



Galaxy Surfactants Ltd.

August 14, 2018

National Stock Exchange of India Ltd., Listing Compliance Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Symbol: GALAXYSURF	BSE Limited, Listing Department, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 540935
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Sub: Submission of Annual Report for FY 2017-18.

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

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for Financial Year 2017-18 duly approved and adopted at the 32nd Annual General Meeting of the Company held on Thursday, August 9, 2018 as per the provisions of the Companies Act, 2013.

You are requested to take the same on records.

Thank you,

Yours faithfully,

For Galaxy Surfactants Limited

Niranjana Ketkar
Company Secretary
Membership no. A-20002



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Navi Mumbai – 400 703, India.
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GALAXY SURFACTANTS LTD.

32nd Annual Report 2017-2018



**CONSUMER TO
CHEMISTRY**

Our winning approach
to innovation

READ INSIDE...

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Our winning approach to innovation
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CORPORATE INFORMATION

BOARD OF DIRECTORS

S Ravindranath
Chairman, Non-Executive Independent Director

U Shekhar
Managing Director

K Ganesh Kamath
Executive Director (Finance) & CFO

K Natarajan
Executive Director & COO

G Ramakrishnan
Non-Executive Director

Sudhir Patil
Non-Executive Director

Nirmal Koshti
Non-Executive Director

Vaijanath Kulkarni
Non-Executive Director

Subodh Nadkarni
Non-Executive Independent Director

M G Parameswaran
Non-Executive Independent Director

Nandita Gurjar
Non-Executive Independent Director

Uday K Kamat (w.e.f. 1st April 2018)
Non-Executive Director

Ravi Venkateswar (up to 9th June 2017)
Executive Director

BOARD COMMITTEES

AUDIT COMMITTEE

Subodh Nadkarni, Chairman
M G Parameswaran
S Ravindranath
G Ramakrishnan

NOMINATION AND REMUNERATION COMMITTEE

M G Parameswaran, Chairman
Subodh Nadkarni
S Ravindranath
Nandita Gurjar

STAKEHOLDERS' RELATIONSHIP COMMITTEE

M G Parameswaran, Chairman
G Ramakrishnan
K Ganesh Kamath

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

U Shekhar, Chairman
M G Parameswaran
K Ganesh Kamath

REGISTERED OFFICE

C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai,
Maharashtra - 400 703
CIN : U39877MH1986PLC039877

BANKERS

Standard Chartered Bank
IDBI Bank
DBS Bank
Societe Generale
The Hongkong & Shanghai Banking Corporation Limited
The Saraswat Co-operative Bank Limited
Citibank
Kotak Mahindra Bank Limited
HDFC Bank Limited

AUDITORS

Deloitte Haskins & Sells LLP

COMPANY SECRETARY

Vinayak Shitole (up to 31st Oct 2017)
Niranjan Ketkar (w.e.f. 31st Oct 2017)

REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd.

Forward-Looking Statements

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



To get this report online and for other information visit
www.galaxysurfactants.com

**Success, we believe,
mandates a deep
understanding
of market and
consumer trends
in the complex,
dynamically
transforming global
Personal & Home
Care industry
environment.**

It requires a continuous alignment of our innovation programme to the growing consumer demand for new molecules and blends that are benchmarked to the highest standards of health and environmental safety.

It is driven by strong capabilities in Chemistry & Chemical Engineering, delivered through state-of-the-art manufacturing facilities, backed by a multi-channel marketing methodology.

At Galaxy, we have envisioned and crafted our strategy to this need.

Our 'Consumer to Chemistry' approach is structured to address the evolving requirements of the consumers to ensure sustained and sustainable growth.



A PERFORMANCE-LED ENTITY

Galaxy is a globally recognised player, with an integrated presence across the complete value chain in the Personal and Home Care Ingredients industry. Catering to the rapidly changing demands of consumers in an ever-evolving industry landscape, the Company is actively and aggressively pursuing a sustainable and partnership-led growth agenda, aimed at ensuring consistent value delivery to all its stakeholders.

AT A GLANCE

Headquartered in India, Galaxy is a leading manufacturer of Surfactants and Specialty Care products, delivering advanced offerings and solutions to an expanding global clientele. With a proven track record of providing innovative and high quality ingredients, we have emerged as the preferred supplier to several leading Multinational, Regional and Local FMCG brands. Led by a strong focus on transparency, risk management and corporate governance, we have in place a Quality-led business framework, which we are continuously striving to strengthen. State-of-the-art R&D facilities, backed by world-class manufacturing units, ensure excellence in performance to drive customer satisfaction and consistent growth.

LISTING

Galaxy Surfactants Limited was listed on the Indian stock exchanges on 8th February, 2018, at a valuation of ₹ 5,200 Crores. The Company's IPO was subscribed around 20 times.



₹ 2,463 Crores

Total Revenue

12.1%

EBIDTA Margin

6.4%

PAT Margin

11.2%

Total Volume Growth

200+

Product Grades for Variety of Applications

1,750+

Customers

75+

Countries of presence

1,200+

Employees

(As of 31st March 2018)

GROWTH ACROSS PRODUCTS

13.2%

Performance Surfactants

7.6%

Specialty Care Products

GROWTH ACROSS GEOGRAPHIES

14.0%

India

11.2%

Africa Middle East
Turkey (AMET)

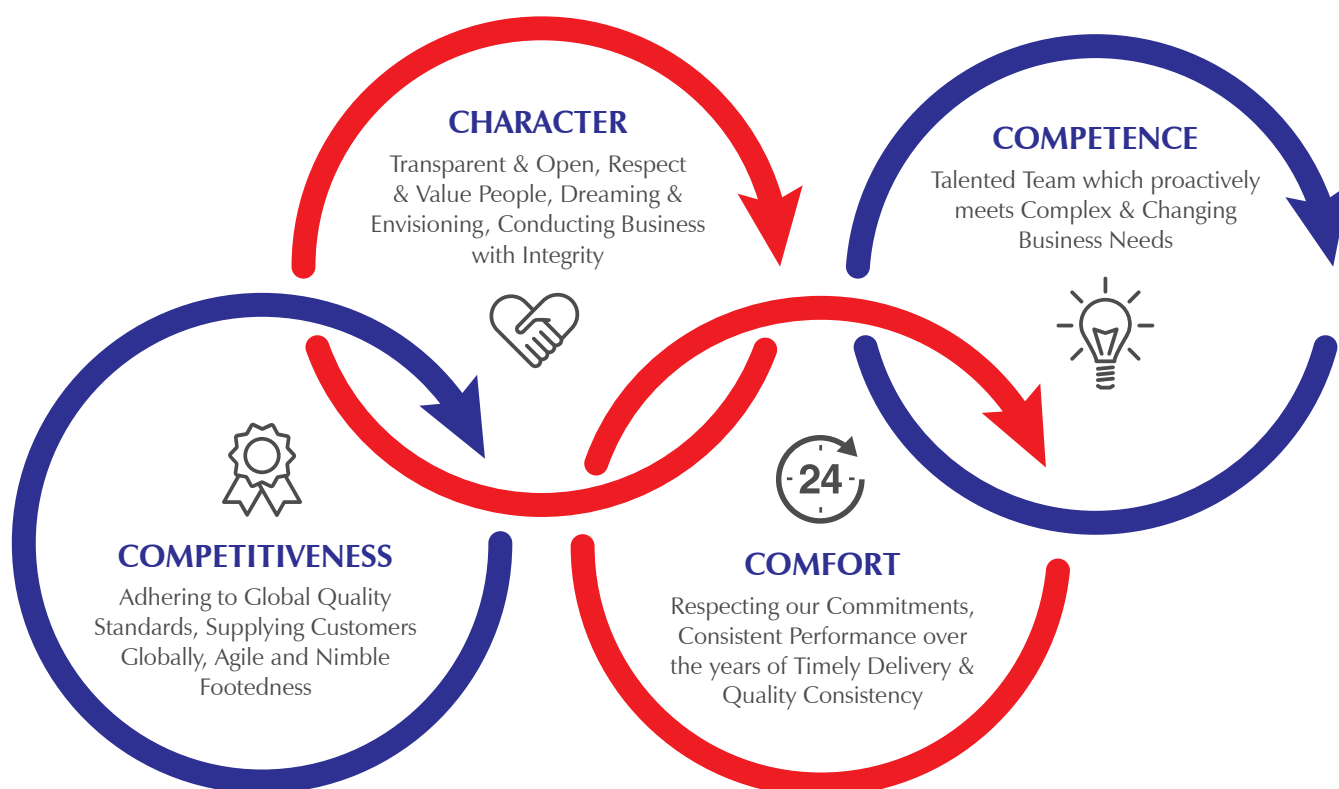
7.2%

Rest of the
World

OUR 4C CHARTER OF CORE VALUES

Our core values, defined by 4C's, help us in aligning ourselves to the increasingly complex needs of consumers across segments and markets worldwide. With informed customers seeking a more transparent and environmentally safe value proposition for their personal and home care products, these core values help us

in ensuring stringent adherence to globally benchmarked quality and safety parameters. Consistent performance delivered by our professionally competent teams is a priority agenda of our value matrix, which is supported by our core value of business ethics and integrity.



OUR MISSION

To be a brand of Global Eminence through best-in-class value delivery by high quality people.



OUR VISION

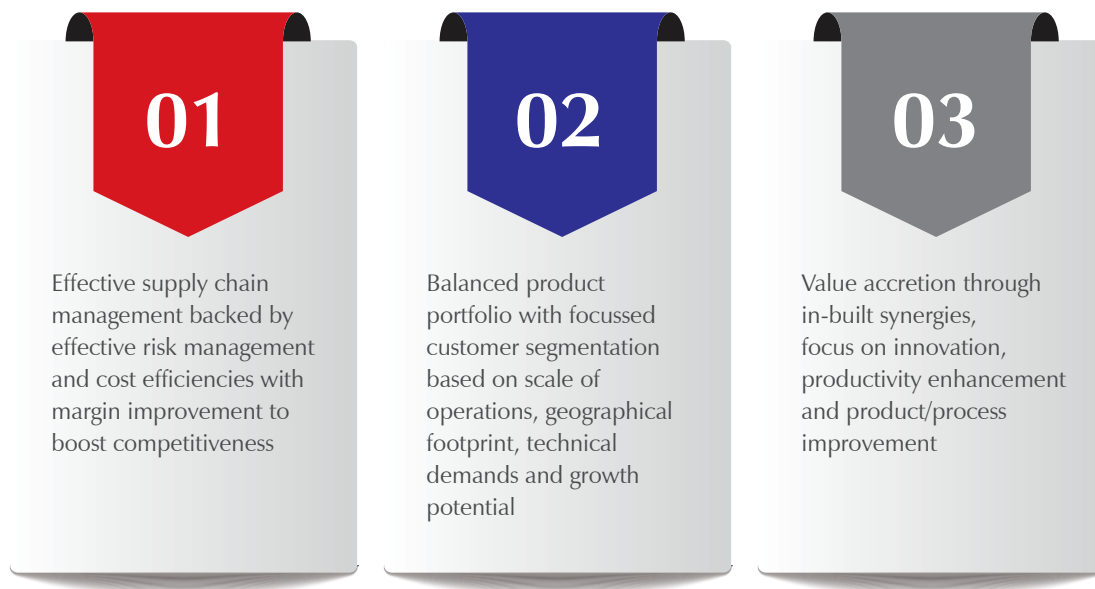
Delight customers; Be a Partner of choice, and a Global leader of Surfactants and Specialty Chemicals to the Personal and Home Care Industry with a commitment to a cleaner and safer environment and delivering consistently above average returns to the investors.

A PERFORMANCE-LED ENTITY

OUR GROWTH-CENTRIC BUSINESS MODEL

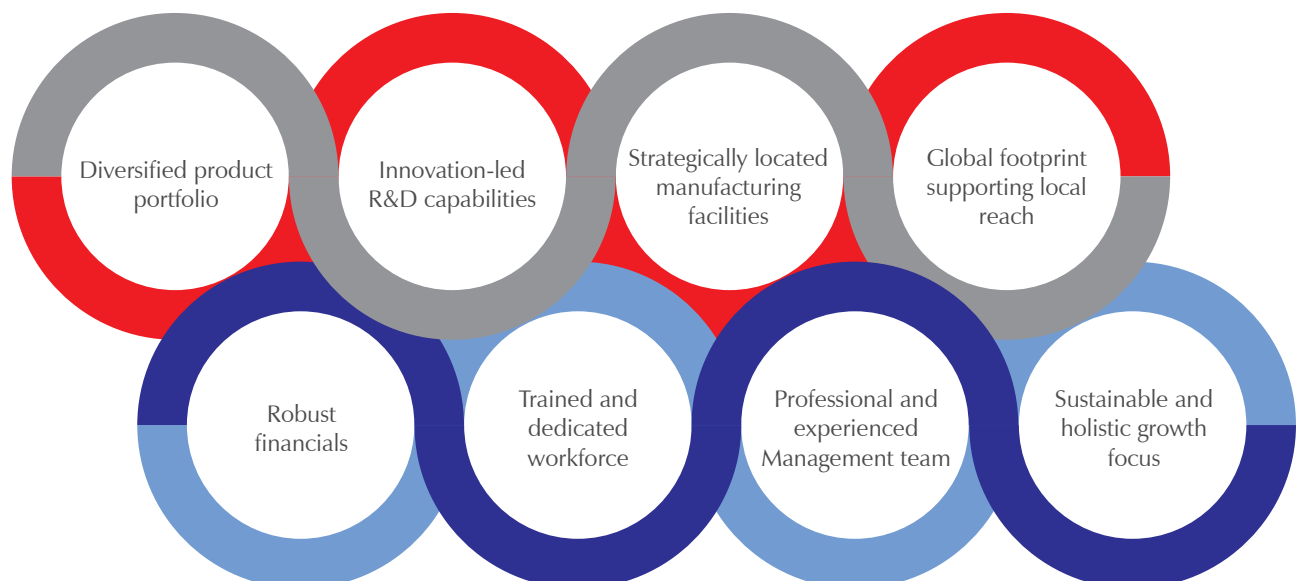
Our business model for sustainable growth ensures an optimal mix across products, customers and geographies. This growth-oriented model is structured on the pillars of efficiencies,

innovation, scale and customer-centricity, which enables us to effectively meet new challenges in the globalised market environment.

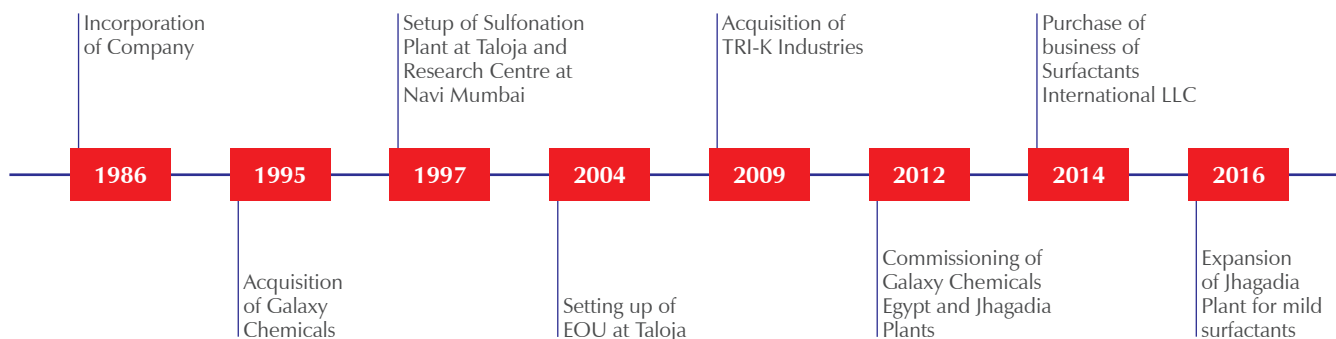


OUR NUCLEUS OF STRENGTHS

Our 'Consumer to Chemistry' value proposition is driven by core strengths built into our business model.





OUR CONSUMER-LED GROWTH TRAJECTORY



OUR OPPORTUNITY-LED GEOGRAPHIC PRESENCE

With our eyes on the opportunity landscape in both developed and emerging markets, we have, over the years, strategically expanded into the regions of Africa Middle East Turkey (AMET), Asia Pacific (APAC), Americas (North and South) and Europe, apart from India. We have seven strategically located plants in India, Egypt and US, backed by an extensive network of sales and representative offices.



 Manufacturing India Egypt USA	 Offices Netherlands Turkey
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Map not to Scale. For illustrative purpose only

MESSAGE FROM THE **MANAGING DIRECTOR**



OUR FOCUS DURING
THE YEAR HAS BEEN
TO STRENGTHEN
OUR RELATIONSHIPS
WITH OUR EXISTING
CUSTOMERS WHILE
ADDING NEW
CUSTOMERS ACROSS
MARKETS AND
REGIONS

DEAR SHAREHOLDERS,

It is with great pleasure that I present to you the Company's first Annual Report after its public listing.

During the year under review, your Company successfully completed Initial Public Offer of shares and had its shares listed on the stock exchanges. The IPO got overwhelming response from all the categories of investors and was subscribed about 20 times. On listing, your Company achieved the position of being ranked within the first 500 companies of India in terms of market capitalisation.

We welcome all the new shareholders to become a part of the growth story of the Company for the future.

During the year, the domestic economy witnessed change in the indirect tax regime when it migrated from the existing tax laws of excise, service tax, VAT and Octroi to the new GST regime. This change had a bearing on the way the entities conducted their businesses and observed the indirect tax compliance regime. We believe that in the long term the impact of the new indirect tax regime will be positive on the economy and the business.

FINANCIAL OVERVIEW

On the fiscal front, 2017-18 saw your Company scale new levels of progress, logging an impressive 11.2% volume growth, which is much higher than the global surfactants growth rate of 4.4%. The growth has been driven primarily by the 13.2% volume growth in the Performance Surfactants segment, enabled by our strong customer acquisition programme and launch of new projects with strategic customers, leading to share gain. In the Specialty Care segment, the preservatives, proteins and mild surfactants platforms enabled growth of 7.6% in volume terms, year-on-year.

With an innovation-led sustainable business strategy and our 4C charter to propel growth, we reported excellent numbers during the year, with total revenue touching ₹ 2,463 Crores. EBIDTA margin stood at 12.1% and PAT margin at 6.4%, as of 31st March,

2018. Inherent robustness of our financials is further reflected in higher-than-industry volume growth of 8% CAGR over the past four years (from 2013-14 to 2017-18), resulting in 20.4% CAGR growth in PAT during the same period.

INDUSTRY OVERVIEW

Our excellent financial performance is mapped to the various successes we notched on the operational front during the year, as we leveraged our intrinsic strengths to succeed in a competitive and challenging environment.

Rising affordability, improved economic activity and evolving aspirations for beauty and healthier lifestyle across the globe, especially in the emerging markets, are the key factors catalysing growth for the Home and Personal Care Industry. Uptick in the global and Indian markets along with new customer acquisitions across geographies and categories further facilitated our growth momentum.

The Indian market is witnessing a strong growth trend in all personal and home care categories, including hair care, fabric care and handwash. This has augured well for your Company, which is effectively leveraging its core strengths to harness the growing opportunities in the domestic market. With the Indian HPC industry projected to grow around 10% during 2017-20, we expect our business to gain further ground in the domestic market.

The Indian market trend is in line with the other emerging markets, where newer categories such as men's grooming, hand and face wash, and premium household care are finding increased demand. In contrast, the mature markets are seeing greater traction in categories such as skin care and colour cosmetics. With our strategy mapped to the needs of both, we are ideally positioned to harness the opportunities across categories and geographies.

BUSINESS OVERVIEW

Our extensive basket of over 200 products, coupled with our pipeline of innovations and sustainability initiatives, positions us to seize opportunities emerging from the industry and consumer trends. Our core strengths equip us with the capabilities to harness the growing Performance Surfactants demand in the consumption driven emerging markets of India and AMET. Besides, it also helps us address the niche requirements of the specialty care products in the mature markets which seek customised and differentiated specialty ingredients.

With customers central to our business philosophy, our focus during the year has been to strengthen our relationships with our existing customers while adding new customers across markets and regions. Our Consumer to Chemistry approach coupled with our research, development and formulation capabilities, enabled us to take our new innovative products addressing the emerging consumer trends to our customers. An expanding product basket and strategic cross-selling further contributed to increase in our wallet share and growth in our customer base.

The year also saw us achieve significant improvements in our production capabilities as a result of debottlenecking of certain products in both the Performance Surfactants and Specialty Care product segment.

Cumulatively, all these capabilities translated into strong growth across geographies during 2017-18, when 55% of our revenues came from Multinational, 8% from Regional and 37% from Local customers.

In the domestic market, our products straddle both the mature categories, such as toothpaste, shampoos and powder detergents, as well as the sunrise categories that include liquid detergents, face wash, liquid dish wash, etc. Despite initial challenges encountered during transition to GST regime which impacted the FMCG industry in the initial part of the year, domestic

MESSAGE FROM THE MANAGING DIRECTOR

business did well exhibiting 14% volume growth underlining the robustness of our customer relationships, business and operations. Our Parivartan initiatives enabling cost efficiencies and process improvements helped us successfully navigate the raw material and market volatilities to deliver higher value to our stakeholders.

Egypt performed well despite challenges of feedstock volatility and subdued local growth resulting from the Egyptian pound devaluation. Galaxy Egypt posted excellent volume growth of 15% resulting from cost optimisation, efficient sourcing, strategic tie-ups with key multinational customers, customer acquisitions, increased exports and enhanced geographic reach.

Our US business also witnessed a healthy Revenue growth of 16.5%, with TRI-K US effectively harnessing the market opportunity.

