exports Limited


Director.



MANAGEMENT DISCUSSION & ANALYSIS REPORT.

a) Industry Structure & Development

The Company which was previous engaged in the manufacturing of Agricultural & Gardening implement/equipments faced severe slowdown since last 2 years and hence had decided to diversify into component manufacturing with focus on the automobile sector. The automobile sector in the Indian economy has seen steady growth and is poised to race ahead with overall growth in the Indian economy. The Automobile sector has witnessed robust growth with 24.83 lac vehicles being sold in 2009-10.

b) Opportunities & Threats

Gujarat is now gaining importance as the most favoured destination for investment in India. many of the prominent national and international players in the automobile industry have set up or are in the process of setting up of their plants in Gujarat which will give an advantage to your company going forward

However with number of SME companies establishing their presence in Gujarat, the company will be facing stiff competition from other players

c) Segment / Product wise performance

The company now focuses mainly on the Bearing rings and has stopped manufacturing of agricultural implements and gardening tools

d) Outlook

The Automobile sector is expected to grow at 25% over this year and with the bouyant Indian economy and recovery in the International market, the outlook is promising. your company Further the global recovery is likely to sustain in the coming year and GDP growth is estimated at 7% during 2010-11.

Rising commodity prices among other factors are likely to drive up input costs thereby putting pressure on margins. The competition is expected to intensify going forward

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CORPORATE GOVERNANCE REPORT

The Board of Directors of the company supported the broad principles of corporate governance. Given below is a report on corporate governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. Corporate Governance is a process that aims to meet shareholders aspirations and societal expectations. It is a commitment that is backed by the fundamental belief of maximizing shareholders value, transparency in functioning, values and mutual trust amongst all the constituents of organization. Its not a discipline imposed by a Regulator, rather a culture that guides the Board, management and employees to function towards best interest of stakeholders.

2. BOARD OF DIRECTORS

49 A (i)

The Board of Directors of the Company has an optimum combination of executive and non executive Directors. The present board comprises of three executive director and three non-executive directors.

49 A (ii)

The Chairman of the company is Jayantilal Patel who is a Managing Director. Further board is comprised of three Independent Director which is 50 % of total strength of the Board of Director.

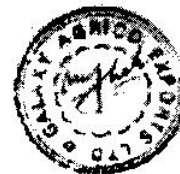
49 A (iv)

Any nominee Director has been not appointed by any Financial or other institution.

49 B

No fees/compensation, paid to non-executive directors, including independent Directors except sitting fees which is within limit as prescribed by The Companies Act, 1956- So there is no any previous approval of shareholders in general meeting.

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49 C (i) (ii)

The Board of Director has duly met as per compliance of Section 49 C. The details of which is given as under

During the year ended March 2009-10 meeting was held on the following dates:

25/04/2009	20/05/2009	22/06/2010	25/07/2009
20/08/2009	25/08/2009	29/08/2009	18/09/2009
31/10/2009	25/11/2009	28/12/2009	30/01/2010
17/03/2010	18/02/2010	31/03/2010	

Name	Category Of Directorship	Total No. of Directorship	Membership/ Chairmanship of any other Committee		Board Meeting		Last AGM attended or not
			Chairman	Member	Held	Attended	
Shri Jayantilal Devjibhai Patel	Managing director Executive	1	2	0	15	15	Yes
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive	2	0	2	15	12	Yes
Shri Manoj Harsukhlal Shah	Whole Time Director- Executive	2	0	3	15	15	Yes
Shri Bharat Trambaklal Shah	Independent - Non Executive	1	1	1	15	12	Yes
Shri Ajay Ramjibhai patel	Independent- Non Executive	1	1	1	15	13	Yes
Shri Shashikant Jadavbhai Bhalodi	Independent- Non Executive	1	0	1	15	10	Yes

The information as required under annexure IA to the clause 49 of the listing agreement is made available to the Board of Director

It is clarified by all the director that they are not a member in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a director





49 C (iv)

No Independent director of the Company is removed or resigned from the Company so no compliance required under the clause.

COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors has constituted Four Committee

- Audit Committee
- Investor Grievance Committee
- Share Transfer Committee
- Remuneration Committee

3. AUDIT COMMITTEE

The Committee comprises with combination of independent and executive Directors having financial background and knowledge in the business of the Company. The Committee comprises of following director

Sr. No.	Name of Director	Status
01	Shri Bharat Trambaklal Shah	Chairman- Independent -Non Executive
03	Shri Manoj Harsukhlal Shah	Whole time Director (Executive Director)
01	Shri Ajay Ramjibhai Patel	Independent- Non Executive

The Committee is engaging with reviewing with management, Quarterly, Half Yearly and annual financial statements before submission to the Board and overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

The meeting of the Audit committee was held nine times during the financial year and not more than four months has been elapsed between two meetings. Both the independent Director was present in all the meeting of committee.

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee. The remuneration committee comprises of three non executive independent directors and Chairman of the Committee is an Independent Director. The reference of the remuneration committee are to recommend the Company's Policy on remuneration packages for the Managing Director/ Executive Directors reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.





Sr. No.	Name of Director	Status
01	Shri Ajay Ramjibhai Patel	Chairman - Independent- Non Executive
02	Shri Shashikant Jadavbhai Bhalodi	Independent - Non Executive
03	Shri Bharat Trambaklal Shah	Independent - Non Executive

Remuneration and sitting fees of the Director

Name	Salary Perquisite and Allowance
Shri Jayantilal Patel	Nil
Shri Sanjay Jayantilal Patel	12000/ Month
Shri Manoj Harsukhlal Shah	12000/Month
Shri Shashikant Bhalodi	Nil
Shri Bharat Shah	Nil
Shri Ajay Patel	Nil

5 INVESTORS GRIEVANCE COMMITTEE

The Committee meets as and when required, to deal with the matters relating to transfer/transmission of share, and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheet, dividend declared etc., Mr. Jayantilal Devjibhai Patel executive directors is handling the committee.

Composition of Investor Grievance Committee

Name	Designation
Shri Jayantilal Devjibhai Patel	Chairman, Executive Director
Shri Sanjay Jayantilal Patel	Whole Time Director - Executive
Shri Manoj Harsukhlal Shah	Whole Time Director-Executive

Status of Complaints

Complaint Received	Complained Solved	Complaint pending
NIL	NIL	NIL

The meeting of committee was held four times on

12/05/2009 22/09/2009 08/12/2009 10/03/2010

6. SHARE TRANSFER COMMITTEE

The Share transfer committee is empowered to consider and approve the physical transfer, transmissions, transposition, issue of duplicate Share Certificate, Consolidation-Split-Renewal of Share Certificate etc.





Composition of Share Transfer Committee

Name	Designation
Shri Jayantilal Devjibhai Patel	Chairman - Executive Director
Shri Sanjay Jayantilal Patel	Whole Time Director - Executive
Shri Manoj Harsukhlal Shah	Whole Time Director-Executive

The meeting of committee was held Twenty four times on

15.04.2009	30.04.2009	15.05.2009	30.05.2009	15.06.2009	30.06.2009
15.07.2009	30.07.2009	15.08.2009	31.08.2009	15.09.2009	30.09.2009
15.10.2009	31.10.2009	14.11.2009	28.11.2009	15.12.2009	31.12.2009
15.01.2010	31.01.2010	15.02.2010	28.02.2010	15.03.2010	30.03.2010

7. GENERAL BODY MEETING

Location, time and date where last three Annual General Meeting were held given below:

Financial Year	Date And Time	Location of the Meeting
2006-2007	28/09/2007	Registered office of the Company
2007-2008	30/09/2008	Registered office of the Company
2008-2009	26/09/2009	Registered office of the Company

- * The Resolution for change in registered office has been passed by the Company by means of Postal Ballot as on 20th October 2009.

8. DISCLOSURE

a) Related Party Transaction

Related party transactions are defined as transactions of the Company of material nature, with promoters, Directors or the management, their subsidiaries or relatives etc. That may not have potential conflict with the interest of the Company at large.

A statement/ Summary of transaction with related party in the ordinary course of business are regularly place before the Audit committee.

As per opinion of the board all the transaction entered by the company are in the normal course of business and all are on the arm's length.

b) Disclosure on accounting treatment

In preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has not been followed

c) Proceed from Public Issue, Right Issue or Preferential Issue

No Public issue, Right Issue or any Preferential Issue has been made during the financial year



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d) **Compliance by the company**

During the last three years, there were no penalties, strictures imposed by either SEBI or stock exchange or any statutory authority for non-compliance of any matter related to the capital market.

e) **CEO/CFO Certification**

Mr. Jayantilal Devjibhai Patel issued a certificate to the board as prescribed under sub-clause V of Clause 49 of the listing agreement. The said certificate was placed before the meeting of Board of Director held on

f) **Quarterly Corporate Governance Report**

Company is very regular in filing Quarterly Corporate Governance Report to the Bombay Stock Exchange.

9. **MEANS OF COMMUNICATION**

a. Annual, Half Yearly, Quarterly results are communicated to all the stock exchanges, whereby the company's share are listed, immediately after the board of director meeting. Results are published in Economic Times (in English Language) and Economic Times (in vernacular language). Quarterly and half year results are not sent to individual share holders

b. The Company has its own web-side www.galaxyagrico.com and company is in the process of web site development. The company in near by future is proposing to display results and official news.

c. The management Discussion and Analysis is forming the part of director's report at present.

d. At present the Company does not make presentation to Institutional Investors and Analysts.

10. **GENERAL SHAREHOLDERS INFORMATION**

- | | |
|-------------------------------|--|
| 1. Date time and venue of AGM | 31/08/2010, at 11.00 a.m. at Its registered office |
| 2. Financial Calendar | 01 st April 2009 to 31 st March 2010 |
| 3. Date of book closure | 26/08/2010 to 31/08/2010 |
| 4. Dividend Payment date | Not Applicable |
| 5. Listing on Stock Exchange | → The Bombay Stock Exchange, Mumbai
→ The Saurashtra Kutch Stock Exchange, Rajkot |
| 6. Stock code | 531911 |



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GALAXY AGRICO EXPORTS LTD.

7. Market price data, High, Low : during each month in last financial year : The Company is suspended form trading because of some non compliance with listing agreement, so no quotes are available.
8. Register and Transfer agent : The process of appointment of Register and Transfer Agent is in Progress
9. Share transfer system : In house (Physical)
10. Distribution of share holding : Share holding Patter as on 31/08/2009 is As per follows

Sr. No.	Category	No. of Shares	% of Total Shares
01	Promoters	2000020	73.22
02	Person acting in Concert	0	0
03	Institution Investors	0	0
04	Mutual funds and UTI	0	0
05	Banks, Financial Institution ets.	0	0
06	FII's	50000	1.83
07	Private Bodies Corporate	0	0
08	Indian Public	583100	21.35
09	Non Resident Indians	98500	3.60
TOTAL		2731620	100 %

Note: The percentage of Share holding is counted after considering Forfeiture of Shares which was approved by Board of Director on 05/01/2006 (The above given percentage exclude the shares forfeited by the company on 05/01/2006)

11. Demat of share and liquidity : Shares of the company is not in Demat Form The Process of Demat is in progress.
12. Plant location : Galaxy Agrico Exports Limited
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
Veraval (Shapar)
Dist: Rajkot 360024
13. Correspondence address : Galaxy Agrico Exports Limited
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
Veraval (Shapar)
Dist: Rajkot 360024

All the Directors and senior management personnel have respectively affirmed compliance with the code of conduct as approved and adopted by the board of directors

FOR GALAXY AGRICO EXPORTS LTD



DIRECTOR

Place: Rajkot
Date: 20/07/2010





Date : 20/07/2011

To
The Board of Director
GALAXY AGRICO EXPORTS LIMITED
Rajkot

CEO CERTIFICATION

I, Jayantilal Devjibhai Patel, Managing Director of the Galaxy Agrico Exports limited hereby certified to the Board that the

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year; if any
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; if any and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting; if any.