Our Subsidiaries with their manufacturing facilities in Suez, Egypt, and New Hampshire, USA, enabled us to service the demand for our products from the international markets. Further strengthening our service proposition were our sales offices in India, Egypt and USA, and representative offices in Netherlands and Turkey.

INNOVATING TO CONSUMER NEEDS

With innovation at the heart of our growth strategy, we commissioned a separate application development lab, equipped with state-of-the-art instrumentation, to offer ingenious solutions to the Home Care Industry. We have initiated collaborative projects with our customers in the area of dish and fabric wash to meet their growing demand for these niche products. I am confident this will further facilitate the translation of our 'Consumer to Chemistry' strategy into more value-accretive deliverables for our widening base of customers across segments and geographies.

The year also saw our strong R&D capabilities getting a further endorsement with the grant of 8 patents for seven inventions focussed on providing value-added, high-performing solutions to the Home and Personal Care Industry. I congratulate the R&D

I CONGRATULATE
THE R&D TEAM FOR
THESE SUCCESSFUL
INNOVATIONS, WHICH
WILL GO A LONG WAY IN
ENHANCING CUSTOMER
SATISFACTION
AND DRIVING OUR
SUSTAINABILITY-LED
GROWTH AGENDA.



team for these successful innovations, which will go a long way in enhancing customer satisfaction and driving our sustainability-led growth agenda.

FOCUSSING ON SUSTAINABILITY

While accomplishment of our business goals continued to steer our strategic agenda, our unwavering focus on sustainability further strengthened our position as a partner of choice and a strategic vendor committed to a cleaner and safer environment.

The year saw us make further progress on our Sustainability Goals 2020. We have completed Life Cycle Assessment studies for selected major products to estimate environmental impact over the product life cycle, and are working extensively on improving our product safety and stewardship. A series of green initiatives further consolidated our environmental safety proposition, while our recertification as a Responsible Care company underlines our strong commitment to safety, health, environment and sustainability.

Let me assure you that this focus on sustainability remains an uncompromising agenda of our strategic charter, as we move towards growth and expansion of our business in line with the emerging opportunities in the coming years.

On our CSR initiatives we further strengthened our connect, reaching out more effectively to the people and communities around our manufacturing facilities.

EMPOWERING OUR PEOPLE

At Galaxy, we are fully cognizant of the fact that the realisation of our goal for sustainable growth, and the business successes we continue to scale year after year, is a result of dedicated efforts of our people.

People thus remain central to our growth philosophy and we have in place a robust human resource model aimed at continuously nurturing the skills, as well as the growth and cross-functional capabilities of our people. We have launched several initiatives to align our people more closely with the organisational goals, and empower them to build close and long-term relationships with customers and vendors, which will continue to drive our growth strategy.

Our sustainability focus also extends to our employees, and we remain passionately committed to creating a fitter and healthier workforce. During the year, we launched our first weekly health newsletter - "Wellness Quotient" - to sensitise our employees and motivate them towards better physical, mental and emotional well-being.

GOING FORWARD

What we, at Galaxy, see ahead is an even more exciting growth chapter with a well-defined roadmap for the future. Our "Consumer to Chemistry" approach, R&D focus and product innovation shall continue to be an important component as we move forward.

Our agenda for the future is focussed on increasing the wallet share with existing customers, while concurrently expanding

our customer base with new client additions across geographies. Growing the Specialty Care Products is another key objective of our mutually complimentary two-pronged growth strategy for driving growth in both emerging and mature markets.

Debottlenecking will continue to play a key role in our future growth strategy. With the commissioning of Taloja debottlenecking programme, we have successfully enhanced our capacities to capitalise on the available growth opportunities. We are also undertaking asset productivity enhancements at Egypt and USA, which we see translating into additional capacities and capabilities for the future.

Parivartan initiatives, such as building cost efficiencies through waste reduction, quality circles, sourcing efficiencies, revenue enhancement programmes, shall also continue to drive operational excellence and efficiencies at all our locations.

Our commitment to sustainable growth through improved processes and products will strengthen our value proposition for our expanding base of customers in the coming years.

ON A CONCLUDING NOTE

I would like to conclude by thanking all our stakeholders for their continued support and trust in the organisation, and look forward to taking our partnership further creating value for all the stakeholders in the years ahead.

Thank you
Yours sincerely

U. Shekhar
Managing Director

STRENGTHENING OUR CONSUMER CONNECT

In the transforming industry landscape, keeping pace with the changing aspirations and diverse needs of the consumers remain the key to driving sustained and sustainable growth. At Galaxy, our 'Consumer to Chemistry' proposition is centred on continued enhancement of our consumer understanding through an innovation and quality led business strategy, which enables us to deliver holistically and effectively to the needs of customers and their consumers across segments.

As a Global Supplier to Global Brands, we cater to the entire spectrum of geographies and customer profiles, across price points, in all the segments/categories of our presence. Customised products manufactured at our state-of-the-art facilities, help us address the diverse needs of end consumers for personal and home care products. At the same time, our deep understanding of consumer preferences, together with our ability to deliver integrated solutions for the HPC value chain, has equipped us with the agility to adapt to the changing customer needs, quickly and efficiently.

This customer-centric strategy and exclusive focus on HPC value chain has enabled us share long-term strategic relations with majority of our customers. These relationships nurtured by integration into the customer protocols in manufacturing, logistics, quality systems, sustainability and responsible sourcing have resulted in joint business development and innovation to meet customer and consumer requirements positioning us as an integrated solutions provider. This augurs well for the growth in our revenue base by enabling develop new product applications and markets.



A 1,750+ CUSTOMER
BASE, SPREAD ACROSS
75+ COUNTRIES AROUND
THE GLOBE, ENDORSES
THE DEPTH AND REACH OF
OUR CUSTOMER RELATIONS.
OUR CUSTOMERS INCLUDE
SOME OF THE LEADING
MULTINATIONAL, REGIONAL
AND LOCAL PLAYERS IN THE
HOME AND PERSONAL CARE
INDUSTRY, AND WE ARE WELL
INTEGRATED IN THEIR VALUE
CHAIN.



DELIGHTING CUSTOMERS

In line with our focus for customer relationship management, we classify our customers based on certain key characteristics, including scale of operations, geographical footprint, technical demands and propensity for growth. Besides helping us monitor and address specific customer and geographical risks, this classification facilitates our efficient and effective supply-chain management thereby strengthening our global supplier delight programme.

ROBUST PRODUCT PORTFOLIO

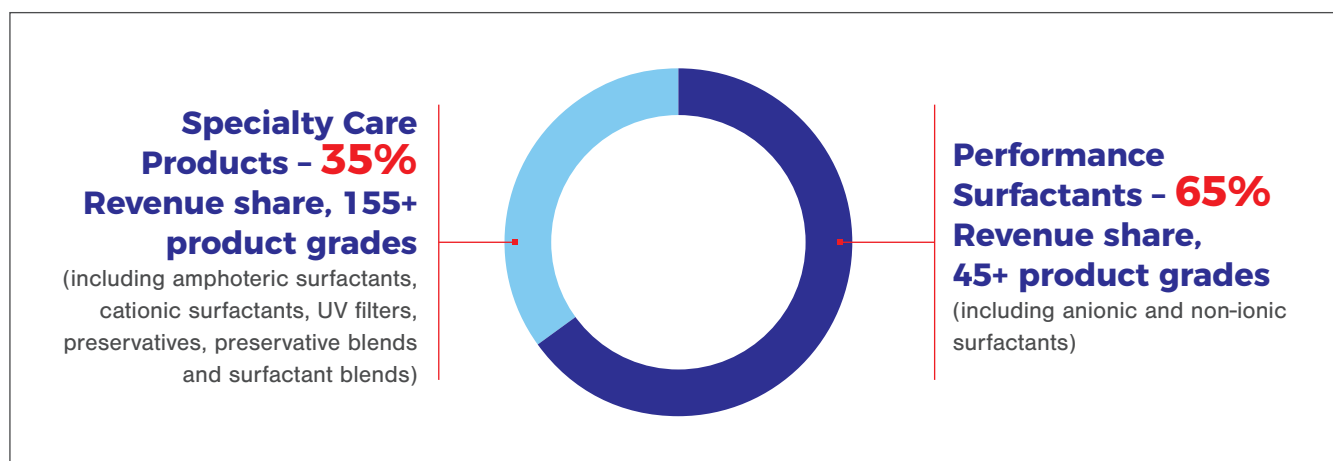
Our diversified basket of 200+ products and solutions is designed to reach out to the needs of consumers across the Mass, Mastige and Prestige range, in some of the fastest-growing markets of the world. Our product portfolio, which encompasses a very broad range of offerings in the Personal and Home Care segments, is customised to meet the specific needs of customers in their niche markets. With their exceptional blend

of functionality and consumer benefit, we have a portfolio of volume-led Performance Surfactants which predominantly cater to the mass aspirational consumption needs in emerging markets. At the same time, diversified portfolio of Specialty Care Products mainly cater to the niche and premium needs of consumers in the developed and mature markets.

PERSONAL CARE PRODUCTS



HOME CARE PRODUCTS



STRENGTHENING OUR CONSUMER CONNECT

INNOVATION EXCELLENCE

The growing market demand for personal and home care products requires innovation thrust to match the evolving consumer needs. At Galaxy, we follow a collaborative product development approach with our customers, helping them choose the right technology with the right applications.

The Innovation Funnel that we adopted in 2007, with the aim of consistently diversifying product offerings and addressing consumer needs and trends, continues to lead our Innovation strategy. The Funnel, which encompasses the five stages of Innovation – Idea, Feasibility, Capability, Market Ready, and Product in the Market – is the pillar on which we have channelised our R&D efforts.

Besides a well-equipped R&D Centre at Navi Mumbai and Pilot Plant at Tarapur (Maharashtra), we have a Product Applications Centre for Proteins at Denville, USA, to power our Innovation Strategy. An in-house team of 63 professionals, comprising doctorates, chemists and engineers, continuously strive to translate our vision of cutting-edge products into reality.

Our R&D focus on new product grades, applications and enhanced process efficiencies has emerged as a key driver of our better-than-market growth in a challenging global industry environment.

49

Patents earned globally since 2002

37

Patent applications currently pending

₹ 50+ Crores

R&D expenditure during 2016-18



MANUFACTURING PROWESS

Seven strategically located plants, manned by skilled and experienced employees, are engaged in delivering excellence to our customers with the help of a highly qualified in-house engineering team. Equipped with high-end machinery, these facilities are benchmarked to global standards of quality and efficiency.

Of our seven manufacturing units, five are located in India (3 in Tarapur, 1 in Taloja Maharashtra, and 1 in Jhagadia, Gujarat). We have one plant each in Egypt (Suez) and USA (New Hampshire). The plants are strategically located close to the markets and in

proximity to ports for easy and speedy roll-out of products. We have the requisite environmental clearances for expansion and additional land is available at Jhagadia and Suez plants, giving us extensive headroom for brownfield expansion in the future.

With many of our key customers auditing and approving our manufacturing facilities and processes, we have established a global reputation for reliability and supply of high-quality products and customised solutions. Besides helping us attract new customers, our manufacturing excellence enables us to garner recurring business from our existing clients.

79,500 MTPA

Jhagadia (Gujarat)

Performance surfactants and
Specialty care products

91,500 MTPA

Suez (Egypt)

Performance surfactants and
Specialty care products

1,59,000 MTPA

Taloja (Maharashtra)

Performance surfactants and
Specialty care products

32,880 MTPA

Tarapur (Maharashtra)
– 3 units

Plus 1 Pilot Plant

Specialty care products
For scale-up and commercialisation
of new products

600 MTPA

New Hampshire (USA)

Different grades of proteins



STRENGTHENING COMPLIANCES

The compliance-led culture that we continue to nurture within the organisation, and externally with our partners/vendors, is another engine enabling our consistent performance in the demanding regulatory scenario that prevails today.

As a global player, we stringently ensure compliance with all the mandated chemical regulations, such as REACH, Safety and Technical Data Sheets, Hazard Labels, USFDA, Halal and Kosher

certification. This ensures security of supplies to the customer, while protecting the business from any adverse impact which may arise due to non-compliance of these mandated regulations.

Every substance exported to the European Union greater than or equal to 1 MT requires REACH registration, and we are happy to share that our 21 products being sold in the region have received the requisite registration.

Cumulatively, these unique strengths have emerged as the key driver of our continued success in delivering customised quality products and solutions to our expanding global clientele.

SOCIAL CHEMISTRY - FROM CONSUMER TO COMMUNITY

At Galaxy, we have extended our 'consumer to chemistry' philosophy to go beyond the customer and consumer, to cover the community at large.

As a responsible corporate - a label we are proud to carry not just in letter but also in spirit - we have developed a strong framework of Corporate Social Responsibility, which we continue to strengthen year-on-year with focussed initiatives centred on the communities around our manufacturing facilities.

Cognizant of the criticality of the society we live in to our continued survival and success, we remain passionately engaged in furthering our CSR agenda to enable a positive transformation among the people and the communities within which we operate.

With a partnership-driven approach to steer our CSR agenda, our team members participate actively in various socially relevant projects, such as creating check dams, educating people, improving the living standards in terms of health and hygiene, and providing livelihood opportunities to the community.

OUR CSR FOCUS LIES IN IMPROVING THE QUALITY OF LIFE IN TERMS OF HEALTH, HYGIENE, SANITATION AND PREVENTIVE CARE. IN VIEW OF THE IMPORTANCE OF EDUCATION AND SKILLS ENHANCEMENT FOR THE DEVELOPMENT OF THE SOCIETY, WE HAVE MADE BUILDING OF INFRASTRUCTURE, TOILETS, CLASSROOMS AND LABORATORIES IN SCHOOLS, THE CORE OF OUR COMMUNITY DEVELOPMENT PROGRAMME.



PARTNERING THE SOCIETY'S PROGRESS

In line with our thrust on enabling holistic societal progress in the villages and communities surrounding our manufacturing plants, we undertook several initiatives to promote responsible growth during the year.

Samajeek Utthan

We have adopted a tribal village - Navlyacha Pada, Mokhada, District Palghar, Maharashtra with a view to transform it into an 'ideal village', across all the key parameters of development.

Stree Unnati

We believe women to be central to the progress of a society and have launched this programme with the aim of empowering young women living in slum areas. We provide them with skill-based training in beauty and para nursing courses.

Vatavaran Suraksha

With environmental protection an important facet of responsible growth, we planted more than 34,000 trees in the areas around our manufacturing units during the year.

Arogya Vardheeni

To ensure clean and disease-free environment, we have constructed toilets in schools, hostels and community centres. We are also extending support to a Mobile Eye Clinic, besides providing ICU equipment in a Cancer Hospital. During the year, we have mobilised 460 units in 7 blood donation camps, besides conducting an eye camp in Talodara village, Jhagadia covering 750 villagers.

Rog Mukti Aur Tandurusti – Swachh Haath ke Saath

In an international competition, organised jointly by ITM Business School & Corporate Gurukul, on "Innovative and Best Practices in Branding", we presented a 'Hand Hygiene' initiative, that was widely appreciated.

₹ 255.59 Lakhs

Total CSR spend during 2017-18

Our Corporate Social Responsibility Committee is proactively steering the transformational agenda of our CSR effort. The Committee periodically reviews and updates our CSR Policy to align it more closely with our goals.

1

Beneficiary

Touched around 1.6 lakh people through our CSR projects – Cumulative till March 2018

2

Project Vatavaran Suraksha

Planted around 42,000 trees (34,000 planted in 2017-18 alone)

3

Gyan Sanjeevani

Supported 148 schools through our team and NGO Partner, impacting around 50,000 students

4

Arogya Vardheeni

Total 62 Blood Donation Camps conducted till March 2018 with Cumulative collection of 3,103 Blood units saving lives of around 9,000 patients

Built around 312 Toilets and 1,805 Hand Washing stations for promoting Clean Hygiene Practices

5

Stree Unnati

Vocational Skills training to 107 girls from slums for making them financially independent

Note: Above figures are Cumulative till March 2018

COMMITMENT TO SUSTAINABLE GROWTH

With sustainability a way of life at Galaxy, we have embarked on a journey of sustainable growth across all geographies of our operations. We are committed to improving our safety culture and work towards integrating sustainability into our business.

SUSTAINABILITY GOALS 2020

In line with our responsible growth strategy, we have set ambitious sustainability targets with respect to Water, Energy, Greenhouse Gases, Packaging Waste, Tree Plantation, Renewable Energy and Life Cycle Assessment, as part of our Sustainability Goals 2020 agenda.

With the dedicated efforts of every member of the Galaxy team, we are well on way to achieving these goals, with significant

reductions already made in water and energy consumption, along with increase in the use of renewable energy.

Highlight

While Jhagadia is currently a 100% zero discharge facility with complete recycling / conversion of liquid as well as solid waste, Taloja and Tarapur facilities are zero liquid discharge facilities with complete recycling of water while the solid waste (sludge) is disposed.



IT IS OUR CONSTANT ENDEAVOUR TO INCORPORATE SUSTAINABILITY ACROSS OUR SUPPLY CHAIN THROUGH REGULAR ASSESSMENT OF OUR SUPPLIERS/VENDORS ON THEIR ENVIRONMENT AND SOCIAL PERFORMANCE.



GREEN CATALYST INNOVATION

Our sustainability focus is led, in significant measure, by our innovation prowess. Our patented 'Green' commercial manufacturing process ensures 100% waste elimination for a range of acyl-amino acid based mild surfactants that include glycinate, sarcosinate, taurate, glutamate, etc. The

innovation, which involves use of Green catalyst to enable by-products from one process to be used in the manufacture of other types of surfactants, is also enabling energy efficiencies for the Company.



As we go forward, we shall further strengthen our efforts to promote sustainable growth by scaling our targets across the EHS and product stewardship and developing sustainability champions to achieve our sustainability goals.

BOARD OF DIRECTORS



S Ravindranath

*Chairman, Non-Executive
Independent Director*

Associated with the Company since 2007, Mr. Ravindranath brings to the table extensive expertise and experience, having spent more than 30 years with Unilever, India, in various capacities.



U Shekhar

*Promoter & Managing
Director*

Associated with the Company since 1986, Mr. Shekhar is a Chemical Engineer and PGDM from IIM, Calcutta.



K Ganesh Kamath

*Executive Director (Finance)
& Chief Financial Officer*

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



K Natarajan

*Executive Director & Chief
Operating Officer*

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



G Ramakrishnan

*Promoter, Non-Executive
Director*

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



Sudhir Patil

*Promoter, Non-Executive
Director*

Mr. Patil, who is associated with the Company since 1986, brings to it significant technical expertise as a qualified Chemical Engineer.



Nirmal Koshti

Non-Executive Director

Associated with the Company since 1986, Dr. Koshti is Ph.D. in Organic Chemistry (University of Bombay) and brings to the Company extensive post-doctoral research experience.



Vaijanath Kulkarni

Non-Executive Director

Associated with the Company since 1995, Mr. Kulkarni is a Chemical Engineer who is currently holding the position of MD of Galaxy Chemicals (Egypt) S.A.E.



Subodh Nadkarni

Non-Executive Independent Director

With 30+ years of experience, including with Godrej and Sulzer, Mr. Nadkarni is a qualified CA and CS, who has been associated with the Company since 2002.



M G Parameswaran

Non-Executive Independent Director

Associated with the Company since 2005, Mr. Parameswaran is Chemical Engineer from IIT Madras, with PGDM from IIM Calcutta and PhD from Mumbai University.



Nandita Gurjar

Non-Executive Independent Director

Ms. Gurjar has been associated with the Company since 2015, and brings to the table over 20 years of experience in the field of IT and Human Resource.



Uday K Kamat

*Non-Executive Additional Director**

Mr. Kamat is a qualified CA and Cost Accountant (ICWA), with 15+ years of association with the Company.

*Appointed with effect from April 1, 2018.

AWARDS AND RECOGNITIONS

The numerous awards and recognitions we have received over the years endorse the capabilities and competence available within to 'deliver on the 'Consumer to Chemistry' business ethos.

With as many as 14 awards and 4 certifications received during 2017-18, we have once again demonstrated that we are

dedicated to delivering excellence to our customers and other stakeholders.

Apart from this, our innovations have got featured in various magazines with our latest Non-toxic Preservative Galguard NT getting featured in the personal care magazines in Europe this year.





CONSOLIDATED FINANCIAL PERFORMANCE

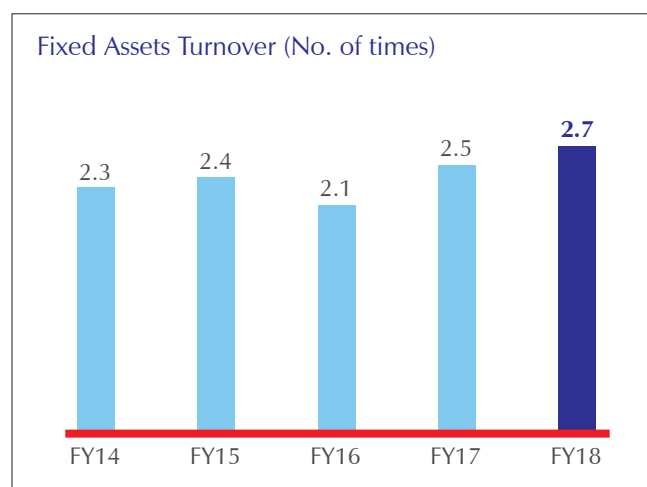
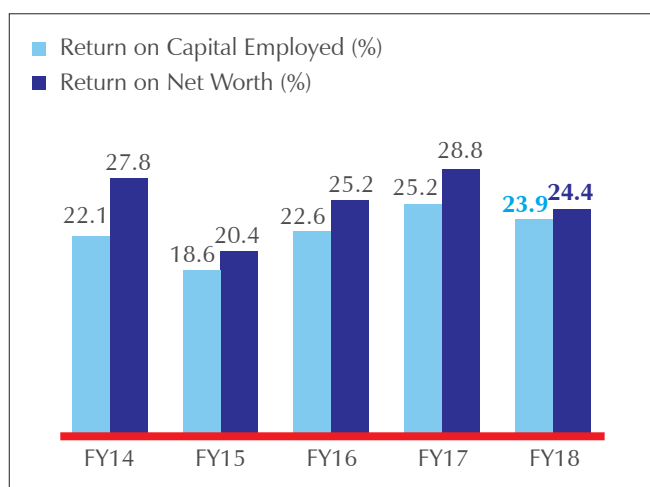
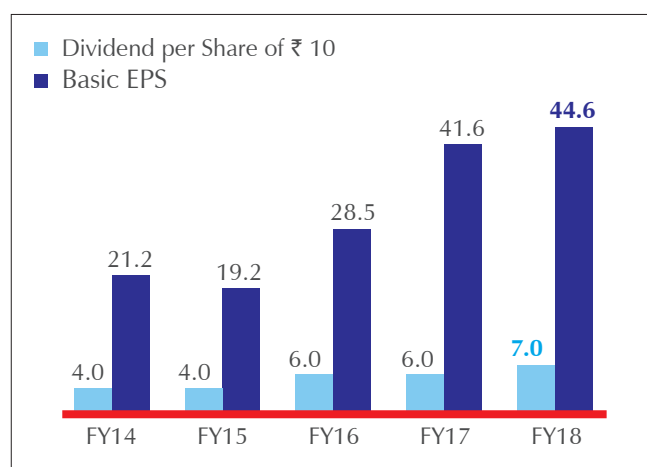
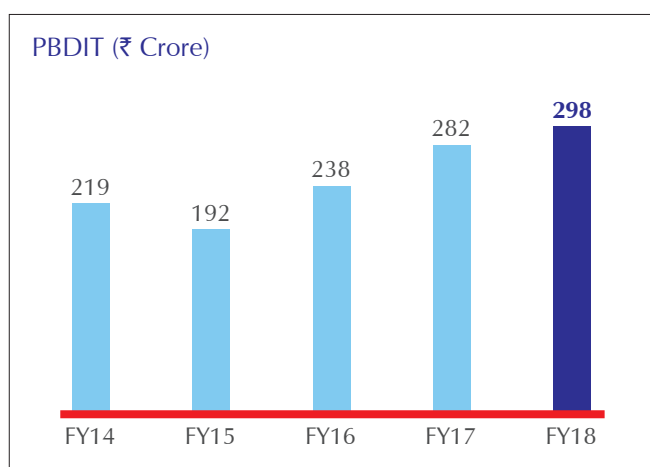
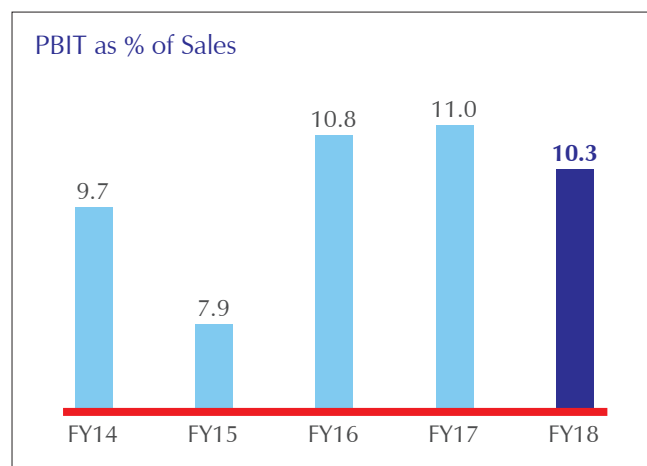
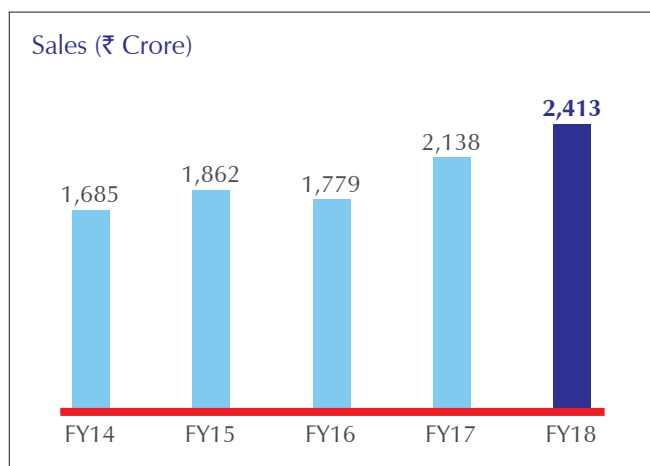
5 YEAR TRACK RECORD

Particulars	₹ in Crore				
	FY18*	FY17*	FY16	FY15	FY14
Profit & Loss Account					
Sales (Net of Excise Duty)	2413	2138	1779	1862	1685
Other Income	31	34	28	13	16
PBDIT	298	282	238	192	219
PBIT	249	235	193	147	164
Interest	31	27	31	34	42
Profit Before Taxation	219	207	161	113	122
Profit After Taxation	158	148	101	68	75
Basic Earning Per Share of ₹ 10 (₹)	44.57	41.64	28.52	19.18	21.22
Dividend Per Share of ₹ 10 (₹)	7.00	6.00	6.00	4.00	4.00
Balance Sheet					
Fixed Assets	472	466	487	466	480
Investments	0.07	0.11	0.03	0.03	0.03
Net Current Assets	621	524	386	369	265
Total^	1092	991	873	835	745
Equity Capital	35	35	35	35	35
Reserves & Surplus	683	539	406	325	270
Loan Funds	349	395	413	456	417
Deferred Tax Liability	24	21	19	19	23
Total^	1092	991	873	835	745
PAT/ Sales (net of excise duty) (%)	6.6	6.9	5.7	3.7	4.5
Return on Capital Employed (%)	23.9	25.2	22.6	18.6	22.1
Return on Net Worth (%)	24.4	28.8	25.2	20.4	27.8
Net Current Assets to Sales (%)	25.7	24.5	21.7	19.8	15.7
Cash Generated from Operating activities	144	111	170	41	155

* No.'s are as per Ind-AS and not strictly comparable with previous year figures

^ Figures rounded off to nearest ₹ Crore

PERFORMANCE TRENDS (CONSOLIDATED)



STATUTORY REPORTS



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

World Growth strengthened in 2017 to 3.8 percent, largely driven by an investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe and signs of recovery in several commodity exporters. Projected pickup in growth in the emerging and developing economies and resilient growth in advanced economies supported by strong momentum, favourable market sentiment, and expansionary US fiscal policy, global growth is expected to tick up to 3.9 percent in 2018 and 2019.

(Source: International Monetary Fund April 2018)

INDIAN ECONOMY

With the Gross Domestic Product (GDP) growth averaging at 7.5 percent between 2014-15 and 2016-17, the size of the Indian economy today is about USD 2.5 trillion thereby making it the sixth largest economy globally. The overall growth was supported by the key government policies and increasing private consumption. The recovery in Index of Industrial production and low inflation rates supported by lower crude prices, helped to counter the adverse impacts of demonetisation and Good and Services Tax (GST) implementation. India can be rated as among the best performing economies in the world on this parameter. Asian Development Bank has projected India to be the fastest growing Asian country, with projected growth rate of 7.3 Percent in 2018-19 and 7.6 percent in 2019-20. A healthy and growing domestic economy complemented by the growth in exports will help meet the stated projections.

Outlook

Pickup in GST Collections, improvement in capacity utilisation levels – which should bring about private sector capex recovery, government's push for infrastructure development should support the GDP growth in coming financial year.

(Source: An Overview of India's Economic Performance in 2017-18)

(Source: Business Today)

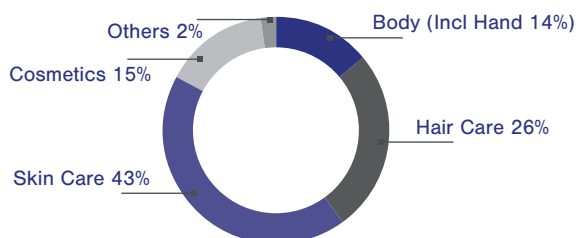
HOME AND PERSONAL CARE MARKET

The Global Personal Care Market was USD 290 Billion in 2017 which is expected to grow at 5.2 percent CAGR to touch USD 340 Billion by 2020.

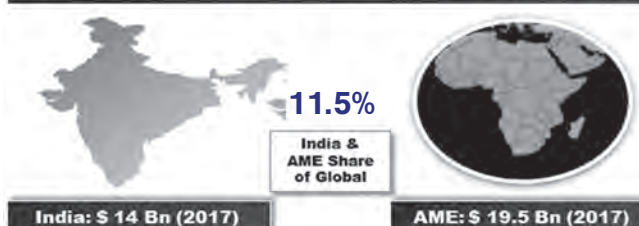
The Global Home Care Market [Household Cleaning + Institutional] was USD 150 Billion in 2017 which is expected to grow at 3.6 percent CAGR to touch USD 170 Billion by 2020.

The emerging economies of India and Africa Middle East and Turkey will grow at a much faster rate compared to the developed economies and will be the main drivers of growth going ahead. Rising disposable incomes, improvement in standard of living, awareness about hygiene, health, private labels and desire for natural products will be the key factors which shall bring about this growth.

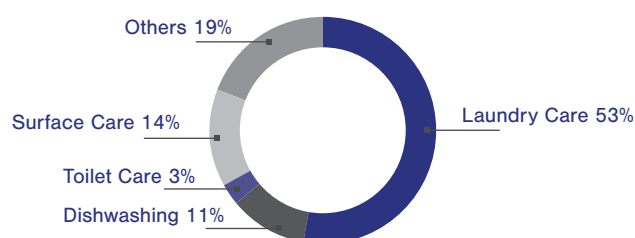
GLOBAL PERSONAL CARE MARKET COMPOSITION



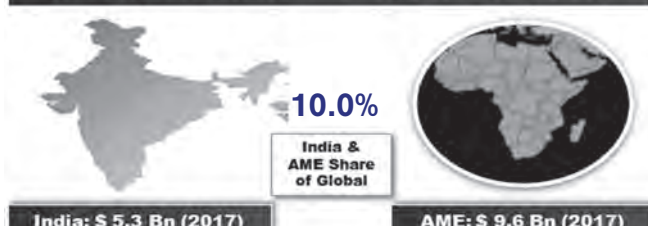
Global Personal Care Market: \$ 290 Bn (2017)



GLOBAL HOME CARE MARKET COMPOSITION



Global Home Care Market: \$ 150 Bn (2017)



INDUSTRY TRENDS

Personal Care Segment:

01

Safe, Non-Toxic, Pure/ Natural, Customised Solutions drive growth. Buying small, locally produced natural products - a lifestyle choice today.

02

Skin Care and Cosmetics witness significant innovation and disruption

03

Premiumisation drives growth in the developed economies. India and Indonesia flourish as the new frontiers of growth

Home Care Segment

01

Price sensitivity yet remains high in this category. Private Labels thrive ; drive growth through modern retail.

02

Greater awareness about health, hygiene key catalysts for rising demand

03

Trends on the Rise: Innovative packaging options and a shift towards liquid (automatic laundry and dishwashing liquids) in order to enhance convenience and save time

INDIA: SPECIALTY CHEMICALS AND SURFACTANTS MARKET

The Indian Specialty Chemicals Market was USD 35 Billion in 2017. The same is expected to grow at 12 percent and become USD 86.5 Billion by 2025. Surfactants and Personal Care Ingredients manufactured by your company form part of this portfolio.

The Global Surfactants market was USD 33 Billion in 2017 growing at 4.4% CAGR and the same is expected to become USD 45 Billion by 2024. Surfactants find application in multiple products and areas. Home and Personal Care Surfactants made up for 55% of the total surfactants market.

The India surfactants market was USD 1.55 Billion in 2017 growing at 6.0% CAGR. The Personal Care surfactants market in India is the fastest growing surfactants category and has been growing at 7.6% CAGR. Home Care Surfactants have been growing at 5.1% CAGR. Your company is completely focussed on supplying surfactants and personal care ingredients to the Home and Personal Care Industries.

BUSINESS POSITIONING

Your company supplies surfactants for the Home and Personal Care categories only. The Home and Personal Care categories form part of the FMCG Industry in India which is the 4th largest sector in the Indian Economy.

The Indian FMCG Industry was USD 57 Billion in 2017, of which Home and Personal Care segments made up for 33 percent of the total FMCG pie.

Rising disposable incomes, digitisation, improving standards of living, premiumisation, emergence of private labels, new product launches and customised solutions along with favourable demographics (64 percent population within the 15 – 64 age bracket) and government initiatives (Swachh Bharat) shall be the prime drivers of growth for the Home and Personal categories going ahead. These are expected to grow at a faster rate compared to the other FMCG components and increase their share from 33 percent to 35 percent of the total FMCG pie.

Your company offers over 200 products to cater to the Home and Personal Care Industries. Products which cater to the mass, mastige and prestige segments of the market.

FMCG Industry in India: \$57 Bn [2017]

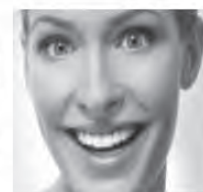
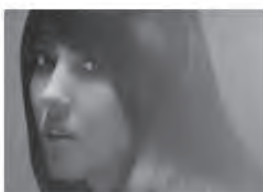


Performance Surfactants: FAES, FAS, LABSA, Ethoxylates form part of this group and find application within multiple segments in the Home and Personal Care categories

Specialty Care Products: These cater to the mastige and prestige segments and find application in the major personal care segments.

Galaxy's Product Basket: Delivering value in the Home and Personal Care Categories

Performance Surfactants						Specialty Care Products					
	Oral	Hair	Skin	Baby	Home		Oral	Hair	Skin	Baby	Home
FAES						Betaines & Alkanolamides					
FAS						Preservatives					
LABSA						Mild Surfactants					
Ethoxylates						Proteins					
						Syndet & TBB					
						UV Filters					
						Other Products					



Thus your company truly is an Indian MNC which is vertically integrated across the Home and Personal Care value chain. The growth of our business is linked to the performance of this space.

PLAYING TO OUR STRENGTHS

Established Global Supplier to major FMCG Brands with Demonstrated Track Record

Your company has a robust customer mix and supplies to multinationals, regional leaders as well as local players across the globe. The client profile includes the likes of Unilever, Procter and Gamble, Henkel, L'Oréal, Reckitt, Colgate, Dabur, Cavin Kare and many others. 55 percent of the revenues in the period under review came from our Multinational customers, 8 percent from regional leaders and 37 percent from the local players.

We share decade old relationships with nearly all our multinational customers and are integrated in their value chain. It is our dedication, superior delivery and customer first approach which has resulted in us becoming the preferred supplier of choice globally.

Awards won during the period under review are a testimony of our capabilities and include:

- "Best Reliable Partner Award" – awarded by Cavin Kare
- "Best Value Addition Award"- awarded by Cavin Kare
- Certificate of Excellence – awarded by Marico in Samyut 2017
- Certificate of Appreciation – awarded by ITC

Robust Product Portfolio addressing Diverse Customer needs

As stated above, we have a basket of over 200 products catering to the Skin Care, Oral, Hair, Cosmetics, Bath and Shower, Sun Care, Fabric / Laundry Care, Dishwashing, Toilet Care, Surface Care segments.

The diversity in our product portfolio enables us to provide customized solutions to our multinational FMCG customers that market a host of products across diverse geographies. While the requirements and preferences of consumers across geographies may vary, a number of our Performance

Surfactants are primarily utilized as raw materials for end products that can be considered as 'consumer staples'. These products cater to basic needs such as personal hygiene and sanitation and we believe that the demand for these products is relatively inelastic. This enables a stable & growing demand for our products.

On the other hand, a large number of our Speciality Care Products find applications in end-products designed for the 'prestige' socio-economic segment, where purchasing decisions are often driven by the functionality of the end-product. For instance, sunscreens are commonly rated, labelled and purchased based on a sun protection factor (SPF) that measures the fraction of sunburn-producing UV rays that reach the user's skin. Our range of UV filters serve as the primary functional ingredient in a host of sunscreens, fairness creams and other personal care products.

With a complimentary two pronged growth strategy focussing on Performance Surfactants as well as Specialty Care Products, Galaxy has positioned itself to not only capitalise on the growing Performance Surfactants demand in the consumption driven markets of India and AMET, but also address the niche specialty care segments of the mature markets which offer huge scope for the customised and differentiated specialty care products which your company offers.

Segment Business Performance

Volumes in MT	2016-17	2017-18	Y-O-Y Growth
Performance Surfactants	115,392	130,596	+ 13.2%
Specialty Care Products	62,087	66,833	+ 7.6%

Performance Surfactants saw a double digit volume growth driven by strong pickup in the Domestic and Africa Middle East Turkey markets.

Specialty Care Products reported an above industry growth driven primarily by the robust demand for preservatives, proteins and betaines across geographies

Proven R&D Capabilities with Dedicated Focus on Innovation

Our "Consumer to Chemistry" approach, R&D focus and product innovation form the crux of our sustainable growth motto.

New launches in the areas of Mild Surfactants (Glutamate series) and Non-Toxic Preservatives (Galguard Trident) were the key highlights for this year. Continuous efforts have been taken in the areas of UV Filters, Syndets, TBB, Mild Surfactants and Non-Toxic Preservatives to address the next leg of niche specialty care products growth.

We are extremely pleased to announce that Galaxy's portfolio today comprises of mild surfactants such as glutamates, taurates, glycinate and sarcosinate all being manufactured

through our patented commercial manufacturing process which satisfies all principles of "green chemistry." It utilizes a 'green catalyst' and is in the nature 'closed loop' chemistry, where in by-products of one process are used to manufacture another class of surfactants. As a result of the foregoing, we are able to achieve 100% 'atom economy', which translates into energy-efficiency and the elimination of effluents and waste. As a result of the aforesaid process, we believe that we are uniquely positioned to address the growing need for mild surfactants in a sustainable manner.

Our latest innovation, Galsoft GLI 21 was also awarded the "Gold Innovation Award" at the HPCI India 2018 exhibition ahead of our peers, an achievement to be proud of

Since 2002, a total of 49 patents have been granted to us. Currently, 11 patents in USA, and 2 (two) patents each in China, the European Union, India, Japan and 3 patents in Russia, are being maintained by us. We have applied for an aggregate of 37 patents globally, of which 21 applications have been made in India, and an aggregate of 16 applications have been made for the registration of patents in USA, Europe and other countries across the globe.

The total expenditure of the company on Research and Development stood at 1.06% of our total revenues from operations

Strong Presence in high growth markets of India and AMET along with enhanced Global reach

Your company has logged in a double digit volume growth in the year gone by but it is critical we understand the backdrop and the competitive environment in which this growth has been logged in:

- Domestic Business (India): The passage of GST was a hallmark of 2017-18. Initial hiccups though saw a contraction in demand, adversely impacting the domestic business, recovery in Q-3 (low base due to demonetisation) & Q-4 saw the domestic business logging in a healthy 14% growth in Volume terms
- Egypt: Devaluation of the Egyptian Pound caused a contraction in local demand. Egypt is our local market and adverse demand scenario resulted in overall decline in the market. Despite this, the AMET region grew by 11.2% in volume terms.

Despite the challenges, we have logged in a double digit volume growth and have been able to maintain our leadership position in these markets (Domestic Business (India) & AMET) and have increased our wallet share with our key customers as well as expanded our existing customer base. In 2017-18, your company supplied over 200 products to nearly 1750 + customers across 75 countries, thus strengthening our global footprint.

Regional Business Performance

Volumes in MT	2016-17	2017-18	Y-O-Y Growth
India	60,735	69,261	+ 14.0%
Africa Middle			
East Turkey	75,754	84,213	+ 11.2%
Rest of the World	40,990	43,955	+ 7.2%

BUSINESS MEASUREMENT AND PERFORMANCE ANALYSIS

Your company evaluates its performance basis the following business metrics:

Parameter	2016-17	2017-18	Y-O-Y Change
Volumes	177,479	197,429	+ 11.2%
EBITDA (In Crs)	282	298	+ 5.7%
Profit after Tax (Crs)	148	158	+ 6.8%
EBITDA/MT (Rs)	15,877	15,086*	-5.0%
ROCE	25.2%	23.9%	
Cash Flow from Operations (Crs)	111	144	
Debt to Equity	0.7	0.5	
Fixed Assets Turnover	2.63	2.73	
Capacity Utilisation	60%	68.3%	

*Adjusted for appreciation in average INR accounting rate against USD and the local body tax, the EBITDA growth is in line with volume growth.

SBU Business Performance

GSL (India Unit)

Despite a slowdown in the first half of the year, the India unit reported a growth of 7.8% in revenue terms. EBITDA showed a decline mainly on account of:

- Notional Ind AS valuation of preference shares used for funding the profitable wholly owned subsidiaries.
- Appreciation in average INR accounting rate.
- One time impact of local body tax which got subsumed into GST.

Consequently PAT showed a decline.

Debottlenecking has been a key strength for us. We embarked on debottlenecking for many products at multiple locations. We are pleased to share that the same have got completed and commissioned. Capacity enhancements at the right time to capitalise on the developing opportunities is a key catalyst for growth. Your company shall undertake debottlenecking as well capacity expansions in the ensuing future not to miss out on these opportunities. Currently your Company is in the process of executing growth capex at Jhagadia for product lines where the utilisation thresholds have been reached.