FOR GALAXY AGRICO EXPORTS LIMITED

Jayantilal D Patel

JAYANTILAL D PATEL

AUDITORS' REPORT

To,
The Members of
GALAXY AGRICO EXPORTS LTD.,

We have audited the attached Balance Sheet of GALAXY AGRICO EXPORTS LIMITED, as at **31st March, 2010**, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and as amended by Companies (Auditor's Report) (Amendment) Order, 2005 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, subject to Note No II to the Notes to Accounts, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on records by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



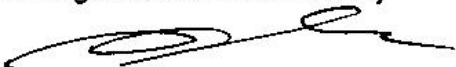
AUDITORS' REPORT

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- (vi) In our opinion and to the best of our information and according to the explanations given to us, subject to Note No II to the Notes to Accounts, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Mistry & Associates,
Chartered Accountant
(Firm's Registration No.120526W)




Suresh Mistry
Proprietor
Idar, Dated 20th July, 2010

Statement on the Companies (Auditor's Report) Order, 2003

To,
The Members,
Galaxy Agrico Exports Limited

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Some of the fixed assets have been disposed during the year, however based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said assets has not affected the going concern status of the Company.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancy noticed on physical verification of inventory as compared to the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms, or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) According to the information and explanation given to us, we are of the opinion that there were no transactions that were required to be entered in the register maintained under section 301 of the Companies Act, 1956.



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- (vi) The Company has not accepted any deposits from the Public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of goods manufactured by the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
- (ix) In respect of Statutory dues;
- (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, value added tax, service tax, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, service tax, excise duty, cess and other material statutory dues were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of income tax, wealth tax, service tax, sales tax, value added tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Pending before
Income Tax Act, 1961	Income Tax	33,240	Financial Year 2006 - 07	Commissioner of Income Tax (Appeal), Rajkot

- (x) In our opinion, the Company does not have any accumulated losses. The Company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.



[[3]]

- (xii) In our opinion and according to the information & explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Mistry & Associates,
Chartered Accountants
(Firm's Registration No.120526W)


Suresh Mistry
Proprietor

Idar, Dated 20th July, 2010



GALAXY AGRICO EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010 Rs.	31.03.2009 Rs.
I. SOURCES OF FUNDS :			
<i>a) Shareholders' Funds :</i>			
1) Share Capital	1	39,136,200	39,136,200
2) Reserves & Surplus	2	18,840,423	23,167,386
<i>b) Loan Funds :</i>			
1) Secured Loans	3	3,317,961	5,081,480
2) Unsecured Loans	4	13,850,000	10,402,488
<i>c) Deferred Tax</i>		5,627,494	5,991,673
		80,772,078	83,779,227
II. APPLICATION OF FUNDS :			
<i>d) Fixed Assets :</i>			
Gross Block	5	81,493,044	89,370,031
Less : Depreciation		21,393,992	23,690,043
Net Block		60,099,052	65,679,988
<i>e) Current Assets, Loans & Advances :</i>			
1) Inventories	6	8,658,362	6,326,354
2) Sundry Debtors		7,467,802	3,575,442
3) Cash & Bank Balances		1,059,894	840,028
4) Loans, Advances & Deposits		6,135,308	9,947,867
		23,321,365	20,689,692
<i>Less :</i>			
Current Liabilities & Provisions	7	2,648,339	2,590,453
NET CURRENT ASSETS		20,673,026	18,099,239
		80,772,078	83,779,227
Notes to Accounts	16		

As per our report of even date

For Mistry & Associates,
Chartered Accountants


Suresh Mistry
Proprietor

Idar, Dated 20th July, 2010



For & on behalf of the Board of Directors,

 
Jayantilal D. Patel Manoj H. Shah
Chairman & Managing Director Director

Rajkot, Dated 20th July, 2010

GALAXY AGRICO EXPORTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31.03.2010 Rs.	31.03.2009 Rs.
I. INCOME :			
Gross Sales	8	53,309,135	70,116,696
Less : Excise Duty		459,360	901,207
Net Sales		<u>52,849,775</u>	<u>69,215,489</u>
Other Income	9	4,004,784	5,882,562
Stock Variance	10	2,361,873	(7,878,804)
		<u>59,216,433</u>	<u>67,219,247</u>
II. EXPENDITURE :			
Semi-Finished Goods Purchased		12,499,184	9,424,429
Material Consumed	11	16,581,479	26,860,809
Manufacturing Expenses	12	14,868,706	10,836,056
Personnel Expenses	13	5,058,104	6,173,527
Administrative & Selling Expenses	14	9,070,288	5,174,167
		<u>58,077,761</u>	<u>58,468,988</u>
Profit before Interest and Depreciation		1,138,672	8,750,259
Less :			
Interest & Financial Charges	15	1,810,851	3,270,051
Depreciation		4,049,084	4,234,364
		<u>5,859,935</u>	<u>7,504,415</u>
Profit before tax		(4,721,264)	1,245,844
Less : Provision for taxation:			
Current Tax		-	80,100
Deferred Tax		(364,179)	401,424
Fringe Benefit Tax		-	45,500
Profit after tax		(4,357,085)	718,820
Add. : Balance Brought Forward From last year		22,917,386	22,645,605
Add. : Excess/(Short) Provision of Income Tax of earlier year		30,122	21,911
Less : Prior Period Expenses		-	(468,950)
BALANCE CARRIED FORWARD		<u>18,590,423</u>	<u>22,917,386</u>

Notes to Accounts

16

As per our report of even date



For Mistry & Associates,
Chartered Accountants


Suresh Mistry
Proprietor

Idar, Dated 20th July, 2010



For & on behalf of the Board of Directors,

 
Jayantilal D. Patel Manoj H. Shah
Chairman & Managing Director Director

Rajkot, Dated 20th July, 2010

GALAXY AGRICO EXPORTS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

SR. NO.	PARTICULARS	31.03.2010	31.03.2009
A.	Cashflow from Operating Activities		
	Net Profit before tax and extraordinary items	(4,721,264)	776,894
	Adjustment for :		
	Excess Provision for earlier year	30,122	-
	Depreciation and other non cash charges	4,049,084	4,234,364
	Interest Paid	1,832,904	3,397,841
	Interest Received	(130,101)	(127,790)
	Loss on Sale of Fixed Assets	3,189,547	1,746,884
	Operating Profit before working capital changes	4,250,292	10,028,193
	Adjustment for :		
	Provisions and Trade payables	57,885	(13,391,459)
	Trade and Other Receivable	(2,411,808)	35,571,374
	Cash generated from operations	1,896,369	32,208,108
	Direct taxes paid (Net of Refunds)	-	183,919
	Cashflow before extra-ordinary items	1,896,369	32,024,189
	Net Cashflow from operating activities	1,896,369	32,024,189
B.	Cashflow from investing activities		
	Purchase of Fixed Assets	(6,927,203)	(15,910,349)
	Sale of Fixed Assets	5,269,508	6,861,400
	Net Cash generated/used in investing activities	(1,657,695)	(9,048,949)
C.	Cashflow from financing activities		
	Proceeds from borrowings	3,447,512	3,163,818
	Repayment of borrowings	(1,763,519)	(25,296,456)
	Interest paid	(1,832,904)	(3,397,841)
	Interest received	130,101	127,790
	Net cash generated/used in financing activities	(18,810)	(25,402,689)
	Net increase in cash and cash equivalent	219,864	(2,427,450)
	Cash and Cash equivalent as at beginning (Opening Balance as on 01.04.2009)	840,028	3,267,478
	Cash and Cash equivalent as at end (Closing Balance as on 31.03.2010)	1,059,893	840,028

For & on behalf of the Board of Directors,

Rajkot, Dated 20th July, 2010


 Jayatilal D. Patel Manoj H. Shah
 Chairman & Managing Director Director

AUDITOR'S REPORT

We have examined the above cash flow statement and the same is in accordance with the SEBI requirement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet covered by our report even date.



Idar, Dated 20th July, 2010

For Mistry & Associates,
 Chartered Accountants
 (Firm Registration No. 109002)


 Suresh Mistry
 Proprietor

GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 01

Share Capital	31.03.2010	31.03.2009
	Rs.	Rs.
AUTHORISED CAPITAL :		
55,00,000 Equity Shares of Rs.10/- each	55,000,000	55,000,000
ISSUED CAPITAL :		
50,00,020 Equity Shares of Rs.10/- each	50,000,200	50,000,200
SUBSCRIBED & PAID CAPITAL:		
27,31,620 Equity Shares of Rs.10/- each	27,316,200	27,316,200
Add : Shares Forfeited	11,820,000	11,820,000
	39,136,200	39,136,200

SCHEDULE - 02

Reserves & Surplus	31.03.2010	31.03.2009
	Rs.	Rs.
General Reserve	250,000	250,000
Balance in Profit & Loss Account	18,590,423	22,917,386
	18,840,423	23,167,386

SCHEDULE - 03

Secured Loans	31.03.2010	31.03.2009
	Rs.	Rs.
Term Loans:		
Term Loan-Corporation Bank-60013	-	834,546
Cash Credit:		
Export Packing Credit Account-Corporation Bank	3,003,858	3,749,271
The above limits are Secured by way of Equitable mortgage of Factory Land & Building & hypothecation of Moveable and Current Assets of the company]		
Car Loan-HDFC Bank Ltd. [Secured by way of hypothecation of vehicle]	314,103	497,663
	3,317,961	5,081,480

SCHEDULE - 04

Unsecured Loans	31.03.2010	31.03.2009
	Rs.	Rs.
From Directors	12,850,000	9,402,488
From Body Corporates	1,000,000	1,000,000
	13,850,000	10,402,488



GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 05

FIXED ASSETS AS ON 31ST MARCH, 2010

ASSETS HEAD	OPENING BALANCE	GROSS BLOCK		TOTAL	DEPRECIATION			NET BLOCK		
		ADDITIONS	DEDUCTION		UPTO 31.03.2009	FOR THE YEAR	ADJUST- MENT	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Land & Site Development	1,241,216	-	-	1,241,216	-	-	-	-	1,241,216	1,241,216
Factory Shed & Building	13,247,615	477,284	-	13,724,899	3,489,700	450,157	-	3,939,857	9,785,042	9,757,915
Plant & Machinery	62,612,304	6,224,804	12,009,513	56,827,595	14,305,038	2,978,530	3,739,828	13,543,740	43,283,855	48,307,266
Electric Installations	5,946,195	50,563	-	5,996,758	1,662,590	283,269	-	1,945,859	4,050,899	4,283,605
Furniture & Fixtures	1,277,423	161,052	-	1,438,475	543,219	86,181	-	629,401	809,074	734,204
Dies & Tools	3,046,017	-	2,780,145	265,872	2,505,348	166,181	2,595,952	75,577	190,295	540,669
Computers	1,003,532	-	-	1,003,532	999,614	719	-	1,000,333	3,199.34	3,918
Refrigerator	11,100	13,500	-	24,600	9,840	1,403	-	11,242	13,358	1,260
Air Conditioner	111,000	-	-	111,000	36,994	5,272	-	42,267	68,733	74,005
Motor Car	700,000	-	-	700,000	37,895	66,500	-	104,395	595,605	662,105
Motor Cycle	68,624	-	14,532	54,092	53,608	5,808	9,355	50,061	4,031	15,016
Bicycle	3,290	-	-	3,290	1,782	233	-	2,014	1,276	1,508
Fax Machine	58,343	-	-	58,343	33,873	2,771	-	36,645	21,698	24,470
Pager	2,553	-	-	2,553	995	121	-	1,117	1,436	1,558
Xerox Machine	40,820	-	-	40,820	9,546	1,939	-	11,485	29,335	31,274
	89,370,031	6,927,203	14,804,190	81,493,044	23,690,043	4,049,084	6,345,135	21,393,992	60,099,052	65,679,988
PREVIOUS YEAR	83,324,748	15,910,349	9,865,066	89,370,031	20,712,462	4,234,364	1,256,783	23,690,043	65,679,988	62,612,286



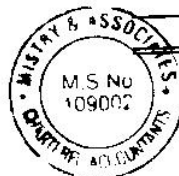
GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 06