Plants located at Plot No. N46 & M3 at Tarapur underwent the USFDA Audit in the month of March. Products under review were Octocrylene and Octyl Methoxy Cinnamate which are part of our UV Filters portfolio.

While the plants got 13 observations in total, all the observations were procedural in nature. **We are pleased to share that we have already received the EIR (Establishment Inspection Report) for both the units and thus the USFDA inspection stands closed.** Your company has robust quality systems and is subject to multiple multinational customer qualification audits, therefore compliance with the regulatory norms and maintenance of superior quality systems and checks are an integral part of our business and manufacturing process.

Furthermore, the revenues from these products in the US Market constituted 0.2% of the total revenues, thus there was no interim adverse financial impact.

Robust Financial and Risk management models enabled us to navigate a highly volatile raw material market and create value for the business.

Parivartan initiatives such as building in cost efficiencies through waste reduction, quality circles, sourcing efficiencies, revenue enhancement programmes form an integral part of our continual process improvement efforts and the same were implemented across all locations.

GCE (Egypt)

Despite a slowdown in the local Egyptian market post the devaluation of EGP, the Egypt unit reported a growth of 17.7% in revenue terms. The EBITDA growth was lower at 4.6% and PAT showed a marginal decline. (In \$ terms)

Cost optimisations, efficient sourcing, strategic tie ups with key multinational customers, customer acquisitions and enhancing reach ensured our performance of the previous year is met with despite an overall slowdown in the local Egyptian market due to the devaluation of the currency.

Innovative debottlenecking, expansion of Sulphonation capacity are in the offing and with Africa being identified as the next frontier of growth, the first mover advantage shall enable us to address this next leg of growth.

TRI-K (USA)

Our US unit has seen a healthy growth of 16.5% in revenue terms. EBITDA growth stood at 40.2% and PAT grew at 57.5% (In \$ terms)

Our Proteins portfolio remains a key catalyst for the specialty division. The performance products division maintained its good performance which began in the previous year and we are slowly building on our presence in the matured market of USA. Debottlenecking and productivity improvement steps to address the next leg of growth are being undertaken.

OPERATIONAL EXCELLENCE AND RISK MANAGEMENT

REACH

Every substance exported to the European Union today greater than or equal to 1 MT requires REACH registration. This is also applicable to substances (ingredients / additives) in a mixture,

monomers and other substances in polymers when exported in such quantity.

As per the regulation, all companies manufacturing or importing chemical substances into the European Union in quantities of one tonne or more per year are required to register these substances with the ECHA (European Chemicals Agency). The deadline for registering the same expires on May 31, 2018.

We are pleased to share that all our critical products which we sell in the European Union have been REACH registered. We have been proactive and have registered 16 products from Galaxy India and 5 products from Galaxy Egypt till date. Total expenditure incurred for the year stood at 1.52 Crs. Such registration gives your Company continued access to this market and reflects positively on the product quality standards.

Being a global player, compliance with all the mandated chemical regulations is critical for us. We have ensured all the necessary compliance with respect to REACH, Safety and Technical Data Sheets, Hazard Labels, USFDA, Halal and Kosher certification are in place thus providing security of supplies to the customer and protecting the business from any adverse impact which may arise due to non-compliance of these mandated regulations.

Sustainability & Corporate Social Responsibility

It gives us immense satisfaction to share that your company has adopted sustainability and social responsibility as the way of life- much ahead of the regulatory curve.

Your company has been permitted, post a re-certification audit, to use the Responsible Care Logo for its manufacturing sites in India till 2020. Apart from this, we have completed around 235 Kwp of solar installations at our corporate offices and manufacturing sites of Taloja and Jhagadia in line with the promise we had made at our last AGM when the same was at 50 Kwp.

Your company strongly believes Corporate Social responsibility is connected with the principles of sustainability. Socially and environmentally responsible growth is the norm of today. We continue to work on improving the quality of life in terms of health, hygiene, sanitation and preventive care. Education and skills enhancement are critical for the development of our society. Building infrastructure, toilets, classrooms and laboratories form the core of our community development programmes and we as an organisation continue to work and remain committed to it.

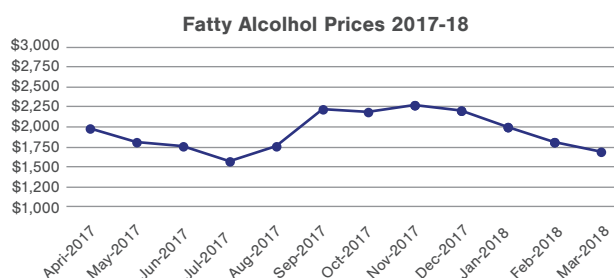
Safety Health and Environment

Safety forms an integral part of our culture. With immense pleasure we would like to share that there were no reportable incidents across all sites during the year under review. Operations across all sites comply with all the legal and statutory requirements. Employees have undergone periodical medical test as per the required statutory norms.

As a company we have always believed training and upgradation of skills is an important aspect of employee development. A total of 10,600 hours of safety training has been imparted across all locations in India during the year under review. Safety External Audit has been conducted across all locations in India in order to improve the Safety performance. All our sites comply with the ZLD requirements and have received the necessary consents from the pollution control boards. Our Taloja and Jhagadia sites have been audited and certified for EMS 14001:2015 and OSHAS 18001:2007. All the Effluent parameters are within the required limits.

Operational Risk Management Raw Materials

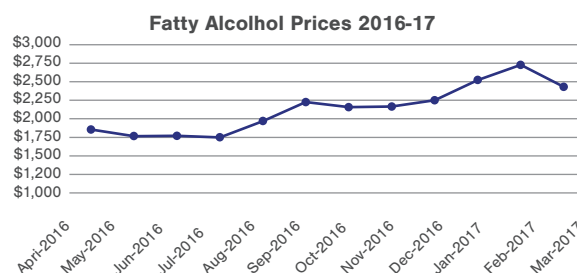
Fatty Alcohol is our key raw material for the performance surfactants. It constitutes over half of our total material cost. Fatty Alcohol is a palm kernel oil derivative and is sourced from South East Asia. It is a highly volatile raw material as can be seen in the graph below:



*Chart on monthly Averages

During the year under review, Fatty Alcohol prices swung within three phases.

- First being the downswing when prices fell from \$ 2000 to \$1600
- Second being the sharp upswing, where the prices rallied sharply from \$1600 to \$2300 from July till November
- Third being the downswing again when prices fell back from \$2300 in November to \$1700 in March



*Chart on monthly Averages

Though the annual average fatty alcohol prices have corrected about 9% year on year, the real picture of fluctuations as given in the chart above is truly different.

Despite the volatility, your company has sustained the margins on performance surfactants. Strong risk management practices followed by your Company have enabled it to navigate the same without any significant impact on profits.

Brent Crude Derivatives

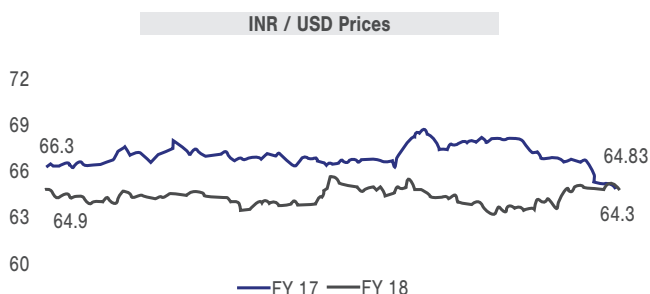
We also consume certain Brent crude derivatives. The major ones are Ethylene Oxide, Phenol and Linear Alkyl Benzene. These make up for close to 1/5th of our total purchases. Strong risk management practices, appropriate pricing models and a diverse customer base enables us to pass on the volatile fluctuations. During the period under review, Brent Crude prices slowly but steadily rose from \$ 52/Barrel (April 2017) to \$ 69/Barrel (March 2018)

Exchange Risk Management

65 percent of our revenues are derived from the International market. A major portion (60 percent) of our Raw materials are sourced from outside India. Given this scenario, we are naturally hedged. Exchange movements during the respective reporting years do reflect in the average annual accounting and translation rate used, which influences the reported results.

USD INR annual average accounting/translation rate for the current year was ₹ 64.4 relative to ₹ 67 in the previous year. This has resulted in lower INR gross margins / EBITDA on:

- exports from India and
- translation of subsidiary books



Human Resources

Your company believes that business is people. The growth of an organization is determined by the pace of the growth of its people. Growth and development of our talent has always been a priority and a part of your Company's strategic agenda. Your Company believes in nurturing and empowering its talent by providing various opportunities and exposure so that they can develop their potential to the fullest. We believe our people are the endless sources of energy who help us in generating resources for our business. Hence in your Company, the Human Resource Process is called as the People Energy Process.

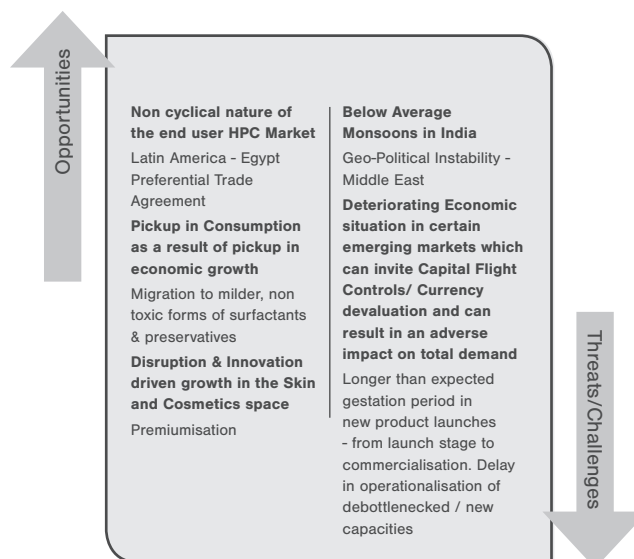
Awards and Recognition

We are pleased to share that your company has won several awards in the year under review. These awards include awards given by customers, external bodies, government agencies and various other certifications. In total we won 14 awards in 2017-18 and were awarded with 4 certifications.

Recently, we were awarded the "Trishul" award by Chemexcil for our outstanding export performance in the year 2016-17.

Apart from this, our innovations have got featured in various magazines with our latest Non-toxic Preservative Galguard NT getting featured in the personal care magazines in Europe this year.

OPPORTUNITIES AND CHALLENGES



AHEAD OF THE CURVE POSITIONING AND OUTLOOK

Global growth is back and this will have a positive impact on the Home and Personal Care segments. We remain reasonably optimistic and are prepared to address this new leg of growth. The markets of India, Africa Middle East offer huge scope for our performance surfactants. The developed economics offer huge scope for our niche specialty care products. Your company is ready and it is our ahead of the curve initiatives in the areas of sustainability, superior innovations addressing niche categories, manufacturing excellence through debottlenecking, process improvement and waste reduction programmes, strategic positioning in the emerging markets and customer first approach that shall act as our strengths and enable your company to ensure sustainable and robust growth.

Business today is all about meeting and aligning the internal and external customer expectations. Strong inter-process co-ordination, viewing talent as a strategic tool and multi-dimensional skilling of the same to develop, retain, enhance customer value is the motto your company abides by.

To conclude, it is our these abilities i.e. to meet the global quality standards, deliver superior customised solutions and products, add value in terms of quality and price to our customers, proactive approach to develop products to meet the changing consumer trends, ability to nurture and build long term relationships with all our stakeholders, which shall act as differentiating factors and enable Galaxy to grow and enhance stakeholder value sustainably.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirty Second Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2018.

1. FINANCIAL RESULTS:

Figures in ₹ Crores

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
REVENUE & PROFITS				
Total Revenue from operations	1712.76	1589.34	2462.51	2248.04
Profit before Interest, Tax & Depreciation	212.47	224.60	297.85	281.80
Less : Interest & Finance Charges	20.59	20.78	30.55	27.22
Less : Depreciation	27.51	25.05	48.53	47.16
Profit for the year before Tax	164.37	178.77	218.77	207.42
Less : Provision for Taxation				
- Current	47.52	48.14	57.06	55.55
- Deferred	4.44	9.92	3.68	4.25
Net Profit/(Loss) after Tax	112.41	120.71	158.03	147.62
Other Comprehensive Income	(0.71)	(1.55)	(1.36)	(5.98)
Total Comprehensive Income	111.70	119.16	156.67	141.64
RETAINED EARNINGS				
Opening Balance of Retained Earnings	504.85	402.78	514.10	385.12
Add: Profit for the year	112.41	120.71	158.03	147.62
Add: Other comprehensive income	(0.67)	(1.57)	(0.67)	(1.57)
Less: Appropriations: Dividend				
- Interim Dividend	0	10.64	0	10.64
- Special Dividend/Final Dividend	10.64	3.54	10.64	3.54
Total Dividend on Equity Shares	10.64	14.18	10.64	14.18
Provision for Corporate Dividend Tax on Dividend	2.17	2.89	2.17	2.89
Balance as at end of the Year	603.78	504.85	658.65	514.10

Note: Your Company is among the 2nd phase of companies to which Ind AS accounting standards are applicable from financial year 2017-18. Accordingly, the previous year figures have been restated as per Ind AS for comparison.

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	₹ in Crores		USD in Thousand	
	2017-18	2016-17	2017-18	2016-17
REVENUE & PROFITS				
Total Revenue from operations	294.63	263.16	45749	39266
Profit before Interest, Tax & Depreciation	35.24	26.16	5472	3903
Less : Interest & Finance Charges	0.07	0.52	10	77
Less : Depreciation	4.45	5.57	691	831
Profit for the year before Tax	30.72	20.07	4771	2995
Less : Provision for Taxation				
- Current	9.45	7.31	1468	1091
- Deferred	0.20	(1.16)	32	(173)
Net Profit after Tax	21.07	13.92	3271	2077
Other Comprehensive Income	0.60	(1.69)	0	0
Total Comprehensive Income	21.67	12.23	3271	2077
RETAINED EARNINGS				
Opening Balance of Retained Earnings	72.62	58.70	10938	8861
Add: Profit for the year	21.07	13.92	3271	2077
Balance as at end of the Year	93.69	72.62	14209	10938

Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	₹ in Crores		USD in Thousand	
	2017-18	2016-17	2017-18	2016-17
REVENUE & PROFITS				
Total Revenue from operations	679.07	600.28	105445	89569
Profit/(Loss) before Interest, Tax & Depreciation	56.01	55.70	8696	8311
Less : Interest & Finance Charges	13.93	11.32	2162	1689
Less : Depreciation	16.63	16.61	2582	2477
Profit /(Loss) for the year before Tax	25.45	27.77	3952	4145
Net Profit after Tax	25.45	27.77	3952	4145
Other Comprehensive Income	0.91	(2.98)	-	-
Total Comprehensive Income	26.36	24.79	3952	4145
RETAINED EARNINGS				
Opening Balance of Retained Earnings	(37.19)	(64.96)	(10956)	(15101)
Add: Profit for the year	25.45	27.77	3952	4145
Balance as at end of the Year	(11.74)	(37.19)	(7004)	(10956)

2. LISTING OF SHARES THROUGH INITIAL PUBLIC OFFER:

Your Company made an Initial Public Offer by way of an offer for sale for 63,31,674 equity shares @ ₹ 1,480/- per share aggregating to ₹ 937.08 Crores. A total of 307 shareholders who participated in the growth of your Company offered their shares in the Initial Public Offer (IPO). The IPO got overwhelming response from all the categories of investors and was subscribed around 20 times. The shares of the Company got listed on 8th February 2018 on BSE Limited and the National Stock Exchange of India Limited. On the listing day your Company was among the top 500 companies by market capitalization.

We welcome all the new shareholders to become a part of the growth story of the Company in the future.

3. DIVIDEND:

The Board in its meeting held on 29th May 2018 has recommended a dividend of ₹ 7/- per equity share i.e. 70% of nominal value of ₹ 10 each for the financial year ended 31st March 2018. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. The dividend for the financial year, will result in an outlay of ₹ 29.92 Crores (including Dividend Distribution Tax of ₹ 5.10 Crores).

4. BUSINESS & FINANCIAL PERFORMANCE:

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

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
EBITDA (% to Revenue from Operations)	12.4%	14.1%	12.1%	12.5%
PAT (% to Revenue from Operations)	6.6%	7.6%	6.4%	6.6%
ROACE (%)	21.1%	25.2%	23.9%	25.2%
Debt : Equity Ratio	0.33	0.44	0.48	0.68
Earnings per Share (₹)	31.71	34.05	44.57	41.64
Cash Earnings per Share (₹)	39.46	41.11	58.26	54.94
Book Value per Share (₹)	187.81	159.92	202.73	162.15

I. BUSINESS PERFORMANCE:

The year witnessed some significant changes in the domestic and global business environment having a bearing on the performance of your company:

- Domestic economy experienced overhauling of the indirect tax structure when it moved from the old regime of excise, service tax, VAT and Octroi to the new GST regime. This change had a bearing on the way the entities

conducted their businesses and observed the indirect tax compliance regime. The transitory provisions came late and lack of clarity did cause slowing down of volumes during the calendar months closer to the migration to the new regime. The domestic economy witnessed back to back significant disruptive events of Demonetization followed with GST implementation. The impact of this change in the Indirect Tax Regulations has been

minimal and positive. In terms of business and operations your Board assesses the long term impact to be favorable going forward.

- Fatty alcohol which is a main raw material for our performance surfactants witnessed a volatile year with two way movements of a significant order. Strong risk management practices followed by your Company enabled it to navigate the same without any significant impact on profits.
- Egypt saw a substantial devaluation of the local currency EGP against the USD in November 2016. This had an inflationary impact on the local economy resulting in a contraction of the local demand. Under such challenging circumstances Galaxy Chemicals (Egypt) SAE posted excellent growth in volumes.
- Navigating such challenging environment, your Company successfully posted volume growth higher than the Industry growth rates. It posted a total volume growth of 11.2%; with Performance Surfactants growing at 13.2% and Specialty Care Ingredients growing at 7.6% respectively.
- During the year the Company has registered three additional products under the REACH Regulations applicable for the Europe market at a cost of ₹ 1.52 Crs. Such registration gives your Company continued access to the European market and reflects positively on the product quality standards. As of now 21 Products are REACH registered. Effective May 31st exports are not possible without Pre-Registration. Your Company is REACH registered and ready to seek continual growth in the European markets.
- Currently your Company is in the process of executing brown field expansion in capacities /debottlenecking at the locations in Jhagadia, Egypt and USA in product lines where the utilisation thresholds have been reached. This should support the growth going ahead.
- USFDA carried out inspection at 2 plants of your company located in Tarapur. The inspection resulted in certain audit observations which have been replied to USFDA. All the observations were procedural in nature and none of them were pertaining to data integrity. Your Board is pleased to inform that it has received the EIR from the USFDA closing the Inspection Report of both the plants. The swift closure of the USFDA observations is a

reflection on the inherent capabilities nurtured by your Company.

- Your Company's international presence and revenue is substantial. In recognition of its contribution to Indian exports your Company was conferred with the "Trishul Award" by CHEMEXCIL at the hands of the Honorable Minister for Commerce GOI Mr. Suresh Prabhu for its outstanding export performance during FY 2016-17.

II. FINANCIAL PERFORMANCE:

- USD / INR parity showed an appreciation with the average parity for the current year being lower than the previous year. Relative to the previous year the EBITDA and PBT for the current year would be affected by the differential in exchange rates on the exports and the accounting translation of the international operating subsidiaries which maintain their books in USD.
- Local Municipal Corporation had introduced local body tax (LBT) from 1st January 2017, which became applicable for our plant at Taloja. LBT is without credit mechanism and has resulted in a charge on the profits. Relative to the previous year the incremental charge on account of LBT for the reporting year is ₹ 3.2 Crs. LBT got subsumed after the implementation of GST.
- Your Company as required by the regulations has moved its accounting and financial reporting from the earlier prevalent Indian GAAP standards to the new Ind AS regulations. Accordingly, the financial statements accompanying this report are in Ind AS and the previous year figures have also been restated to the new Ind AS regulations to enable comparative study.
- Reporting in Ind AS requires the fair valuation of the preference share investments made in the subsidiary to be done in the Standalone Financial Statements which gets eliminated in the consolidated Financial Statements. Further the elements of actuarial valuation move between the Profit and Loss account and the Other Comprehensive Income. The Financial Statements needs to be understood accordingly.
- Net Current Assets have shown an increase driven by increase in revenue, composition of sales moving in favour of major MNC

customers and amounts locked on account of GST refunds.

- Read in light of the above your Company's underlying financial performance continues to be robust.
- Consolidated volumes grew by 11.2%, with EBITDA margin of 12.1% and PAT margin of 6.4%. The net cash flow from operations grew to ₹ 144 Crs. The debt equity ratio of your Company has fallen to 0.48 (PY 0.68) which leaves enough head room for funding future growth. The ROE is healthy at 24.4%.

5. PEOPLE ENERGY:

This year, the key focus of your Company was on expansion of cross-functional capabilities, building domain expertise of its people and also developing leadership at each level.

An employee engagement survey was conducted for the year which reflected in high employee engagement as before. Your Company not only focused on increasing the knowledge and skill set of its people based out of varied geographies, but also stressed on the importance of employee health and wellness, spreading awareness to enhance their productivity and overall well-being.

6. QUALITY:

Your Company is committed to deliver high quality products and services to its customers. Internal benchmarking programs such as Galaxy Manufacturing Excellence Award (GMEA) are conducted annually. Your Company has also complied with all requirements of Responsible Care and has been awarded with responsible care logo till Dec 2020 by Indian Chemical Council.

This year your Company participated in Quality Circle Competition organized by National Convention for Quality Concept (NCQC) and Chapter Convention on Quality Circle (Ankleshwar & Mumbai Chapter) for the first time and won two Gold and two silver awards in CCQC and five Par Excellence awards & three excellence awards in NCQC.