Current Assets, Loans & Advances	31.03.2010	31.03.2009
	Rs.	Rs.
CURRENT ASSETS :		
Inventories [As valued and certified by the Management]	86,58,362	63,26,354
<i>Sundry Debtors :</i> [Unsecured, considered good]		
More than six months	1,60,756	1,36,525
Less than six months	73,07,046	34,38,917
<i>Cash & Bank Balances :</i>		
Cash on Hand	5,186	86,759
<i>With Scheduled Bank :</i>		
On Current Account	7,94,289	5,10,976
On Deposit Account	2,60,419	2,42,293
LOANS, ADVANCES & DEPOSITS : [Unsecured, considered good]		
Advance to Staff	2,49,480	51,420
Advances recoverable in cash or in kind or for value to be received	31,86,518	35,00,094
Balances with Excise	7,96,940	38,54,436
Income Tax Advance	-	1,00,000
Advance Fringe Benefit Tax	-	25,000
Income Tax (1999-2000)	55,000	55,000
Income Tax Refund Due	88,210	94,389
FBT Refund	-	80,079
Tax Deducted at Sources	3,69,508	64,951
Deposits with Statutory Authorities	13,89,652	21,22,498
	2,33,21,365	2,06,89,692

SCHEDULE - 07

Current Liabilities & Provisions	31.03.2010	31.03.2009
	Rs.	Rs.
CURRENT LIABILITIES :		
Creditors for Goods	5,95,120	3,21,392
Creditors for Assets	1,38,683	2,48,650
Creditors for Expenses	7,78,711	4,36,332
Advance from Customers	5,00,000	11,30,834
PROVISIONS :		
For Taxation	-	80,100
For Fringe Benefit Tax	-	45,500
For Expenditure	6,35,825	3,27,645
	26,48,339	25,90,453



GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 08

Sales & Job Work Income	31.03.2010	31.03.2009
	Rs.	Rs.
Export Sales	2,76,23,455	6,08,65,790
Local Sales	50,24,267	96,025
OGS Sales	1,18,134	12,05,130
Scrap Sales	19,09,769	62,87,465
Job Work Income	1,86,33,510	16,62,286
	<u>5,33,09,135</u>	<u>7,01,16,696</u>
Gross Sales	4,59,360	9,01,207
Less : Excise Duty	<u>5,28,49,775</u>	<u>6,92,15,489</u>
Net Sales		

SCHEDULE - 09

Other Income	31.03.2010	31.03.2009
	Rs.	Rs.
Import Entitlements	27,84,973	19,68,258
Profit on Sale of Assets	-	2,57,496
Rate Difference	-	14,09,689
Kasar	10,79,338	-
Sample Purchases Income	1,40,473	-
Excess Provision of Commission Written Back	-	3,90,181
Foreign Exchange Fluctuation	-	18,56,938
	<u>40,04,784</u>	<u>58,82,562</u>

SCHEDULE - 10

Stock Variance	31.03.2010	31.03.2009
	Rs.	Rs.
Closing Stock of Finished Goods, Work-in-Progress & Scrap	40,68,693	16,52,520
Add. : Excise Duty on Opening Stock of Finished Goods	21,334	16,872
	16,52,520	95,26,862
Less : Opening Stock of Finished Goods, Work-in-Progress & Scrap	75,634	21,334
Less : Excise Duty on Closing Stock of Finished Goods	<u>23,61,873</u>	<u>(78,78,804)</u>



GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 11

Cost of Goods	31.03.2010	31.03.2009
	Rs.	Rs.
<i>Raw Material Consumed :</i>	16,55,566	63,39,989
Opening Stock	1,37,50,074	1,59,91,599
Add. : Purchases	17,73,604	16,55,566
Less : Closing Stock	1,36,32,036	2,06,76,022
<i>Stores, Spares & Packing Material Consumed :</i>	28,80,757	41,76,947
Opening Stock	22,03,939	27,35,309
Add. : Purchases	27,05,438	28,80,757
Less : Closing Stock	23,79,258	40,31,499
<i>Fuel Consumed :</i>	1,37,511	2,89,650
Opening Stock	5,43,302	20,01,149
Add. : Purchases	1,10,627	1,37,511
Less : Closing Stock	5,70,186	21,53,288
	1,65,81,479	2,68,60,809

SCHEDULE - 12

Manufacturing & Other Direct Expenses	31.03.2010	31.03.2009
	Rs.	Rs.
Weighing, Octroi, Clearing & Forwarding Charges	54,449	1,25,749
Repairs & Maintenance Charges	13,52,232	20,26,227
Job Work Charges	27,92,142	27,27,157
Transportation Charges	12,17,279	19,36,744
Factory Misc. Expenses	83,339	2,18,968
Sample Purchase	-	1,227
Electricity Expenses	93,69,265	37,99,983
	1,48,68,706	1,08,36,056

SCHEDULE - 13

Personnel Expenses	31.03.2010	31.03.2009
	Rs.	Rs.
Wages, Salaries & Bonus	42,96,154	55,53,550
Staff Welfare Expenses	-	46,339
Leave Encashment	1,85,867	1,34,543
Workers Insurance	25,444	54,520
Provident Fund Expenses	2,40,814	3,84,575
Medical Expenses	3,09,825	-
	50,58,104	61,73,527



GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 14

Administrative & Selling Expenses	31.03.2010	31.03.2009
	Rs.	Rs.
Printing, Stationery, Postage, Advertisement & Telephone Expenses	1,51,491	2,72,714
Travelling & Vehicle Expenses	2,71,250	2,90,831
Professional Tax, Fees etc.	3,88,778	1,75,430
Auditors' Remuneration	5,515	5,515
Repairs & Maintenance	1,05,771	3,12,418
Commission paid to selling agents	3,77,274	2,18,621
Insurance Expenses	31,774	61,496
General Expenses	2,55,114	3,57,374
Subscription & Membership Fees	38,454	79,805
Licence, Trademark, Technical Report Fees	35,640	1,95,586
Electricity Charges	7,601	38,703
Excise/Service Tax Expenses	19,106	4,93,871
Income Tax Expenses	1,000	13,219
Directors' Remuneration	2,88,000	2,16,000
Sales Promotion Expenses	16,810	5,065
DEPB, Sales Tax Expenses etc.	-	12,072
Loss on Sale of Assets	31,89,547	20,04,380
Loss on Trading Material	-	4,07,567
Bad Debts/Discounts	1,25,583	13,500
Foreign Exchange Fluctuation Expense	4,43,958	-
Excise Receivable written off	30,00,000	-
Custom Duty Receivable written off	3,17,621	-
	90,70,288	51,74,167

SCHEDULE - 15

Interest & Financial Charges	31.03.2010	31.03.2009
	Rs.	Rs.
Bank	4,02,744	18,57,824
Others	14,30,160	13,01,922
Bank Commission Charges	1,08,047	2,38,095
	19,40,952	33,97,841
Less : Interest Received	1,30,101	1,27,790
	18,10,851	32,70,051



GALAXY AGRICO EXPORTS LIMITED

SCHEDULE - 16

NOTES TO ACCOUNTS

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared under the historical cost convention and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the company are as stated below:

i) FIXED ASSETS:

Capitalized at the acquisition cost including directly attributable cost of bringing the assets to their working condition for intended use.

Fixed Assets are stated at cost net of CENVAT/ Value Added Tax, rebates less accumulated depreciation.

ii) DEPRECIATION:

Depreciation on fixed assets is provide on Straight Line Method basis as per the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

iii) INVENTORIES:

Inventories are valued at cost or net realizable value whichever is lower.

iv) REVENUE:

Sales are recognized on dispatch of goods to customers

Job work Income is recognized upon completion of the job and ready for delivery as there is no significant uncertainty in collection of the amount of consideration.

v) FOREIGN CURRENCY TRANSACTIONS:

Export sales proceeds are taken at the exchange rate applicable on the date of conversion of proceeds by the Bankers. The difference in rate of exchange as on date of transaction and as on date of realization has been dealt with in the Profit & Loss Account.

vi) ACCOUNTING OF IMPORT ENTITLEMENTS:

The company is entitled to duty free import entitlements on its exports. All import entitlements receivables for exports made up to the year end under audit have been valued at prices prevailing at the year end and as explained and certified by the management on accrual basis.

vii) INCOME TAX:

Current Tax: Provision is made for income tax on yearly basis under the tax payable method, based on tax liability as computed after taking credit for allowances and exemptions.

Deferred Tax: Provision for deferred tax is made based on guidelines given as per Accounting Standard 22 (AS 22) "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India.



II. Segment Reporting:

The Company is engaged in the manufacturing of Bearing Rings. It was previously engaged in manufacturing of Agricultural implements. However the company has sold off majority of the plant and machinery used for manufacturing agricultural implements and is focused on manufacturing bearing rings. In view of the same, the management has not shown the Agricultural implements as a separate segment for the purpose of Segment Reporting under AS-17.

III. Related Party Disclosure:

Disclosure required as per Accounting Standard 18 (AS 18), "Related party disclosure" of the ICAI is as follows:

Particulars	Name of the Concern/Person	Nature of Relationship	Related Concern				Total
			Opening Balance	Receipt	Repayment	Closing Balance	
Interest Paid	Jayantibhal D. Patel	Key Management Personnel					4,23,331
	Sanjay J. Patel	Key Management Personnel					2,71,825
	Manoj H. Shah	Key Management Personnel					1,54,567
	Jitendra H. Shah	Relative of Key Management Personnel					95,728
Loans accepted & repaid	Jayantilal D. Patel	Key Management Personnel	55,46,481	29,23,331	34,19,812	50,50,000	
	Sanjay J. Patel	Key Management Personnel	--	32,71,825	11,21,825	21,50,000	
	Manoj H. Shah	Key Management Personnel	--	34,92,567	1,54,567	33,38,000	
	Jitendra H. Shah	Relative of Key Management Personnel	16,52,574	4,07,728	15,48,302	5,12,000	
Directors' Remuneration & Bonus	Sanjay J. Patel	Key Management Personnel					1,55,995
	Manoj H. Shah	Key Management Personnel					1,55,995

IV. Deferred Tax Liability:

The deferred tax liability on account of timing difference for the current year amounting to Rs.3,64,179/- has been recognized and credit to Profit & Loss Account.

	Deferred tax liability/(assets) as on 01.04.09	Current Years' Charge/ Credit	Deferred tax liability/(assets) as on 31.03.10
Difference between book and tax depreciation	1,15,74,704	21,18,119	13,69,823
Loss on sale of asset	(17,46,884)	(31,89,547)	(49,36,431)
Net Timing Difference	98,27,820	(10,71,428)	87,56,392
Deferred Tax liability/(assets)	59,91,673	(3,64,179)	56,27,494

V. Earning Per Share (EPS) Calculation (basic and diluted) :

	Unit	2009-2010	2008-2009
a) Profit after taxation used as the numerator	Rs. in Lac	(43.57)	7.19
b) Weighted average number of equity shares used as the denominator	No.	27,31,620	27,31,620
c) Nominal value of share	Rs.	10	10
d) Earnings per share	Rs.	(1.59)	0.26



VI. Estimated amount of contracts on capital account to be executed and not provided for Rs. Nil

VII. CIF value of Imports Rs. Nil

VIII. Payment to Auditors

	2009-2010	2008-2009
a) Statutory & Tax Audit	5,000	5,000
b) Service Tax	515	515

IX. Earning in Foreign Currency [Rs. In Lacs]

	2009-2010	2008-2009
FOB Value of Exports	270.12	610.35

Expenditure in Foreign Currency [Rs. In Lacs]

	2009-2010	2008-2009
Sales Promotion	Nil	US \$ 0.10

X. Details of Licensed and Installed Capacity:

During the year company sold out major portion of Plant and Machinery regarding manufacturing of Agricultural implements and will be selling remaining Plant and Machinery of Agricultural implements as an when they get the buyer for the same. Company has set up a manufacturing unit of bearing rings. In future, company will expand its capacity in manufacturing bearing rings.