During the year company undertook the following CSR initiatives:

Sr. no.	Name of CSR Initiative	Description
1.	Samajeek Utthan	Adopted a tribal village - Navlyacha Pada, Mokhada, District Palghar, Maharashtra with a view to transform it into an "Ideal Village".
2.	Stree Unnati	To empower young women staying in slum areas by providing them skill based trainings like beautician and para nursing courses.
3.	Vatavaran Suraksha	Planted more than 34,000 trees during the year
4.	Arogya Vardheeni	Construction of toilets in Schools, Community Centers, Hostels, etc; support for Mobile Eye Clinic; ICU equipment in a Cancer Hospital; mobilized 460 units in 7 blood donation camps; an Eye camp in Talodara village, Jhagadia covering 750 villagers.
5.	Rog Mukti Aur Tandurusti – Swachh Haath ke Saath	Hand Hygiene Initiative case study, presented in the international competition, jointly organized by ITM Business School & Corporate Gurukul on "Innovative and Best Practices in Branding" was declared the winner.

7. SUSTAINABILITY / RESPONSIBLE CARE:

Your Company is committed to conduct its business in a socially and environmentally responsible way for the benefit of all its stakeholders. Your Company has established Sustainability Goals 2020 for India with aspirational targets in aspects of Water, Energy, Greenhouse Gases, Packaging Waste, Tree Plantation, Renewable Energy and Life Cycle Assessment. The performance of these goals is shared in the website and also the Sustainability Report of your Company.

Re-certification for use of Responsible Care Logo signifies major improvements undertaken in areas of safety, health, environment and sustainability. Life Cycle Assessment studies have been completed for selected major products to estimate environmental impacts over the product life cycle.

Your Company is working towards incorporating sustainability across its supply chain by assessing its suppliers on their environment and social performance. Our manufacturing sites in India and Egypt are RSPO certified, which reflects our commitment to a sustainable palm oil supply chain.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company have constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

Your Company has also formulated a CSR Policy and the same is available on your Company's website at <http://www.galaxysurfactants.com/KnowUsBetter/CSRPolicy>.

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

Against ₹ 313.85 Lakhs that were required to be spent on CSR activities under Schedule VII, your Company has disbursed ₹ 255.59 Lakhs and reasons for unspent amount are mentioned in “**Annexure C**” to this report. The statutory auditors have audited the spent amount and it is within the approved mandated purposes of CSR.

A detailed report on amount spent on different activities, results achieved on the initiatives undertaken by your company is attached with “**Annexure C**”.

9. FIXED DEPOSITS:

Your Company has stopped accepting and renewing maturing deposits with effect from 1st February 2014. All the deposits that were accepted had matured by 31st March 2017 and were repaid except those remaining unclaimed. As on 31st March 2018, your Company had unclaimed deposits of ₹ 55,000.

10. SUBSIDIARY COMPANIES:

As of 31st March 2018, your Company has five wholly owned subsidiaries within the definition of ‘Subsidiary Company’ under the Companies Act, 2013.

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

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

Further pursuant to the provisions of section 136 of the Act, the Financial Statements of subsidiaries Company are uploaded on the website of the Company i.e. www.galaxysurfactants.com and shall also be available for inspection on all working days during business hours at registered office of your Company.

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

11. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in

excess of the limits set out in the said rules are provided in the Annual Report which forms a part of this Report.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

During the year under review, Mr. Ravi Venkateswar (DIN 00242672), Executive Director ceased to be director w.e.f. 9th June 2017.

The Board in their meeting held on 4th March 2017 appointed Mr. K. Ganesh Kamath, (DIN 07767220) as Executive Director (Finance) and CFO w.e.f. 1st April 2017. The members in the 31st Annual General Meeting have confirmed such appointment of Mr. K. Ganesh Kamath as Director liable to retire by rotation.

Your Board, based on the recommendation of Nomination and Remuneration Committee, has co-opted Mr. Uday K. Kamat (DIN 00226886) as an Additional Director of the Company (Non-Executive) w.e.f. 1st April 2018, who shall hold the office till the conclusion of the ensuing Annual General Meeting of the Company.

Your Board has recommended the appointment of Mr. Uday K. Kamat as Non-Executive Non-Independent Director on the Board of your Company, liable to retire by rotation. His appointment is covered in item no. 6 of the AGM notice as Special Business.

ii. Independent Directors:

As on 31st March 2018, your Company had 4 Independent Directors on its Board.

As per the provisions of the Companies Act, 2013, all Independent Directors of your Company were appointed for a term of five consecutive years, not liable to retire by rotation. The Independent Directors have given the 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.

iii. Reappointment of Directors Liable to Retire by Rotation:

Your Board has 6 Directors who are liable to retire by rotation. The following two Directors would retire in the ensuing AGM and being eligible, have offered themselves for reappointment.

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

Your Board recommends reappointment of Mr. Sudhir D. Patil & Mr. G. Ramakrishnan. These appointments are covered in Item Nos. 3 and 4 of the AGM notice as Ordinary Business.

iv. Key Managerial Personnel:

During the year under review, Mr. K. Ganesh Kamath was appointed as Chief Financial Officer in place of Mr. Ravi Venkateswar w.e.f. 1st April 2017. Mr. Ravi Venkateswar ceased to be a Director with effect from 9th June 2017.

Further, Mr. Niranjan Ketkar was appointed as a Company Secretary of the Company in place of Mr. Vinayak Shitole w.e.f. 31st October 2017. Mr. Vinayak Shitole ceased to be in employment of the Company from 05th December 2017.

13. NOMINATION AND REMUNERATION POLICY:

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

14. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:

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

Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations.

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

15. BOARD COMMITTEES:

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

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

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

16. MEETINGS OF THE BOARD AND COMMITTEES:

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

17. DIRECTORS RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit and loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the directors had prepared the annual accounts on a going concern basis;
- (v) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. AUDITORS:

Statutory Auditors:

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

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

Cost Auditors:

Your Board of Directors based on recommendation of the Audit Committee has appointed M/s. Nawal Barde Devdhe Associates, Cost Accountants in practice, to audit the cost accounts of the Company for the Financial Year 2018-19. In term of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 5 of the AGM Notice as Ordinary Resolution.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for Financial Year 2017-18 is appended as "Annexure E" to this Board's Report.

Your Company is in the process of transferring equity shares to Investor Education and Protection Fund whose dividend have remained unpaid for the continuous period of 7 years from the interim dividend of Financial Year 2010-11.

19. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS:

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

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

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

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

20. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:

Your Company treats its employees equally, with dignity and with no gender bias. Your Company believes and ensures that all employees work in an environment that is free from all kinds of harassments including sexual harassment of women. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an ICC (Internal Complaints Committee). During the year under review there were no complaints received in relation to sexual harassment. The policy for Prevention of Sexual Harassment is available on the website of the Company given below.

<http://www.galaxysurfactants.com/pdf/investorrelationpdfs/Sexual-Harassment-Policy.pdf>

21. CORPORATE GOVERNANCE:

Your Company is committed to maintain highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate

Governance along with the Certificate from the Statutory Auditors of the Company confirming compliance with the Conditions of Corporate Governance, as stipulated in the Listing Regulations forms part of this Annual Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

23. DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013:

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

(A) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

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

(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 B" to this Board's Report.

(C) Particulars of Loans, Guarantees or Investments by the Company:

Particular 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:

The Policy on Related Party Transactions as approved by the Board has been hosted on the website at <http://www.galaxysurfactants.com/pdf/investorrelationpdfs/Policy-on-Related-Party-Transactions.pdf>.

All Related Party Transactions entered during the year were in ordinary course of business and at arms length basis. No material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited statements were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

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

Figures in ₹ Crores

Particulars	Name of Subsidiary	Maximum amount of loans / advances / investments outstanding during the year ended 31 st March 2018	Amount outstanding at the end of the year i.e. 31 st March 2018
Investments- Equity Share	Galaxy Chemicals Inc.	0.46	0.46
Investments- Equity Shares	Galaxy Holdings (Mauritius) Ltd.	2.37	2.37
Investments- Preference Shares	Galaxy Holdings (Mauritius) Ltd.	220.22	220.22
Advances	Galaxy Chemicals (Egypt) SAE	2.83	0.29
Advances	TRI-K Industries, Inc.	0.20	0.19
Loans	Galaxy Employee Welfare Trust	1.17	NIL

(E) Vigil Mechanism / Whistle Blower Policy:

As per Section 177 of the Companies Act, 2013, your Company has established a vigil mechanism for the Directors and employees to report genuine concerns. Your Company has a vigil mechanism named Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The Whistle Blower Policy is available on the website of the Company at <http://www.galaxysurfactants.com/pdf/investorrelationpdfs/Whistle%20Blower%20Policy.pdf>.

(F) Material Changes and Commitments:

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 this report.

(G) Transfer to Reserves:

Your Company proposes not to transfer any amount to the General Reserve for the Financial Year 2017-18.

(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 on going concern status of the Company and its future operations.

24. CAUTIONARY STATEMENT:

Statements in the Directors' 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.

Navi Mumbai
29th May 2018

25. APPRECIATION AND ACKNOWLEDGEMENT:

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

For and on behalf of the Board

U. Shekhar
Managing Director
DIN 00265017

K. Natarajan
Executive Director & COO
DIN 07626680

ANNEXURE A

SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

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

Your Company has taken following energy conservation measures during the Financial Year 2017-18 in different facilities of the Company.

- Replacement of conventional HPMV/HPSV lamps with Energy efficient L.E.D fixtures.
- Provision of VFDs to process equipment's like dedusting blowers.
- Automation of cooling tower fans through PID controllers.
- Air preheater installation in thermopac boiler to increase efficiency by 4%.
- Optimization of Utilization of hydro pneumatic system for cooling water pumps.
- Reduction in transmission losses by revamping load distribution on transformers.
- Reduction in specific energy consumption by decreasing batch cycle time for formulation plant.
- Energy audit conducted by external agency certified by Bureau of Energy Efficiency.

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

The Company has installed Roof Top solar panels at TTC office (48.96 KWp) and in Taloja plant (126 KWp). This increases total capacity of renewable power installation to 235 KWp.

B. TECHNOLOGY ABSORPTION

Your Company's Innovation Process is focused on providing value-added, high-performing solutions to Home and Personal Care Industry by designing innovative ingredients and helping our customers in deploying them with the application/formulation support. Your Company has on-going collaborative programs with R & D's of most of the major personal care products manufacturers, both locally and globally. The product categories that your company pursues to innovate are UV absorbers, macromolecules, preservatives and surfactants for gentle cleansing. 'Sustainability' is always at core of efforts in both research and technology development. Last year a separate application development lab equipped with state-of-the art instrumentation for offering solutions to

Home Care Industry was commissioned. Collaborative projects with customers in the area of dish and fabric wash have been initiated.

Some of significant achievements during the year are given below:

- Commercialized Galsoft sodium cocoyl glutamate. This is the mildest of all anionic surfactants.
- Developed and commercialized a special grade of Galsoft sodium lauroyl glutamate for baby care products. This development was fast-tracked to meet customer's launch plan.
- Developed Galsoft SLGL for global major customer and will be commercialized in 2018 (End application is body-wash). All the above three grades of acyl glutamate surfactant are manufactured exploiting our patented 'Green Technology'.
- Launched a unique, mild, sustainable synergistic surfactant Galsoft GLI 21 which is based on our patented technology. This product was adjudged as the best innovative personal care ingredient in HPCI, Jan 2018. The jury appointed by the leading international journal, SOFW. Galsoft GLI 21 offers superlative consumer desired attributes of foam, lather, sensory and mildness. The manufacturing technology developed in-house makes it sustainable and user-friendly in addition to the functional benefits.
- Galaxy developed world's first 'non-sulphate', oil-soluble surfactant, Galsoft TiLS for shower-oil category and will be commercialized in 2018-19. This has a potential for cleansing not just dry and sensitive skin but also the compromised skin. Its utility can be extended to hair care applications as well.
- During last year patent applications for two inventions have been filed, namely, 'highly substantive water-soluble UV absorbers' and 'preservatives for personal care and home care products'. These is continuation of our quest for (a) high performing UV absorbers and (b) non-toxic, eco-friendly preservatives for home and personal care products. Last year saw 8 patents getting granted for seven inventions.

Expenditure incurred on Research and Development are given below in table

		(₹ In Crores)
Particulars	FY 2017-18	FY 2016-17
R & D Expenses	13.62	13.19
Capital Expenditure	2.07	0.33

C. FOREIGN EXCHANGE EARNINGS & OUTGO

		(₹ In Crores)
	2017-18	2016-17
Foreign Exchange Inflow	821.68	785.15
Foreign Exchange outflow	917.86	685.63

ANNEXURE B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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-400 073. Ph: 91-22-2761 6666 Fax: 91-22-2761 5883/ 91-22-2761 5886 E-mail: investorservices@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 24/7 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083. Ph: 91-22-49186000 Fax: 91-22-49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
Manufacture of Organic Surface- Active Agents (Surfactants) & Preparations based thereon, detergents, Auxiliary washing Preparations (For rinsing/ bleaching cloths) & cleaning preparations (for floors /windows etc.)	3053	83
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	17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHAREHOLDING PATTERN

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/HUF	17247344	37800	17285144	48.75	16849914	0	16849914	47.53	(1.22)
b. Central Govt./State Govt. (s)	0	0	0	0	0	0	0	0	0
c. Bodies Corpo.	0	543000	543000	1.53	543000	0	543000	1.53	0
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0
e. Any other	8220800	1238254	9459054	26.68	7752850	0	7752850	21.87	(4.81)
Sub-total (A) (1)	25468144	1819054	27287198	76.96	25145764	0	25145764	70.92	(6.04)
2. Foreign									
a. NRIs- Individuals	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	0	0	0	0	0	0	0	0	0
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0
e. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	25468144	1819054	27287198	76.96	25145764	0	25145764	70.92	(6.04)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	2700513	0	2700513	7.62	7.62
b) Banks/Financial Institution	0	0	0	0	43992	0	43992	0.12	0.12
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0					
Alternate investment fund	0	0	0	0	126570	0	126570	0.36	0.36
Foreign Portfolio Investors	0	0	0	0	981918	0	981918	2.77	2.77
Sub-total (B)(1)	0	0	0	0	3852993	0	3852993	10.87	10.87
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	51941	9900	61841	0.17	1725236	9900	1735136	4.89	4.72
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1184359	1138250	2322609	6.55	1792991	690141	2483132	7.00	0.45
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	1949649	564032	2513681	7.09	968149	63000	1031149	2.91	(4.18)
c. Others									
1. Trust	0	0	0	0	255	0	255	0.00	0.00
2. Hindu Undivided family	0	0	0	0	104109	1000	105109	0.29	0.29
3. Non Resident Indians	1702600	600532	2303132	6.50	193525	558532	752057	2.12	(4.38)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Other Directors	79600	177856	257456	0.73	71456	0	71456	0.20	(0.52)
Independent Director	90000	0	90000	0.25	90000	0	90000	0.25	0
Office Bearers	48385	570250	618635	1.74	5885	146048	151933	0.43	(1.31)
Clearing Member	200	0	200	0.00	35768	0	35768	0.10	0.10
Sub-total (B)(2)	5106734	3060820	8167554	23.04	4987374	1468621	6455995	18.21	(4.83)
Total Public Shareholding (B)=(B)(1)+(B)(2)	5106734	3060820	8167554	23.04	8840367	1468621	10308988	29.08	6.04
C. Shares held by custodian for GDRs & ADRs	0	0	0		0	0	0	0	0
Grand Total (A+B+C)	30574878	4879874	35454752	100	33986131	1468621	35454752	100	0

(ii) Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	
1	Unnathan Shekhar	4226740	11.92	0	4226740	11.92	0	0
2	Sudhir D Patil	4145290	11.69	0	4106040	11.58	0	(0.11)
3	Shashikant R. Shanbhag	4097684	11.56	0	4097684	11.56	0	0
4	Gopalkrishnan Ramakrishnan	2362758	6.66	0	2362758	6.66	0	0
5	Karthik Shekhar	116000	0.33	0	0	0	0	(0.33)
6	Nandini Shekhar	0	0	0	0	0	0	0
7	Sridhar Unnathan	122900	0.35	0	49320	0.14	0	(0.21)
8	Shanthi Laxminarasimhan	180000	0.51	0	0	0	0	(0.51)
9	Lakshmy Shekhar	8400	0.02	0	127400	0.36	0	0.34
10	Saraswathy Natarajan K.S.	9000	0.03	0	3000	0.01	0	(0.02)
11	Vaidyanathan Unnathan	0	0	0	0	0	0	0
12	C.S. Anandaram	0	0	0	0	0	0	0
13	Galaxy Investments	0	0	0	0	0	0	0
14	Galaxy Estates & Holdings	0	0	0	0	0	0	0
15	Shubh Estates & Properties	0	0	0	0	0	0	0
16	Osmania Traders Pvt. Ltd.	0	0	0	0	0	0	0
17	Galaxy Emulsifiers Pvt. Ltd.	543000	1.53	0	543000	1.53	0	0
18	Galaxy Finsec Pvt. Ltd.	0	0	0	0	0	0	0
19	Jayashree Ramakrishnan	1842972	5.20	0	1842972	5.20	0	0
20	Sumathi Gopal	3000	0.01	0	3000	0.01	0	0
21	Hema Suryanarayanan	15000	0.04	0	0	0	0	(0.04)
22	Bhooma Shyam Gopal	0	0	0	0	0	0	0
23	Amit Ramakrishnan	0	0	0	0	0	0	0
24	Akaash Ramakrishnan	0	0	0	0	0	0	0
25	Janaki Seshan	0	0	0	0	0	0	0
26	K.S. Natarajan	3000	0.01	0	0	0	0	(0.01)
27	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sudhir D Patil as Partners of M/s. Galaxy Chemicals	9171054	25.87	0	7752850	21.87	0	(4.00)

(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	
28.	Pradeep Patil	0	0	0	0	0	0	0
29.	Anil Patil	0	0	0	0	0	0	0
30.	Suchitra Chindarkar	0	0	0	0	0	0	0
31.	Sugandha Sawant	0	0	0	0	0	0	0
32.	Sandhya Patil	0	0	0	0	0	0	0
33.	Siddharth Patil	0	0	0	0	0	0	0
34.	Yash Patil	0	0	0	0	0	0	0
35.	Vibhvari Ramesh Mande	17200	0.05	0	0	0	0	(0.05)
36.	Sumedha Sawant	0	0	0	0	0	0	0
37.	Aeon Chemicals Pvt. Ltd.	0	0	0	0	0	0	0
38.	Datta-Suman Farms and Resorts Pvt. Ltd.	0	0	0	0	0	0	0
39.	Vandana Shashikant Shanbhag	110000	0.31	0	10000	0.03	0	(0.28)
40.	Vanita Hiren Kerkar	3000	0.01	0	3000	0.01	0	0
41.	Anuradha Dayanand Prabhu	9000	0.03	0	12000	0.03	0	0
42.	Gajanan N Amonker	3000	0.01	0	6000	0.02	0	0.01
43.	Shreekant Shanbhag	0	0	0	0	0	0	0
44.	Lata Nayak	4200	0.01	0	0	0	0	(0.01)
45.	Pranav Shanbhag	0	0	0	0	0	0	0
46.	Sneha Shanbhag	0	0	0	0	0	0	0
47.	Vallabh Amonkar	0	0	0	0	0	0	0
48.	Vivek Amonkar	0	0	0	0	0	0	0
49.	Nilkant Gangadhar Amonker	3000	0.01	0	0	0	0	(0.01)
50.	Maragatham Anandaram	6000	0.02	0	0	0	0	(0.02)
51.	U Shekhar, K Natarajan & Ganesh Kamath as trustees of GSL Employees Welfare Trust*	285000	0.80	0	0	0	0	(0.80)
TOTAL		27287198	76.96	0	25145764	70.92	0	(6.04)

Note:

*The GSL Employees Welfare Trust sold 2,85,000 shares in the Initial public offer and is now no more in promoter group.

The shareholding above also includes shares held jointly in the first name and shares held beneficially.