Product	Installed Capacity	Actual Production	
		2009-10	2008-09
Bearings Rings (Tonnes)	2,400	1,328.28	--

(The installed capacities are as certified by the management and relied upon by the auditors, being a technical matter)

- XI.** The company has requested the suppliers to give information about their status as Micro, Small & Medium Enterprise as defined under the MSMED Act, 2006. In the absence of this information company is unable to provide details regarding the overdue to such Enterprise.
- XII.** The outstanding balances as at 31.03.2010 in respect of certain Sundry Debtors, Sundry Creditors, Loans & Advances and deposits are subjected to confirmation from respective parties and consequential reconciliation and or adjustments arising there from, if any. The Management, however, does not expect any material variation.
- XIII.** According to the opinion of the Management the value of realization of current assets, loans & advances and other receivables in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
- XIV.** Contingent liabilities not provided for: NIL



- XV.** Previous years' figures have been regrouped/rearranged wherever necessary to make them comparable.
- XVI.** Schedules 1 to 16 forms an integral part to the financial statements and have been authenticated.

SIGNATURE TO ANNEXURE 01 TO 16

FOR MISTRY & ASSOCIATES,
Chartered Accountant
(Firm's Registration No.120526W)


Suresh Mistry
Proprietor

Idar, Dated 20th July, 2010

FOR & ON BEHALF OF THE BOARD OF DIRECTORS,


Jayantilal D. Patel
Chairman & Managing Director

Rajkot, Dated 20th July, 2010


Manoj H. Shah
Director



GALAXY AGRICO EXPORTS LIMITED

STATEMENT - 01

Inventories	31.03.2010	31.03.2009
	Rs.	Rs.
Raw Materials	17,73,604	16,55,566
General/Fuel etc.	1,10,627	1,37,511
Other Materials	93,037	35,102
Finished Products	18,06,445	80,650
Rollas	14,23,681	16,65,173
Machinery Stores & Spares	11,88,720	11,80,482
Work-in-Progress	20,29,942	13,64,506
Scrap etc.	2,32,306	2,07,364
	86,58,362	63,26,354

STATEMENT - 02

Sundry Debtors	LESS THAN	MORE THAN	31.03.2010
	SIX MONTHS	SIX MONTHS	Rs.
Didisa-Guatemala	20,25,680	-	20,25,680
Diamond Tools Pvt.Ltd.	7,18,200	-	7,18,200
H.M.Trading Corporation	8,525	-	8,525
ABC Bearing Ltd.	-	1,60,756	1,60,756
ARB Bearings Ltd.	90,175	-	90,175
Orbit Bearings India Pvt. Ltd.	21,78,163	-	21,78,163
Preceision Bearing Pvt.Ltd.	1,55,493	-	1,55,493
RMP Bearing Ltd.	17,27,840	-	17,27,840
Texspin Bearings Ltd.	3,59,891	-	3,59,891
Yogi Hitech Pvt.Ltd.	42,700	-	42,700
Patodia Forgings & Gears Ltd.	379	-	379
	73,07,046	1,60,756	74,67,802
	Previous Year		35,75,442



GALAXY AGRICO EXPORTS LIMITED
STATEMENT - 03

Loans, Advances & Deposits	31.03.2010	31.03.2009
	Rs.	Rs.
Advance to Staff	2,49,480	51,420
<i>Advances recoverable in cash or in kind or for value to be received :</i>		
Rashtriya Ispat Nigam Ltd.	-	17,312
Diamond Renovation	-	2,83,724
Diamond Sample Charges Reimbursement	-	3,72,212
Ace Designers Ltd.	1,50,000	-
Aximos Thermo Furnaces Pvt.Ltd.	13,275	13,275
Ferro Foyndries Pvt.Ltd.	6,000	6,001
Hi Speed Turbo Drives	-	25,000
Sadhu Engineering Works	15,344	-
Divy Jyot Agricultural Pvt.Ltd.	2,89,126	-
Amardeep Oil Trading Co.	5,250	-
CDS Overseas Logistics Pvt.Ltd.	-	1,191
Maheshbhai Gulabbhai Pari	-	888
Federal Express (I) Pvt.Ltd.	-	15,081
Marvel Agrico (I) Pvt. Ltd.	-	180
Mascot Electrotek Pvt.Ltd.	-	210
Parth Agro Industries	-	7,60,114
Reliable Associates	2,730	10,000
Smart Traders	2,942	2,942
Techmark Engineers	-	250
TUV Rheinland (India) Pvt.Ltd.	10,000	-
Pari Ratilal Manilal	20,620	-
Job Work Bearing Receivables	12,03,832	-
Service Tax Receivables	13,121	9,526
Service Tax MODVAT	11,639	-
VAT Receivables	58,062	1,83,990
Custom Duty Receivables	-	3,17,621
Licence Fees Provisional	12,87,789	14,26,957
Pre-paid Expenses	96,788	53,620
	31,86,518	
<i>Balances with Excise :</i>		
Excise Receivables	2,62,561	32,85,011
Excise Receivables-Capital Goods	2,51,653	5,53,179
Excise Expenses Receivables	4,016	13,327
Excise PLA A/c.	1,072	1,072
Excise RG 23A Part II	1,05,920	25
Excise RG 23C Part II	1,71,718	1,823
	7,96,940	
<i>Tax Deducted at Sources :</i>		
TDS Receivables (2009-2010)	3,69,508	-
TDS Receivables (2008-2009)	-	64,951
	3,69,508	
<i>Deposits with Statutory Authorities :</i>		
Cell Phone-Deposit	2,400	2,400
Excise Rebate Claim	37,706	4,43,025
Gas Cylinder-Deposit	3,020	3,020
GEB Deposit	12,70,131	16,38,145
Interest Receivable on GEB Deposit	47,748	-
Internet Deposit	1,599	1,000
IOL Ltd.-Deposit	1,500	1,500
Mobile Phone Deposit (Reliance)	4,000	4,000
Telephone- Deposit	21,528	29,408
	13,89,652	
	59,92,098	95,93,399