(iii) Change In Promoters' Shareholding:

Sr. No.		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	27287198	76.96	27287198	76.96
2.	Increase (+) / Decrease (-) during the year	(2141434)	(6.04)	25145764	70.92
3.	At the End of the year			25145764	70.92

(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		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SBI MAGNUM BALANCED FUND				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	09 Feb 2018	105602	0.29	105602	0.29
	16 Feb 2018	1663000	4.69	1768602	4.98
	16 Mar 2018	83293	0.23	1851895	5.22
	23 Mar 2018	99384	0.28	1951279	5.50
	31 Mar 2018	(5602)	0.01	1945677	5.49
	iii. At the end of the year	1945677	5.49	1945677	5.49
2.	JAYSHREE RAMESH				
	i. At the beginning of the year	558532	1.58	558532	1.58
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	558532	1.58	558532	1.58
3.	RELIANCE STRATEGIC INVESTMENTS LIMITED				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	09 Feb 2018	159244	0.44	159244	0.44
	16 Feb 2018	100000	0.29	259244	0.73
	23 Feb 2018	95500	0.27	354744	1.00
	iii. At the end of the year	354744	1.00	354744	1.00
4.	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF00125/06/04LIFEGROWTH104 - GROWTH FUND				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	09 Feb 2018	42084	0.11	42084	0.11
	16 Feb 2018	257445	0.72	299529	0.84
	31 Mar 2018	45000	0.13	344529	0.97
	iii. At the end of the year	344529	0.97	344529	0.97
5.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	16 Feb 2018	99957	0.28	99957	0.28
	23 Feb 2018	876	0.00	100833	0.28
	02 Mar 2018	86698	0.24	187531	0.53
	09 Mar 2018	12959	0.04	200490	0.57
	16 Mar 2018	264	0.00	200754	0.57
	23 Mar 2018	68141	0.19	268895	0.76
	31 Mar 2018	13655	0.04	282550	0.80
	iii. At the end of the year	282550	0.80	282550	0.80
6.	KOTAK MAHINDRA BALANCE UNIT SCHEME 99				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	09 Feb 2018	146047	0.41	146047	0.41
	16 Feb 2018	10000	0.03	156047	0.44
	23 Feb 2018	30000	0.08	186047	0.52
	09 Mar 2018	3416	0.01	189463	0.53
	16 Mar 2018	61541	0.17	251004	0.71
	iii. At the end of the year	251004	0.71	251004	0.71

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	PADMANABH B SHANBHAG				
	i. At the beginning of the year	239400	0.67	239400	0.67
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(120000)	(0.34)	119400	0.34
	iii. At the end of the year	119400	0.34	119400	0.34
8.	WILFRED D'SILVA				
	i. At the beginning of the year	119000	0.33	119000	0.33
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(19000)	(0.05)	100000	0.28
	iii. At the end of the year	100000	0.28	100000	0.28
9.	HEMANT KAVTHANKAR				
	i. At the beginning of the year	1411200	3.98	1411200	3.98
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(1411200)	(3.98)	0	0
	iii. At the end of the year	0	0	0	0
10.	NALIN PRAVIN SHAH				
	i. At the beginning of the year	177200	0.50	177200	0.50
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(177200)	(0.50)	0	0
	iii. At the end of the year	0	0	0	0
11.	SUJATA ABHAY KELKAR				
	i. At the beginning of the year	116496	0.33	116496	0.33
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(98496)	(0.28)	18000	0.05
	iii. At the end of the year	18000	0.05	18000	0.05
12.	SUBRAMANIAN VELAYUDHAN PILLAI				
	i. At the beginning of the year	90000	0.25	90000	0.25
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(90000)	(0.25)	0	0
	iii. At the end of the year	0	0	0	0
13.	GOPALAKRISHNAN RAMAKRISHNAN-KAMAT U K*				
	i. At the beginning of the year	86168	0.24	86168	0.24
	ii. Increase/ (Decrease) in Shareholding during the year				
		0	0	0	0
	iii. At the end of the year	86168	0.24	86168	0.24
14.	ADARSH NAYYAR				
	i. At the beginning of the year	124116	0.35	124116	0.35
	ii. Increase/ (Decrease) in Shareholding during the year				
	06 Feb 2018	(34000)	(0.10)	90116	(0.25)
	06 Feb 2018	(86076)	(0.24)	4040	(0.01)
	iii. At the end of the year	4040	0.01	4040	0.01
15.	ARJUN RAJENDRAN				
	i. At the beginning of the year	84500	0.24	84500	0.24
	ii. Increase/ (Decrease) in Shareholding during the year				
	07 Apr 17	12300	0.03	96800	0.27
	26 May 17	105000	0.30	201800	0.57
	02 Jun 17	(100900)	(0.28)	100900	0.28
	15 Sep 17	84500	0.24	185400	0.52
	22 Sep 17	(15600)	(0.04)	169800	0.48

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	29 Sep 17	(38400)	(0.11)	131400	0.37
	30 Sep 17	(65500)	(0.18)	65900	0.19
	iii. At the end of the year	65900	0.19	65900	0.19
16.	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP EQUITY FUND-ULIF 009 04/01/07 WLE 110				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	09 Feb 2018	36771	0.10	36771	0.10
	16 Feb 2018	201000	0.57	237771	0.67
	iii. At the end of the year	237771	0.67	237771	0.67
17.	COUPLAND CARDIFF FUNDS PLC-CC ASIAN EVOLUTION FUND				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year				
	16 Feb 18	35149	0.10	35149	0.10
	23 Feb 18	45920	0.13	81069	0.23
	02 Mar 18	10302	0.03	91371	0.26
	09 Mar 18	1497	0.00	92868	0.26
	16 Mar 18	36586	0.10	129454	0.37
	23 Mar 18	7767	0.02	137221	0.39
	iii. At the end of the year	137221	0.39	137221	0.39

*Legal Guardians of Ashwini B. Pai and Anubhav B. Pai.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	U. Shekhar- Managing Director				
	At the beginning of the year	4226740	11.92	4226740	11.92
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	4226740	11.92	4226740	11.92
2.	G. Ramakrishnan- Non-Executive Director				
	At the beginning of the year	2362758	6.66	2362758	6.66
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	2362758	6.66	2362758	6.66
3.	Sudhir D. Patil- Non-Executive Director				
	At the beginning of the year	4145290	11.69	4145290	11.69
	Increase/ (Decrease) in Shareholding during the year	(39250)	(0.11)	4106040	11.58
	06 Feb 2018				
	Reason= Sold in Offer for Sale				
	At the end of the year	4106040	11.58	4106040	11.58
4.	Ravi Venkateswar*- Whole Time Director till June 09, 2017				
	At the beginning of the year	0	0	0	0
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
5.	K. Ganesh Kamath- Whole Time Director and CFO w.e.f. April 01, 2017				
	At the beginning of the year	30000	0.08	30000	0.08

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
	Increase/ (Decrease) in Shareholding during the year Date 06 Feb 2018 Reason= Sold in Offer for Sale At the end of the year	(10000)	(0.03)	20000	0.05
		20000	0.05	20000	0.05
6.	S. Ravindranath- Independent Director At the beginning of the year	30000	0.08	30000	0.08
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	30000	0.08	30000	0.08
7.	Subodh Nadkarni- Independent Director At the beginning of the year	30000	0.08	30000	0.08
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	30000	0.08	30000	0.08
8.	M. G. Parameswaran- Independent Director At the beginning of the year	30000	0.08	30000	0.08
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	30000	0.08	30000	0.08
9.	Nandita Gurjar- Independent Director At the beginning of the year	0	0	0	0
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
10.	Nirmal Koshti – Non-Executive Director At the beginning of the year	135856	0.37	135856	0.37
	Increase/ (Decrease) in Shareholding during the year Date 06 Feb 2018 Reason= Sold in Offer for Sale At the end of the year	(120000)	(0.33)	15856	0.04
		15856	0.04	15856	0.04
11.	K. Natarajan – Whole Time Director and COO At the beginning of the year	49600	0.14	49600	0.14
	Increase/ (Decrease) in Shareholding during the year Date 06 Feb 2018 Reason= Sold in Offer for Sale At the end of the year	(40000)	(0.11)	9600	0.03
		9600	0.03	9600	0.03
12.	Vaijanath Kulkarni- Non-Executive Director At the beginning of the year	42000	0.11	42000	0.11
	Increase/ (Decrease) in Shareholding during the year Date 06 Feb 2018 Reason= Sold in Offer for Sale At the end of the year	(16000)	(0.04)	26000	0.07
		26000	0.07	26000	0.07
13.	Vinayak Shitole-Company Secretary till October 31, 2017 At the beginning of the year	0	0	0	0
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	0	0	0	0
14.	Niranjan Ketkar- Company Secretary(w.e.f. October 31, 2017) i. At the beginning of the year	0	0	0	0
	i. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	0	0	0	0

V. INDEBTEDNESS

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

(Amount ₹ In Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year-01.04.2017				
i) Principal Amount	244.92	2.19	0.09	247.20
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1.50	0	0.04	1.54
Total (i+ii+iii)	246.42	2.19	0.13	248.74
Change in Indebtedness during the financial year				
Addition	13.36	0	0	13.36
Reduction	42.31	0.78	0.10	43.19
Net Change	(28.95)	(0.78)	(0.10)	(29.83)
Indebtedness at the end of the financial year (31 Mar 2018)				
i) Principal Amount	216.33	1.41	0.01	217.75
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1.14	0	0.02	1.16
Total (i+ii+iii)	217.47	1.41	0.03	218.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors

(Amount ₹ In Crores)

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors				Total Amount
		Unnathan Shekhar (Managing Director)	K. Ganesh Kamath (Whole Time Director and CFO)	Ravi Venkateswar (Whole Time Director) till June 09, 2017	K. Natarajan (Whole Time Director & COO)	
1.	Gross Salary					
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.36	1.37	0.31	1.38	4.42
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.00*	0.00*	0.00*	0.00*	0.01
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Options	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
-	as % of profit	0.73	0.73	-	0.73	2.19
-	others, specify	-	-	-	-	-
5.	Others (Includes retirement benefits and variable pay)					
	Total (A)	2.09	2.10	0.31	2.11	6.61
	Ceiling as per the Act					18.14

*Figures less than ₹ 50,000

B. Remuneration to other Directors:

(Amount ₹ In Crores)

1. Independent Directors

Sr. No.	Particulars of Remuneration	Names of Directors				Total Amount
		M. G. Parameswaran	S. Ravindranath	Subodh S. Nadkarni	Nandita Gurjar	
1.	Fee for attending Board / Committee Meetings	0.12	0.08	0.08	0.05	0.33
2.	- Commission	0.10	0.12	0.10	0.10	0.42
3.	- Other	-	-	-	-	-
	Total (1)	0.22	0.20	0.18	0.15	0.75

2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Sudhir Dattaram Patil	Nirmal Koshti	Vajianath Kulkarni	G. Ramakrishnan	
1.	Fee for attending Board / Committee Meetings	0.02	0	0	0.05	0.07
2.	Commission	0.10	0	0	0.10	0.20
3.	Other	-	-	-	-	-
	Total (2)	0.12	0	0	0.15	0.27
	Total (B)=(1+2)					1.02
	Total Managerial Remuneration (A+B)					7.63
	Overall Ceiling as per the Act					18.14

C. Remuneration to Key Managerial Personnel other than MD/WT

(Amount ₹ In Crores)

Sr. No.	Particulars of Remuneration	Vinayak Shitole Company Secretary (Till October 31, 2017)	Niranjan Ketkar Company Secretary (w.e.f. October 31, 2017)
1.	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.39*	0.09
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.00	-
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify		
5.	Others (Includes retirement benefits and variable pay)		
	Total	0.39	0.09

*Mr. Vinayak Shitole was employed till 5th December 2017.

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

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

ANNEXURE C

REPORT ON CORPORATE SOCIAL RESPONSIBILITY PURSUANT TO COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

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

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

OBJECTIVES OF CSR POLICY:

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

CSR PROJECTS & SCOPE:

a) Health & Hygiene (Arogya Vardheeni)

a.1	Health, Hygiene & Preventive Healthcare	Primary Health Care through diagnosis and treatments, promoting preventive healthcare, building awareness about hand, oral and personal hygiene, constructing handwashing stations, supporting rehabilitation centers, medical camps, eye camps & gynac camps with medicine/ spectacles distribution & blood donation drives, providing additional nutrition to poor marginalized children and women, installation of bore wells, providing water filters for potable drinking water, spreading awareness about ill-effects of tobacco, supporting thalassemia affected children, providing mobile eye clinic van for community outreach and hospital equipment, cochlear implant to deaf children.
a.2	Sanitation	Building awareness on sanitation, construction of toilets for girls and boys, financial support for construction of community household toilets

b) Education (Gyaan Sanjivani):

b.1	Education Sector	To contribute to improving and facilitating the literacy levels including e-learning in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to developing infrastructure like Computer, Science, Math & Arts Lab, School Bus for special children, school building repairs, furniture, ceiling fans, pathways, windows, computers for schools/educational centers, distribution of school bags, notebooks & books for libraries and also conducting educational programs like coaching, safety sessions, career guidance seminars, etc. for the underprivileged students, also livelihood enhancement projects, vocational skills & Scholarship for Divyang people and students.
b.2	Enhancing Vocational Skills for Differently Abled	Providing financial support for Divyang people & specially challenged children

c) Community Development (Samajeek Utthaan):

c.1	Rural Development / Reducing Inequalities faced by Socially & Economically Backward groups	Infrastructure support to poor students hostels and old age home, and homes for orphans, destitute ; undertaking community sanitation projects, rain water harvesting (check dams), setting up public libraries, safe drinking water, promoting sports through community connect mahotsav, providing hand washing stations, bore-wells, cement chairs at public places in villages including livelihood and income generation opportunities.
-----	--	--

d) Women Empowerment (Stree Unnati):

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

e.1	Ensuring Environment Protection & Ecological Balance	Tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting & solid waste reduction segregation & composting, promoting solar and other non-conventional energy projects.
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f) Calamity Relief (Aapda Rahat):

f.1	Calamity Relief	Contribution to PM Relief Fund or NGOs, also directly providing relief material to people of calamity affected areas
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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:

#	Names	CSR Committee
1.	Mr. U. Shekhar (Managing Director)	Chairman
2.	Mr. K. Ganesh Kamath (Executive Director)*	Member
3.	Mr. M. G. Parameswaran (Non Executive Director)	Member

*Mr. K. Ganesh Kamath was appointed as member of Committee w.e.f. June 23, 2017 subsequent to cessation of Mr. Ravi Venkateswar as member.

3. Average net profit of the Company for last three Financial Years

Financial Years	Profit Before Tax ₹ (in Lacs)	₹ (in Lacs)
2016-17	16,290	
2015-16	17,205	
2014-15	13,583	
Sum of 3 Year's PBT		47,078
Simple Average of 3 Year's PBT		15,693

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): ₹ 313.85 Lacs

5. Details of CSR Spent:

a)	Total amount to be spent (budget) for the financial year	₹ 313.85 Lacs
b)	The total actual amount spent during the year	₹ 255.59 Lacs
c)	Amount unspent during the year	₹ 58.26 Lacs

CSR EXPENSES - MANNER OF EXPENSES - 2017-18

(All amount in ₹ Lacs)

1	2	3	4	5	6	7	8
Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (refer section CSR Projects & Scope)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise (in ₹)	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
1	Arogya Vardheeni	a.1	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	69.14	Direct 43.86	127.77	Site Steering Councils**

(All amount in ₹ Lacs)

1	2	3	4	5	6	7	8
Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (refer section CSR Projects & Scope)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise (in ₹)	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
2	Arogya Vardheeni	a.1	LA: Thane, Jhagadia, Bamhani, Shivtarai, Smeariya, Deoband, & Ayikudy DT: Thane, Bharuch, Bilaspur, Mungeli, Saharanpur & Tirunelveli ST: Maharashtra, Gujarat, Chattisgarh & Uttar Pradesh	12.52	Direct 31.55	128.73	NGOs: a) Triumph Foundation b) Jan Swasthya Sahayog c) Shri Ram Krishna Cancer Hospital d) Sewa Rural e) Annamrita Foundation f) Navdhrushti Seva Sanstha g) Bandra East Community Center h) Anway De-addiction Center i) Pratik Sewa Mandal
3	Gyan Sanjivani	b.1	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	87.24	Direct 66.05	148.01	Site Steering Councils**
4	Gyan Sanjivani	b.1	LA: Kalyan, Turbhe & Thane DT: Thane, Raigad, Navi Mumbai, Mumbai ST: Maharashtra	17.10	Direct 23.22	47.88	NGOs: a) Room to Read, Stree Mukti Sanghatana, c) Navneet Foundation d) Sunshine Education Trust e) Netradeep Pratishthan f) Tamarind Tree Trust
5	Samajeek Utthaan	c.1	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	13.60	Direct 11.10	91.17	Site Steering Councils**

(All amount in ₹ Lacs)

1	2	3	4	5	6	7	8
Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (refer section CSR Projects & Scope)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise (in ₹)	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
6	Samajeeek Utthaan	c.1	LA: Boisar, Mokhada & Utthukotai DT: Palghar & Tiruvallur ST: Maharashtra & Tamil Nadu	31.10	Direct 31.06	54.96	NGOs: a) Aroehan, b) Amar Seva Sangam c) United Orphanage for the Disabled d) Muskan Foundation e) Sri Krishnaamrutham Public Charitable Trust f) Kurulkar Shikshan Sanstha g) Swami Brahmanand Shikshan Sanstha
7	Vatavaran Suraksha	e.1	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	7.80	Direct 1.69	4.26	Site Steering Councils**
8	Vatavaran Suraksha	e.1	LA: Boisar, Poladpur, Jawahar DT: Palghar & Raigad ST: Maharashtra	36.00	Direct 21.13	7.08	NGOs: a) Hariyali Thane b) Rescue Foundation c) Swades Foundation d) Rural Communes
9	Stree Unnati	d.1	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai DT: Raigad, Palghar, Mumbai, Thane & Bharuch ST: Maharashtra & Gujarat	1.46	Direct 0.70	11.26	Site Steering Councils**
10	Stree Unnati	d.1	LA: Kalyan, Turbhe, Panvel & Jhagadia DT: Thane, Navi Mumbai, Raigad, & Faridabad ST: Maharashtra & Haryana	12.20	Direct 11.90	36.22	NGOs: a) Community Outreach Programme b) Save the Children India c) Women India Trust d) Prayas Foundation

(All amount in ₹ Lacs)

1	2	3	4	5	6	7	8
Sr. no.	CSR Project or Activity Identified	Sector in which the project is covered (refer section CSR Projects & Scope)	Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken ***	Amount outlay (budget) project or program wise (in ₹)	Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period *	Amount Spent: Direct or through implementing agency
11	Aapda Rahat	f.1	LA: Navi Mumbai DT: Mumbai ST: Maharashtra	10.00	Direct 0.42	23.15	Site Steering Councils**
12	-	g	CSR Capacity Building & Personnel Cost	15.69	Overheads 12.91	37.72	-
Grand Total				313.85	- 255.59	718.21	

 * Cumulative amount from 1st April 2014

** Site Steering Council is internal team formed at all 4 locations (Taloja, Tarapur, Jhagadia & Navi Mumbai)

*** LA = Local Areas

DT = District

ST = State

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

(₹ in Lacs)

Sr. No.	Projects	Budget Amount	Spent Amount	Unspent Amount	Reasons for Unspent
1	Arogya Vardheeni	81.66	75.41	6.25	Project was approved and started but stopped after some alignment gaps with Local Bodies
2	Gyan Sanjivani	104.34	89.27	15.07	Project was approved but was not implemented due to Regulatory Permission and Absence of beneficiary Contribution
3	Samajeek Utthaan	44.70	42.16	2.54	_____
4	Vatavaran Suraksha	43.80	22.82	20.98	Approved – Project not implemented, as NGO faced some internal disturbance and governance issues
5	Stree Unnati	13.66	12.60	1.06	_____
6	Aapda Rahat	10.00	0.42	9.58	logistics constraints of reaching the relief material
7	Capacity Building	15.69	12.91	2.78	_____
TOTAL		313.85	255.59	58.26	

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

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

Navi Mumbai
29th May 2018

U. Shekhar
Chairman
DIN 00265017

K. Ganesh Kamath
Member
DIN 07767220

ANNEXURE D

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

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

2. DEFINITIONS:

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

"Key Managerial Personnel" means:

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

"Senior Management" means:

Personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

3. OBJECTIVES:

The objective of the policy is to ensure that:

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

4. NOMINATION AND REMUNERATION COMMITTEE:

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

5. ROLE OF THE COMMITTEE:

The functional roles of the Committee are as follows:

- (a) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (b) formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- (c) devising a policy on board diversity;
- (d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
- (e) deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- (f) perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

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

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- (b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.

- (c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age limit fixed for retirement under the Company's policy. However, appointment of any person or extension of his term beyond the age of seventy years shall be subject to the approval of shareholders by passing a special resolution.

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

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

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

A. Remuneration to Managing Director / Whole-time Directors:

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

B. Remuneration to Non- Executive / Independent Directors:

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees for attending the meetings of the Board and of committees of which they may be members. The Non-Executive Directors may be paid commission within regulatory limits as may be decided and approved by the Board. Quantum of sitting fees

may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the amount of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.

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

C. Remuneration to Key Managerial Personnel and Other employees:

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

8. EVALUATION/ASSESSMENT OF DIRECTORS / KMPS/SENIOR OFFICIALS OF THE COMPANY:

The Committee shall specify the manner for effective evaluation of performance Board, its Committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

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

9. REMOVAL:

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

10. RETIREMENT:

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

ANNEXURE E FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

*[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 2018**, 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 2018** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 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') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not issued any shares / options to Directors / employees under the said Guidelines/Regulations during the period under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued and listed debt securities;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the period under review; and**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the period under review.**
- vi. The Company has indentified the following laws/rules as specifically applicable to the Company:
 1. The Drugs and Cosmetics Act, 1940;
 2. The Arms Act, 1959;
 3. The Explosives Act, 1884;
 4. The Narcotic Drugs and Psychotropic Substances Act, 1985;
 5. The Indian Boiler Act, 1923;
 6. The Petroleum Act, 1934;
 7. The Static & Mobile Pressure Vessels (Unfired) Rules, 2016;

8. The Legal Metrology Act, 2009; and
9. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016.

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

- (i) The Company has complied with Secretarial Standards with regard to meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable w.e.f. 8th February 2018) and the Listing Agreements entered into by the Company with the BSE Limited; and National Stock Exchange of India Limited; and

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

The Company is yet to transfer Equity Shares to Investor Education and Protection Fund as required under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, which were due to be transferred to Investor Education and Protection Fund (IEPF) constituted under the above Rules. As informed, the Company has initiated necessary steps to complete the formalities for transfer of shares to IEPF.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors of the schedule of the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees thereof were carried through with requisite majority.

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

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

We further report that during the review period, there were no specific events/actions except the following having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc:

1. The members have on 6th October 2017, by way of postal ballot passed a special resolution for adoption of a new set of Articles of Association of the Company in place of existing set to bring the same in conformity with Companies Act, 2013.
2. Listing of the Equity Shares of the Company on BSE Limited and National Stock Exchange of India Limited with effect from 8th February 2018 through Initial Public Offering of Equity shares by an Offer for sale under Prospectus dated 1st February 2018.