GALAXY AGRICO EXPORTS LIMITED

STATEMENT - 04

Current Liabilities & Provisions	31.03.2010	31.03.2009
	Rs.	Rs.
CURRENT LIABILITIES :		
<i>Creditors for Goods</i>		
Amardeep Oil Sales	9,108	-
Bhagwati Sceen Arts	-	4,717
Ceegee Chemicals	1,07,094	1,46,351
Cutwell Abresives	-	17,640
Galaxy Electric Co.	247	-
Ganga Enterprise	9,031	-
Gayatri Steel	4,989	-
Makim Agency	97,665	-
Mascot CNC Tools & Equipment Pvt.Ltd.	5,863	-
Moldex Agencies	6,195	12,181
Multtech Enterprise	62,405	-
N. P. Minerals	-	3,582
National Minerals & Chemical Co.	21,451	-
Prateek Engg.	30,900	-
Raj Agencies	5,271	-
Ravi Metal Treatment	6,432	-
Sahara Polymers	5,032	-
Saurashtra Machine Tools	6,941	-
Steel Plant Specilities	22,440	-
Secure Polymers Pvt.Ltd.	-	5,328
Shreeji Enterprise	-	3,853
Shree Ram Oil Trading Co.	5,250	-
Shree Vithal Forgings	-	10,500
Supreme Polymers Industries	-	7,863
Tushar Industries	45,900	45,900
Tirupati Oxygen Pvt.Ltd.	1,210	-
Veebasons Corrugating Pvt.Ltd.	66,062	42,143
Excise Duty on Closing Stock of Finished Goods	75,634	21,334
	<hr/>	<hr/>
	5,95,120	
<i>For Assets :</i>		
Akal Induction Pvt.Ltd.	2,020	2,020
Akal Industries	20,588	20,588
Foundry Trading Co.	6,070	7,105
Jyoti CNC Automations Pvt.Ltd.	5,626	-
Safex Engineers Pvt.Ltd.	-	1,33,957
Tejas Steels	-	24,041
Thakur Agencies	-	4,500
Thermochem Furnaces	56,440	56,440
Universal Conveyors	47,940	-
	<hr/>	<hr/>
	1,38,683	



For Expenses :

Atulbhai Vajubhai Ravaliya	-	18,991
Bhupatbhai Vajubhai Ravaliya	-	19,852
Pravin Vajubhai Ravaliya	-	24,142
Pest Contron (India) Pvt.Ltd.-Ahmedabad	10,400	10,400
Pest Contron (India) Pvt.Ltd.-Gandhidham	1,700	1,700
Pest Contron (India) Pvt.Ltd.-Rajkot	34,287	34,287
Tiger Logistics (I) Pvt. Ltd.	1,06,386	-
Trishul Transport Co.Pvt.Ltd.	-	11,948
Argent Technologies	400	400
Asharam Agencies	2,730	2,730
Bhavani Heat Treaters	695	695
Brahmani Distilled Water	4,968	-
Electro Care System	150	150
Gujarat Packaging Industries	37,427	-
Haresh H. Parmar	4,025	720
Jay Shree Chamunda Machine Tools	2,955	-
Jaydeep Enterprise	3,042	-
Jet Sales & Services	750	750
Jagdish Papers	1,950	1,950
Jignasha Sales Corporation	1,312	-
J. K. Packing Machine	1,000	1,000
Karan Roadlines	11,465	-
Mech Tech Industries	3,04,211	-
Mascot Marketing Services	210	210
Nareshkumar & Co.	2,258	-
Nikki Travels & Trade Link	-	31,540
Omega Scrap Traders	1,272	-
Perfect Weighbridge	3,273	2,583
P.D.Enterprise	8,460	-
Popular Industries	2,200	-
Royal Refractories	8,335	8,335
Sale Service Syndicate	330	-
Saurashtra Brass Works	7,382	-
Shree Om Industries	3,557	-
Star Service	179	-
Swadesh Enterprises	6,081	-
Shree Umiyaji Sales Agency	126	-
Somnath Potteries	620	620
Umiya Ceramics	-	4,966
Kalaria & Sampat	23,617	24,451
Piyush Jethwa	-	11,921
Credit Card Payable	-	3,761
Profession Tax-Workers	-	42,860
Profession Tax-Directors	-	4,300
Profession Tax-Office Staff	-	8,180
Tax Deducted at Sources & Tax Coll. At Sources	1,80,958	1,62,890

7,78,711

Advance from Customers :

Globus Enterprises-Srilanka	5,00,000	-
Shah Brothers Ispat Pvt.Ltd.	-	48,876
Ames True Temper-Advance	-	10,81,958

5,00,000

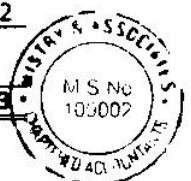
PROVISIONS :

Bonus	-	1,73,332
Leave Encashment	-	16,477
Legal Fees	5,515	5,515
Expenses	4,18,234	66,079
Salary	2,12,076	66,242

6,35,825

26,48,339

24,64,853



GALAXY AGRICO EXPORTS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a)	Registration Details	
	Registration No.	04-21368
	Balance Sheet Date	31st March, 2010
b)	Capital raised during the year	(Amt in '000)
	Public Issue	Nil
	Rights Issue	Nil
	Bonus	Nil
	Private placements	Nil
c)	Position of mobilization and deployment of funds	(Amt in '000)
	Total Assets	Rs. 80,772
	Total Liabilities	Rs. 80,772
	Sources of Funds	
	Paid up Capital	Rs. 39,136
	Reserves and Surplus	Rs. 18,841
	Secured Loans	Rs. 3,318
	Unsecured Loans	Rs. 13,850
	Deferred Tax Liability	Rs. 5,627
	Application of Funds	
	Net Fixed Assets	Rs. 60,099
	Investments	Nil
	Net Current Assets	Rs. 20,673
	Misc. Expenditure	Nil
	Accumulated Losses	Nil
d)	Performance of the Company	(Amt in '000)
	Total Income	Rs. 59,216
	Total Expenditure	Rs. 63,937
	Net Profit before Tax	Rs. (4,721)
	Net Profit after Tax	Rs. (4,357)
	Earning per share (in Rs.)	Rs. (1.59)
	Dividend (%)	Nil
e)	Generic Names of Three Principal Products/Services of Company	
	Item Code No. (ITC Code)	820130.00
	Product Description	MATTOCKS, PICKS, HOES
	Item Code No. (ITC Code)	73261990.
	Product Description	FORGED RING



FOR & ON BEHALF OF THE BOARD OF DIRECTORS,

Jayantilal D. Patel

**Jayantilal D. Patel
Chairman & Managing Director**

Rajkot, Dated 20th July, 2010