For S. N. ANANTHASUBRAMANIAN & CO.
Company Secretaries
FIRM REGISTRATION NO. P1991MH040400

Aparna Gadgil
Partner
ACS: 14713
C P No. 8430

Date: 16th May, 2018
Place: Thane

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

This report is in compliance with Corporate Governance provisions as prescribed under the SEBI (LODR) Regulations, 2015 as given herein below.

2. BOARD OF DIRECTORS

Board of Directors is constituted in compliance with the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI (LODR) Regulations).

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

Composition of Board of Directors:

As on 31st March 2018, the Board of Directors consisted of 11 (eleven) Directors, comprising 4 (four) Independent Directors (including one woman director), 3 (three) Executive Directors, and 4 (four) Non-Executive Directors. Other than Independent Directors and Managing Director, all other directors are liable to retire by rotation.

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

The Management of your Company have made disclosures to the Board confirming that there are no

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

None of the Directors' is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/ she serves as whole-time director in any listed company (as specified in Regulation 25 of SEBI (LODR) Regulations).

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

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

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

Mr. G. Ramakrishnan, Mr. Sudhir Patil, Mr. Vaijanath Kulkarni and Dr. Nirmal Koshti are Non-Executive and Non-Independent Directors.

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

During the financial year ended on 31st March 2018, 6 (Six) meetings of Board of Directors were held on June 23, 2017, August 17, 2017, October 30, 2017, February 12, 2018, March 12, 2018 and March 13, 2018. Details of the directors and their attendance at the above Board meetings and Last Annual General Meeting held on 17th August 2017 are given below:

Name	Category of Director (ED), Non-Executive Director (NED), Independent Director (ID)	Total Board Meetings held during the year	No of Board Meetings attended during the year	Attendance of last AGM held on August 17, 2017	No of Directorships in other public limited companies	No of committee positions held in other public limited companies	
						Chairman	Member*
Mr. S. Ravindranath	NED and ID	6	6	Yes	NIL	NIL	NIL
Mr. U. Shekhar	Promoter/ ED	6	5	Yes	NIL	NIL	NIL
Mr. K. Ganesh Kamath	ED	6	6	Yes	NIL	NIL	NIL
Mr. K. Natarajan	ED	6	6	Yes	NIL	NIL	NIL
Mr. G. Ramakrishnan	Promoter/ NED	6	5	Yes	NIL	NIL	NIL
Mr. Sudhir Patil	Promoter/ NED	6	3	No	NIL	NIL	NIL
Dr. Nirmal Koshti	NED	6	6	Yes	NIL	NIL	NIL
Mr. Vaijanath Kulkarni	NED	6	5	Yes	NIL	NIL	NIL
Mr. Subodh Nadkarni	NED and ID	6	6	Yes	NIL	NIL	NIL
Mr. M. G. Parameswaran	NED and ID	6	5	Yes	NIL	NIL	NIL
Ms. Nandita Gurjar	NED and ID	6	5	No	NIL	NIL	NIL
Mr. Ravi Venkateswar#	ED	6	0	No	NIL	NIL	NIL

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

Mr. Ravi Venkateswar ceased to be Executive Director of the Company w.e.f. June 9, 2017.

Disclosure of relationships between directors inter-se;

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

Number of shares and convertible instruments held by non- executive directors;

The details of equity shares of the Company held by non-executive directors as on 31st March 2018 are as under:

Name of Director	Category of Director	No of equity shares held
Mr. Sudhir Patil#	Promoter, Non-Executive	41,06,040
Mr. G. Ramakrishnan#	Promoter, Non-Executive	23,62,758
Mr. S. Ravindranath	Independent	30,000
Mr. Subodh Nadkarni	Independent	30,000
Mr. M. G. Parameswaran	Independent	30,000
Ms. Nandita Gurjar	Independent	Nil
Mr. Vaijanath Kulkarni	Non-Executive	26,000
Dr. Nirmal Koshti	Non-Executive	15,856

Mr. Sudhir Patil and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director and Mr. Shashikant Shanbhag, Promoter are partners in the partnership firm namely M/s Galaxy Chemicals. The said partnership firm is holding 77,52,850 equity shares of the Company.

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

Familiarisation programmes imparted to independent directors:

The shares of the Company were listed on stock exchanges w.e.f. February 8, 2018. Accordingly, the provisions relating to SEBI (LODR) Regulations, 2015 have become applicable with effect from the above date. A policy on familiarisation of independent directors is formed as is available under the investor section on the Company's website www.galaxysurfactants.com.

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

3. AUDIT COMMITTEE:

The Company has complied with the provisions of section 177 of the Companies Act, 2013 and Regulation 18(1) of the SEBI (LODR) Regulations, 2015 ("the Regulations") applicable to composition of Audit Committee. The Audit Committee has 4 (four) members. Mr. Subodh Nadkarni, Mr. M. G. Parameswaran, Mr. S. Ravindranath and Mr. G. Ramakrishnan. All the members of the Audit Committee are financially literate as per the requirement of the Regulations. Mr. Subodh Nadkarni – Independent Director is the Chairman of the Audit Committee.

During the last financial year ended 31st March 2018, 5 (five) meetings of the Audit Committee were held on June 23, 2017, August 17, 2017, October 30, 2017, February 12, 2018 and March 13, 2018.

Attendance at Audit Committee Meetings:

Name of Members	No of Meetings attended
Mr. Subodh Nadkarni (Chairman)	5
Mr. M. G. Parameswaran	4
Mr. S. Ravindranath	5
Mr. G. Ramakrishnan	4

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

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

17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. reviewing the functioning of the whistle blower mechanism;
20. overseeing the vigil mechanism established by the Company, with the chairman
21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and
22. carrying out any other function as is mentioned in the terms of the Audit Committee.

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

The Chairman of the Audit Committee Mr. Subodh Nadkarni was present in the last Annual General Meeting of the Company held on August 17, 2017 to answer queries of the shareholders.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the Company has constituted Nomination and Remuneration Committee ("NRC") in terms of Regulation 19(1) of SEBI (LODR) Regulations ('the Regulations'). The Committee comprises of 4 (four) Independent Directors i.e. Mr. M. G. Parameswaran (Chairman), Mr. S. Ravindranath, Mr. Subodh Nadkarni and Ms. Nandita Gurjar. The Committee meets the criteria as laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations.

During the financial year ended 31st March 2018, 3 (three) meetings of the NRC were held on June 23, 2017, October 30, 2017 and March 13, 2018.

Attendance at NRC meetings

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

The terms of reference of the NRC are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulation of criteria for evaluation of independent directors and the Board of Directors;
- devising a policy on board diversity;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
- deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the Annual General Meeting held on August 17, 2017 to answer queries of the Shareholders.

Performance evaluation criteria for Independent Directors.

The Nomination and Remuneration Committee of the Board of Directors have prepared criteria for evaluation of the performance of Directors including Independent Directors. The said criteria complies with the acts and regulations. Pursuant to the provisions of the Companies Act, 2013 and the SEBI either LODR or (Listing Obligations & Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance. The Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the Listing Regulations.

5. REMUNERATION OF DIRECTORS:

Remuneration to Executive Directors for the Financial Year 2017-18:

(₹ Crore)

Name of Director	Salary	Commission	Funds	Perquisites	Total
U. Shekhar	1.25	0.73	0.11	0.00	2.09
K. Natarajan	1.26	0.73	0.12	0.00	2.11
K. Ganesh Kamath	1.26	0.73	0.11	0.00	2.10
Mr. Ravi Venkateswar*	0.29	-	0.02	0.00	0.31

*Mr. Ravi Venkateswar was employed with Company upto June 9, 2017.

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

Sitting fees and commission paid to non-executive directors for the Financial Year 2017-18:

(₹ Crore)

Name of Non-Executive Director	Sitting Fees	Commission	Total
Mr. S. Ravindranath	0.08	0.12	0.20
Mr. Subodh Nadkarni	0.08	0.10	0.18
Mr. M. G. Parameswaran	0.12	0.10	0.22
Ms. Nandita Gurjar	0.05	0.10	0.15
Mr. G. Ramakrishnan	0.05	0.10	0.15
Mr. Sudhir Patil	0.02	0.10	0.12

Mr. G. Ramakrishnan is director in Galaxy Chemicals (Egypt) SAE, Tri-K Industries Inc. and Galaxy Chemicals USA (subsidiaries). The members in their meeting held on August 17, 2017 have approved payment of remuneration to Mr. G. Ramakrishnan from Galaxy Chemicals (Egypt) SAE and Tri-K Industries Inc.

Dr. Nirmal Koshti, non-executive director of the Company is on the Board of TRI-K Industries Inc. USA (subsidiary) and is being paid remuneration by TRI-K Industries Inc. USA.

Mr. Vaijanath Kulkarni, non-executive director of the Company is Managing Director of Galaxy Chemicals (Egypt) S. A. E and is being paid remuneration by Galaxy Chemicals (Egypt) SAE.

Dr. Nirmal Koshti and Mr. Vaijanath Kulkarni, non-executive directors of the Company did not receive any sitting fees and commission from the Company during the current Financial Year 2017-18.

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has formed a Stakeholders' Relationship Committee ("SRC") in compliance with the Regulation 20 of the SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013. The Committee comprises of 3 (three) directors. Mr. M. G. Parameswaran, Independent Director is the Chairman of SRC. Mr. G. Ramakrishnan and Mr. K. Ganesh Kamath are other two members of SRC.

During the financial year ended 31st March 2018, 1 (one) meeting of SRC was held on 13th March 2018.

Attendance at SRC Meetings:

Name of Director	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	1
Mr. G. Ramakrishnan	1
Mr. K. Ganesh Kamath	1

The terms of reference to SRC are as under:

- redressal of grievances of the security holders' and investors' of the Company, such as complaints in respect of allotment of equity shares, transfer of equity shares including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures,

non-receipt of declared dividends, annual reports, balance sheets of the Company, etc. and assisting with quarterly reporting of such complaints;

- giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities; and
- carrying out such other function as may be specified by our Board of Directors from time to time or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

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

Shareholders/ Investors Complaints:

Particulars of Complaints	Complaints Nos.
Complaints as on April 1, 2017	0
Complaints received during the FY 2017-18	4
Complaints disposed during the FY 2017-18	4
Complaints remaining unsolved as on 31 st March 2018	NIL
Complaints not solved to the satisfaction of shareholder	NIL

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

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formed a Corporate Social Responsibility ("CSRC") under section 135 of the Companies Act, 2013. The Committee comprises of 3 (three) directors. Mr. U. Shekhar, Managing Director is the Chairman of the Committee. M. G. Parameswaran, Independent Director and Mr. K. Ganesh Kamath are the other two members of CSRC.

During the financial year ended 31st March 2018, 2 (two) meeting of CSRC were held on October 30, 2017 and 13th March 2018.

Attendance at CSRC Meetings:

Name of Director	No. of Meetings attended
Mr. U. Shekhar (Chairman)	1
Mr. M. G. Parameswaran	2
Mr. K. Ganesh Kamath	2

The terms of reference of CSRC are as under:

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

8. ANNUAL GENERAL MEETINGS

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

Meeting	Day, Date	Time	Venue
29 th AGM	Monday, September 28, 2015	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703
30 th AGM	Monday, September 26, 2016	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703
31 st AGM	Thursday, August 17, 2017	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703

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

Date of AGM	Details of Special Resolution
29 th AGM	<ul style="list-style-type: none"> Amendment in Article 175 of Articles of Association for affixing common seal on document by power of attorney holder, any director or any such person as may be approved by the Board Approval given to Board of Directors to borrow money upto Rs. 1,500 Crore which is in excess of the aggregate of the paid up capital and free reserves of the Company
30 th AGM	NIL
31 st AGM	Approval for keeping Register of Members of the Company at a place other than Registered Office under section 94 of the Companies Act, 2013

- (c) Details of special resolution passed during the last year through postal ballot are as under:

Financial Year 2017-18

During the year under review, the Company has passed one special resolution for adoption of Articles of Association through Postal Ballot pursuant to provision of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. The details are as under:

Date of Postal Ballot Notice: August 17, 2017

Voting Period: August 31, 2017 to September 29, 2017

Date of Declaration of result: October 6, 2017

Name of Resolution	Type Resolution	No of votes polled	Votes cast in favour	Vote casts against
To adopt new Articles of Association in conformity with the Companies Act, 2013	Special	2,48,58,498	100%	0%

M/s Sathyanarayanan & Co, Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in fair and transparent manner.

Procedure for Postal Ballot:

Pursuant to the provisions of Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with related Rules, the Company provided electronic voting (e-voting) facility to its members in addition to the physical ballot, to all its members. For this purpose, the Company availed the services provided by CDSL.

Postal ballot notices and forms were dispatched alongwith postage-prepaid business reply envelope to registered address of the members/ beneficiaries. The Company also published the newspaper advertisement providing details and requirement as mandated as per the Companies Act, 2013 and Rules made thereunder.

Voting rights were reckoned on the paid-up capital value of shares registered in the name of member as on the cut-off date. Members who intended to exercise vote by postal ballot were requested to return the complete form to scrutinizer on or before the close of voting period. Those who were voting through e-voting were requested to vote before the close of business hours on the last day of e-voting.

All the postal ballot forms and voting done through e-voting were scrutinised and a report was submitted to Chairman. The result of the postal ballot is uploaded on the website of the Company and published in newspapers.

9. MEANS OF COMMUNICATION:

The equity shares of the Company have been listed on National Stock Exchange of India Limited and BSE Limited w. e. f. 8th February 2018. Subsequent to listing of equity shares of the Company, provisions of SEBI (LODR) Regulations have become applicable. Accordingly, the announcement of quarterly and annual results will be made within the statutory period as per above Regulations. The Company from time to time shall provide information as required under various regulations of SEBI (LODR) Regulations to Stock Exchanges and the same will be updated on the website of the Company.

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

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

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

The Company has also separate email id- investorservices@galaxysurfactants.com for investor grievances.

Annual Reports and any other communication will be sent to email ids of members whose emails are available with the Company. For others a copy of Annual Report would be dispatched at the registered address of the shareholder with the Company.

10. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting;

(Date, Time and Venue)

Thursday, 9th August 2018 at CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703 at 3.00 p.m.

b) Financial Year:

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

c) Dividend Payment Date:

Credit/ dispatch of dividend warrants will be made between 9th August 2018 to 8th September 2018

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

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited w. e. f. 8th February 2018.

Code	Name of Exchange	Address of Exchange
GALAXYSURF	National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
540935	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual Listing Fees for the year 2018-19 have been paid to stock exchanges.

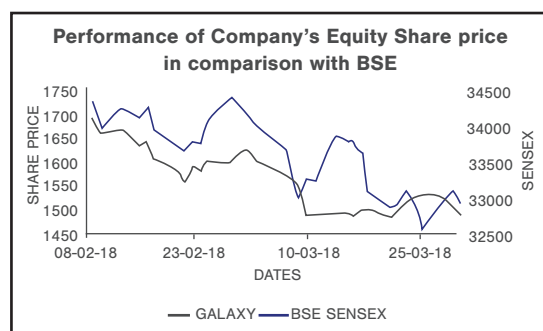
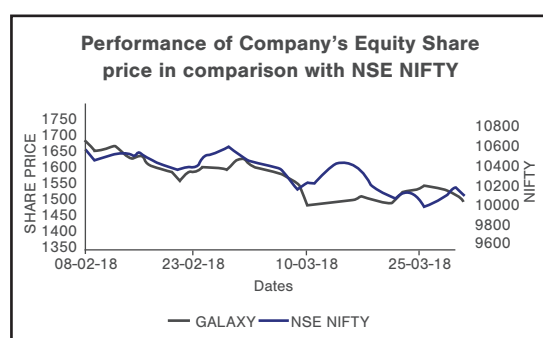
e) Market price data- high, low during each month in last financial year:

Month Wise Stock Market Data

National Stock Exchange of India Limited				BSE Limited			
Month	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)	Month	High Price (Rs.)	Low Price (Rs.)	Volume (Nos.)
Feb-18	1742.00	1525.00	10760141	Feb-18	1742.80	1520.00	1802444
Mar-18	1647.85	1472.10	774480	Mar-18	1649.00	1471.05	179067

Source: NSE AND BSE Websites

f) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc:



g) Share Transfer Agents:

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

h) Share transfer system:

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

As the equity shares are now listed, the Company shall also file, certificates as to maintenance of share transfer agency (Regulation 7(3)), statement of pending complaints (Regulation 13(2)) with Stock Exchanges and the same will be uploaded on the website of the Company i.e. www.galaxysurfactants.com

i) Distribution of shareholding;

Shareholding Pattern as on 31st March 2018

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1.	Promoter and Promoter Group	25145764	70.92
2.	Public Shareholding	10308988	29.08
	Total	35454752	100.00

Distribution of Shareholding (Shares)							
Sr. No.	Shareholding of Shares			Shareholder	Percentage of Total	Total shares	Percentage of Total
1	1	to	500	53666	98.32	911469	2.57
2	501	to	1000	279	0.51	210153	0.59
3	1001	to	2000	172	0.32	263848	0.74
4	2001	to	3000	193	0.35	564687	1.59
5	3001	to	4000	36	0.07	124224	0.35
6	4001	to	5000	24	0.04	111746	0.32
7	5001	to	10000	99	0.18	710543	2.00
8	10001	and above		116	0.21	32558082	91.83
	Total			54585	100.00	35454752	100.00

j) Dematerialization of shares and liquidity;

Status of dematerialisation of shares and liquidity as on 31st March 2018 is as under:

Mode of holding	No. of shareholders	No. of shares	% of total shareholding
Dematerialised	53463	33986131	95.86
Physical	1122	1468621	4.14
Total	54585	35454752	100.00

k) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NIL

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

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

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

m) Plant locations:

- 1) 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.
- 2) Plot No. V-23, M.I.D.C. Taloja, Panvel, Dist. Raigad - 410 208.
- 3) Plot No. 1, Village Chal, CIDCO, Near M.I.D.C. Taloja, Panvel, Dist. Raigad - 410 208
- 4) Plot No. 892, Jhagadia Industrial Estate, Taluka-Jhagadia via Ankleshwar, Dist. Bharuch, Gujarat - 393 110 (100% EOU)

n) Address for correspondence.

Of Company	Of Registrar and Transfer Agent
Mr. Niranjana Ketkar Company Secretary Galaxy Surfactants Limited C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703 Tel: +91-22-2761 6666 Fax: +91-22-2761 4507 email: investorservices@galaxysurfactants.com	Link Intime India Private Limited C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 email: mumbai@linkintime.co.in

11. OTHER DISCLOSURES:

- (a) The Company's related party transactions are mainly with its subsidiaries. All the contracts/ arrangements/ transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest.
- (b) The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited w. e. f. 8th February 2018. Accordingly, compliances relating to capital markets are applicable from the above date.
- (c) The Company's policy on Related Party Transactions and Determining Material Subsidiary are uploaded on website of the Company at <http://www.galaxysurfactants.com/CommonCMS/InvestorRelation>.
- (d) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adapting highest standards of professionalism and ethical behaviour. The Company is committed to developing a culture where it is safe for all directors/ employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Company has a Whistle Blower Policy in place under which Director/ employee are free to raise concern. No person has been denied access to the Audit Committee.
- (e) The Company has formulated Code of Conduct (Insider Trading) to regulate, monitor and report trading by Insider based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at <http://www.galaxysurfactants.com/CommonCMS/InvestorRelation>.
- (f) Details of compliance with mandatory requirements and adoption of non mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 34 of SEBI (LODR) Regulations, 2015.

As per Regulation 27 of SEBI (LODR) Regulation, 2015, the listed entity, may at discretion, comply with requirements as specified in part E of Schedule II. The Company has complied with following requirements:

- The positions of Chairman of the Board of Directors and Managing Director are separate.

12. The Company has complied with requirement of Corporate Governance Report of subparas (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.

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

Sr. No.	Particulars	Regulation no.	Compliance Status
1.	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders' Remuneration Committee	20	Yes
5.	Risk Management Committee	21	Not applicable
6.	Vigil Mechanism	22	Yes
7.	Related Party Transactions	23	Yes
8.	Subsidiaries of the Company	24	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	The posts of Chairman and Managing Director are held by two different persons.
12.	Website of the Company	46 2(b) to (i)	Yes

Declaration - Code of Conduct

Declaration under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015: All the members of the Board and the Senior Management Personnel of the Company have for the year ended 31st March 2018, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Navi Mumbai
Date: 29th May 2018

For Galaxy Surfactants Limited
U. Shekhar
Managing Director
(DIN 00265017)

CEO/CFO Certificate

The Board of Directors
Galaxy Surfactants Limited
Navi Mumbai

Dear Sirs / Madam,

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

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

For Galaxy Surfactants Limited

U. Shekhar
Managing Director
(DIN 00265017)

Date: 29th May 2018
Place: Navi Mumbai

K. Ganesh Kamath
Chief Financial Officer
(DIN 07767220)

Independent Auditors' Certificate on Compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members,
Galaxy Surfactants Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 28th August, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Galaxy Surfactants Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.

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

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W / W – 100018)

Kedar Rajee

Partner

Place: Navi Mumbai

Date: May 29, 2018

(Membership No. 102637)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALAXY SURFACTANTS LTD REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Galaxy Surfactants Ltd ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated June 23, 2017 and June 4, 2016 respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Kedar Raje

Partner

(Membership No. 102637)

Place: Navi Mumbai

Date: May 29, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of Galaxy Surfactants Ltd (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Navi Mumbai
Date: May 29, 2018

Kedar Raje
Partner
(Membership No. 102637)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Galaxy Surfactants Limited on the financial statements for the year ended 31st March, 2018)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, Immovable properties of Land and Buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the examination of the confirmation received from custodians.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the

year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

(₹ In Crores)				
Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved
The Central Excise Act, 1944	Excise Duty	Appellate Tribunal	2006-2015	2.88
		Commissioner (Appeals)	2012-2013	1.52
		Superintendent of Central Excise	1990-1991	0.01
The Finance Act, 1994	Service Tax	Commissioner (Appeals)	2011-2016	0.91
Income Tax Act, 1961	Income Tax	Appellate Tribunal	2008-2009	0.00
		Principal Commissioner	2013-2014	0.37
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner	2012-2013	1.37

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) During the year the Company came out with an Initial Public Offer of its Equity Shares through offer for sale by its shareholders. According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: Navi Mumbai
Date: May 29, 2018

BALANCE SHEETas at 31st March 2018, 31st March 2017 and 1st April 2016

₹ In Crores

Particulars	Note	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
I. ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	277.88	271.92	217.12
(b) Capital Work-in-Progress		18.54	9.67	45.62
(c) Other Intangible Assets	3	3.22	3.42	3.11
(d) Financial Assets				
(i) Investments	4	223.12	216.00	194.75
(ii) Loans	5	0.24	1.50	1.52
(iii) Other Financial Assets	6	4.57	4.96	6.21
(e) Income Tax Assets (Net)		7.15	10.54	7.05
(f) Other Non-Current Assets	7	43.77	39.64	30.21
Total Non-Current Assets		578.49	557.65	505.59
Current Assets				
(a) Inventories	8	222.53	197.44	131.91
(b) Financial Assets				
(i) Trade Receivables	9	330.10	287.58	225.47
(ii) Cash and Cash Equivalents	10	1.91	4.60	7.11
(iii) Bank Balances other than Cash and Cash Equivalents	10	0.50	0.36	1.36
(iv) Loans	5	0.33	0.28	0.29
(v) Other Financial Assets	6	8.58	4.91	9.71
(c) Other Current Assets	7	95.43	47.14	57.38
Total Current Assets		659.38	542.31	433.23
Total Assets		1,237.87	1,099.96	938.82
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11A	35.45	35.45	35.45
(b) Other Equity	11B	630.42	531.53	429.44
Total Equity		665.87	566.98	464.89
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	67.87	115.33	155.03
(ii) Other Financial Liabilities	13	0.25	0.23	0.23
(b) Provisions	14	6.12	8.82	7.67
(c) Deferred Tax Liabilities (Net)	15	29.22	25.14	16.05
(d) Other Non-current Liabilities	16	0.48	-	-
Total Non-Current Liabilities		103.94	149.52	178.98
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	102.67	93.97	65.74
(ii) Trade Payables	18	299.44	229.19	161.34
(iii) Other Financial Liabilities	13	50.94	41.44	53.06
(b) Other Current Liabilities	16	10.97	13.93	9.18
(c) Provisions	14	4.04	2.10	2.42
(d) Current Tax Liabilities (Net)		-	2.83	3.21
Total Current Liabilities		468.06	383.46	294.95
Total Equity And Liabilities		1,237.87	1,099.96	938.82

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

KEDAR RAJE

Partner

(Membership No. 102637)

Place : Navi Mumbai

Date : 29th May 2018

For and on behalf of the Board

U. SHEKHAR

Managing Director

DIN : 00265017

G. KAMATH

Executive Director

Finance & CFO

DIN : 07767220

K. NATARAJAN

Executive Director & COO

DIN : 07626680

N. KETKAR

Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018 and 31st March 2017

₹ In Crores

Particulars	Note	Year Ended 31 st March,	
		2018	2017
Revenue from operations	19	1,712.76	1,589.34
Other Income	20	12.97	35.37
Total Income		1,725.73	1,624.71
Expenses			
Cost of materials consumed	21	1,230.90	1,120.04
Purchases of Stock-in-trade	22	13.95	16.12
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(7.80)	(41.70)
Excise duty		28.60	86.70
Employee benefit expense	24	75.37	71.94
Finance costs	25	20.59	20.78
Depreciation and amortisation expenses	26	27.51	25.05
Other expenses	27	172.24	147.01
Total Expenses		1,561.36	1,445.94
Profit before exceptional items and tax		164.37	178.77
Exceptional Items		-	-
Profit before tax		164.37	178.77
Tax Expense			
Current Tax	28	47.52	48.14
Deferred Tax	28	4.44	9.92
Total Tax Expenses		51.96	58.06
Profit for the year		112.41	120.71
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(1.03)	(2.40)
(b) Equity instruments through other comprehensive income		(0.04)	0.02
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	0.36	0.83
B. (i) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		(0.71)	(1.55)
Total Comprehensive Income for the year		111.70	119.16
Earnings per equity share :			
(Face value ₹10 per share)			
Basic (₹)	30	31.71	34.05
Diluted (₹)	30	31.71	34.05

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

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KEDAR RAJE

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N. KETKAR

Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2018, 31st March 2017 and 1st April 2016

A) Equity Share Capital

₹ In Crores

Particulars	2018	2017	2016
Issued and Subscribed :			
Balance as at the beginning of the year	35.45	35.45	35.45
Balance as at the end of the year	35.45	35.45	35.45

B) Other Equity

₹ In Crores

Particulars	Reserves and Surplus			Items of other comprehensive income	Total
	Securities Premium Account	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	
Balance as at 1st April 2016	0.20	26.38	402.78	0.08	429.44
Profit for the year	-	-	120.71	-	120.71
Other Comprehensive Income / (Loss)	-	-	(1.57)	0.02	(1.55)
Total Comprehensive Income for the year	-	-	119.14	0.02	119.16
Dividend paid on Equity Shares	-	-	14.18	-	14.18
Dividend Distribution Tax	-	-	2.89	-	2.89
Balance as at 31st March 2017	0.20	26.38	504.85	0.10	531.53
Profit for the year	-	-	112.41	-	112.41
Other Comprehensive Income / (Loss)	-	-	(0.67)	(0.04)	(0.71)
Total Comprehensive Income for the year	-	-	111.74	(0.04)	111.70
Dividend paid on Equity Shares	-	-	10.64	-	10.64
Dividend Distribution Tax	-	-	2.17	-	2.17
Balance as at 31st March 2018	0.20	26.38	603.78	0.06	630.42

Description of the nature and purpose of Other Equity

Securities Premium Account: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Details of Dividend proposed :

₹ In Crores

Particulars	2018	2017
Dividend per share (In ₹)	7	3
Dividend proposed on Equity Shares	24.82	10.64
Dividend Distribution Tax	5.10	2.17
Total Dividend proposed including Dividend Distribution Tax	29.92	12.81

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No.117366W/W-100018)

KEDAR RAJE

Partner
(Membership No. 102637)

Place : Navi Mumbai
Date : 29th May 2018

For and on behalf of the Board

U. SHEKHAR

Managing Director
DIN : 00265017

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DIN : 07767220

K. NATARAJAN

Executive Director & COO
DIN : 07626680

N. KETKAR

Company Secretary

CASH FLOW STATEMENT

for the year ended 31st March 2018 and 31st March 2017

₹ In Crores

Particulars	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	112.41	120.71
Adjustments for :		
Income tax expense	51.96	58.06
Finance costs	20.59	20.78
Interest Subvention	(2.00)	(1.54)
Interest income	(2.74)	(2.62)
Dividend income	-	-*
Net foreign exchange (gain)	0.19	(0.68)
(Gain)/ Loss on disposal of property, plant and equipment (net)	(0.01)	0.05
Depreciation and amortisation expenses	27.51	25.05
Net (gain) arising on financial assets measured at fair value through profit & loss.	(7.16)	(21.23)
Allowance for doubtful debts and advances	0.17	1.36
Liabilities no longer required written back	-	(1.81)
	88.51	77.42
Operating Profit before Working Capital changes	200.92	198.13
Changes in :		
Trade receivables & Other Assets	(88.91)	(61.31)
Inventories	(25.09)	(65.52)
Trade payables & Other Liabilities	62.70	72.12
	(51.30)	(54.71)
Cash generated from operations	149.62	143.42
Income Taxes Paid (net of refunds)	(46.96)	(52.02)
NET CASH FROM OPERATING ACTIVITIES	102.66	91.40
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	2.76	2.63
Dividends received	-	-*
Payments for property, plant and equipment	(43.69)	(42.57)
Payments for intangible assets	(1.01)	(1.38)
Proceeds from disposal of property, plant and equipment	0.72	0.39
Decrease in Earmarked & Margin Account (net)	(0.14)	0.29
Bank Deposits matured (net)	-	0.71
NET CASH USED IN INVESTING ACTIVITIES	(41.36)	(39.93)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long term borrowings	(39.51)	(47.07)
Proceeds from short term borrowings (net)	6.44	29.72
Dividends paid on equity shares	(12.69)	(17.28)
Interest paid	(18.31)	(19.38)
NET CASH USED IN FINANCING ACTIVITIES	(64.07)	(54.01)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2.77)	(2.54)
OPENING CASH AND CASH EQUIVALENTS	4.60	7.11
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.08	0.03
CLOSING CASH AND CASH EQUIVALENTS	1.91	4.60

*Figures less than ₹ 50,000

Notes- The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard (Ind AS) 7 - Statement of Cash flow.

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

KEDAR RAJE

Partner

(Membership No. 102637)

Place : Navi Mumbai

Date : 29th May 2018

For and on behalf of the Board

U. SHEKHAR

Managing Director

DIN : 00265017

G. KAMATH

Executive Director

Finance & CFO

DIN : 07767220

K. NATARAJAN

Executive Director & COO

DIN : 07626680

N. KETKAR

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2018

1. (A) CORPORATE INFORMATION

Galaxy Surfactants Ltd (“the Company”) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report.

The Company is engaged in manufacturing of surfactants and other speciality ingredients for the personal care and home care industries. Our products find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Company has completed Initial Public offerings (IPO) of 63,31,674 shares of ₹ 10 each at an offer price of ₹ 1480 per Equity Share aggregating to ₹ 937,08,77,520, through offer for sale. The Equity Shares of the Company were listed on 8th February, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

The Company’s financial statements up to and for the year ended 31st March, 2017 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

These are the Company’s first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, first time Adoption of Indian Accounting Standards for transition from IGAAP to Ind AS. An explanation of how transition to Ind AS has affected the previous reported financial position, financial performance and cash flows of the Company is provided in Note 55.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on May 29th 2018.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The principal accounting policies are set out below

c) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty; and net of customer returns, trade allowance, rebates, value added taxes, Goods and services tax and amount collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rates applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Machinery spares that meet the definition of property, plant and equipment are capitalised. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis.

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

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

e) Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of Profit & Loss account.

Software:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how:

The expenditure incurred on Technical Know-how is amortised over the estimated period of

benefit, not exceeding Ten years commencing from the date of acquisition.

Research & Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

f) Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

g) Equity Investments in Subsidiaries:

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

h) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i) Foreign exchange transactions and translations:

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in profit or loss in the period in which they arise.

j) Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the statement of profit and loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit

recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Company are entitled to compensated absences for which the Company records the liability based on actuarial valuation computed using Projected Unit Credit method. These benefits are unfunded.

k) Borrowing Costs:

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to

settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

m) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount

cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit or Loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is

reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets

of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest rate method.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

q) Dividend Distribution

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts:

The Company uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material

adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

t) Fair value measurement:

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to

which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

u) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2. PROPERTY, PLANT AND EQUIPMENT

₹ In Crores

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) Cost						
Balance as at 1 st April 2016	98.09	325.63	16.69	4.70	15.27	460.38
Additions during the year	24.73	50.93	1.06	0.55	1.96	79.23
Disposals during the year	-	(0.35)	(0.01)	(0.44)	(0.01)	(0.81)
Balance as at 31st March 2017	122.82	376.21	17.74	4.81	17.22	538.80
Additions during the year	1.91	26.24	0.45	2.42	1.94	32.96
Disposals during the year	-	(2.05)	-	(1.29)	(0.03)	(3.37)
Balance as at 31st March 2018	124.73	400.40	18.19	5.94	19.13	568.39
(II) Accumulated depreciation						
Balance as at 1 st April 2016	29.95	190.95	8.24	2.27	11.85	243.26
Depreciation expense for the year	3.98	15.94	1.88	0.51	1.67	23.98
Disposals during the year	-	(0.16)	-	(0.20)	-	(0.36)
Balance as at 31st March 2017	33.93	206.73	10.12	2.58	13.52	266.88
Depreciation expense for the year	4.62	17.79	1.91	0.50	1.50	26.32
Disposals during the year	-	(1.97)	-	(0.69)	(0.03)	(2.69)
Balance as at 31st March 2018	38.55	222.55	12.03	2.39	14.99	290.51
Carrying amount(I-II)						
Balance as at 1 st April 2016	68.14	134.68	8.45	2.43	3.42	217.12
Balance as at 31 st March 2017	88.89	169.48	7.62	2.23	3.70	271.92
Balance as at 31st March 2018	86.18	177.85	6.16	3.55	4.14	277.88

*Figures less than ₹ 50,000

Notes:

- 2.1 Buildings include value of shares in Co-operative housing Society of ₹ -* (2016-17 ₹ -*, 2015-16 ₹ -*)
 2.2 The amount of borrowing costs incurred during the year and capitalised is ₹ Nil (2016-17 ₹ 1.22 Crores)

Particulars	2017-18	2016-17
Buildings	-	0.53
Plant & Machinery	-	0.69

- 2.3 The amount of expenditures(other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 0.05 Crores (2016-17 ₹ 1.87 Crores) out of which ₹ 0.05 Crores (2016-17 ₹ 0.48 Crores) is incurred in current year.
- 2.4 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur.

3. OTHER INTANGIBLE ASSETS

₹ In Crores

Particulars	Computer Software	Technical Know How	Total
(I) Cost			
Balance as at 1 st April 2016	8.66	0.30	8.96
Additions during the year	1.38	-	1.38
Balance as at 31 st March 2017	10.04	0.30	10.34
Additions during the year	1.01	-	1.01
Deductions/Adjustments during the year	(4.55)	-	(4.55)
Balance as at 31 st March 2018	6.50	0.30	6.80
(II) Accumulated amortisation			
Balance as at 1 st April 2016	5.80	0.05	5.85
Amortisation expense for the year	1.04	0.03	1.07
Balance as at 31 st March 2017	6.84	0.08	6.92
Amortisation expense for the year	1.16	0.03	1.19
Deductions/Adjustments during the year	(4.53)	-	(4.53)
Balance as at 31 st March 2018	3.47	0.11	3.58
Carrying amount(I-II)			
Balance as at 1 st April 2016	2.86	0.25	3.11
Balance as at 31 st March 2017	3.20	0.22	3.42
Balance as at 31 st March 2018	3.03	0.19	3.22

Notes:

3.1 The amortization expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

4. NON CURRENT INVESTMENTS

Particulars	Face Value Per Unit (US \$)	Face Value Per Unit (₹)	2018		2017		2016	
			Number	₹ In Crores	Number	₹ In Crores	Number	₹ In Crores
Investments in Equity Instruments								
Quoted (all fully paid unless otherwise specified)								
(A) Designated and carried at fair value through other comprehensive income								
(i) In Other Companies								
Equity shares								
Union Bank of India		10	7,200	0.07	7,200	0.11	7,200	0.09
				0.07		0.11		0.09
Unquoted (all fully paid unless otherwise specified)								
(A) At Cost								
(i) In Subsidiary Companies								
Equity shares								
Galaxy Chemicals Inc.	0.01		12,000	0.46	12,000	0.46	12,000	0.46
Galaxy Holdings (Mauritius) Ltd.	1.00		5,00,000	2.37	5,00,000	2.37	5,00,000	2.37
				2.83		2.83		2.83
Investments in Equity Instruments (Total)				2.90		2.94		2.92

Particulars	Face Value Per Unit (US \$)	Face Value Per Unit (₹)	2018		2017		2016	
			Number	₹ In Crores	Number	₹ In Crores	Number	₹ In Crores
Investments in Preference Shares:								
Unquoted (all fully paid unless otherwise specified)								
(A) Carried at Fair Value Through Profit & Loss (FVTPL)								
(i) In Subsidiary Companies Preference shares								
10% Non Cumulative Redeemable Preference Shares								
Galaxy Holdings (Mauritius) Ltd.	1.00		3,94,00,000	220.22	3,94,00,000	213.06	3,94,00,000	191.83
Investments in Preference Shares (Total)				220.22		213.06		191.83
Total Non Current Investments (Net)				223.12		216.00		194.75
Other Disclosures								
Aggregate Book Value of quoted investments				0.07		0.11		0.09
Aggregate Market Value of quoted investments				0.07		0.11		0.09
Aggregate amount of unquoted investments				223.05		215.89		194.66

5. LOANS

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost :						
A) Loans to related parties*						
- Unsecured, considered good	-	-	-	1.17	-	1.17
TOTAL (A)	-	-	-	1.17	-	1.17
B) Other Loans (Employees)						
- Unsecured, considered good	0.33	0.24	0.28	0.33	0.29	0.35
TOTAL (B)	0.33	0.24	0.28	0.33	0.29	0.35
TOTAL	0.33	0.24	0.28	1.50	0.29	1.52

*Refer note no. 38

Loans given to employees as per the companies policy are not considered for the purpose of disclosure under section 186 (4) of the Companies Act, 2013.

6. OTHER FINANCIAL ASSETS

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost :						
Security Deposit	3.09	3.90	0.34	3.49	0.10	4.69
Advances (Refer Note 6.1)	1.46	-	3.51	-	7.05	-
Interest accrued	0.21	-	0.23	-	0.25	-
Other financial assets	2.40	0.02	-*	0.02	0.01	0.02
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss						
Derivative financial instruments	1.42	0.65	0.83	1.45	2.30	1.50
TOTAL	8.58	4.57	4.91	4.96	9.71	6.21

* Figures less than ₹ 50,000

Notes:

- 6.1 Includes ₹ 0.48 Crores (2016-17 ₹ 2.27 Crores, 2015-16 ₹ 4.66 Crores) advances to related parties. (Refer Note. 38)
- 6.2 Other Financial assets (Current) as at 31st March 2018 represents amounts recoverable in respect of expenses incurred on initial public offering (Offer for sale) of equity shares of the company.

7. OTHERS ASSETS (NON FINANCIAL)

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Capital Advance	-	4.66	-	2.25	-	2.96
Advances other than capital advances						
Balance with government authorities	61.65	23.23	21.12	21.18	26.38	10.73
Prepaid Expenses	3.94	15.88	1.22	16.21	0.98	16.48
Other Advances Considered Good (Refer Note 7.1)	7.23	-	5.24	-	8.12	0.04
Other Advances Considered Doubtful	0.69	-	0.53	-	0.09	-
	73.51	39.11	28.11	37.39	35.57	27.25
Less: Provision of Doubtful Advances	0.69	-	0.53	-	0.09	-
	72.82	39.11	27.58	37.39	35.48	27.25
Export Incentives receivable	22.61	-	19.56	-	21.90	-
TOTAL	95.43	43.77	47.14	39.64	57.38	30.21

Note:

- 7.1 Other advances mainly include Advances to suppliers, etc.

8. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

₹ In Crores

Particulars	2018	2017	2016
Raw Materials [Including in transit of ₹33.69 Crores (2017 : ₹ 12.69 Crores, 2016 ₹15.88 Crores)]	87.55	73.22	50.48
Packing Material [Including in transit of ₹ 0.32 Crores (2017 : ₹0.17 Crores, 2016 ₹0.22 Crores)]	5.02	3.76	3.46
Work-in-Progress	47.55	45.42	26.92
Finished Products	61.71	60.83	39.58
Stock-in-Trade [Including in transit of ₹3.35 Crores (2017 : ₹0.46 Crores, 2016 ₹1 Crores)]	10.44	5.66	3.71
Consumables, Stores and Spares [Including in transit of ₹0.04 Crores (2017 : ₹0.05 Crores, 2016 ₹0.06 Crores)]	10.26	8.55	7.76
	222.53	197.44	131.91

Notes:

- 8.1 The cost of Inventories recognised as an expense during the year in respect of continuing operations was ₹1382.20 Crores (for the year ended March 31, 2017 : ₹ 1222.20 Crores)
- 8.2 The cost of Inventories recognised as an expense includes ₹0.30 Crores (During 2016-17: ₹ 0.29 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹0.08 Crores (During 2016-17 : ₹ 0.25 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption.
- 8.3 The company availed bank facilities which are secured by hypothecation of inventories
- 8.4 The mode of valuation of inventories is stated in sub-note (f) of Note 1B

9. TRADE RECEIVABLES

₹ In Crores

Particulars	2018	2017	2016
Unsecured, considered good	330.10	287.58	225.47
Unsecured, considered Doubtful	0.92	0.92	-
	331.02	288.50	225.47
Less : Allowance for expected credit loss (Refer note no. 45)	0.92	0.92	-
TOTAL	330.10	287.58	225.47

Note:

- 9.1 Includes ₹ 48.12 Crores (2016-17 ₹ 60.68 Crores, 2015-16 ₹50.62 Crores) receivable from subsidiaries. (Refer Note. 38)

10. CASH AND BANK BALANCES

₹ In Crores

Particulars	2018	2017	2016
Cash and cash equivalents			
Balances with banks			
- On Current Accounts	1.67	4.36	6.38
- Fixed Deposits with original maturity less than 3 months	-	-	0.49
	1.67	4.36	6.87
Cash on hand	0.24	0.24	0.24
Total Cash and cash equivalent	1.91	4.60	7.11
Bank balances other than cash and cash equivalent			
Earmarked balances with banks	0.50	0.36	0.60
Balances with Banks on Margin Accounts	-	-	0.05
Fixed Deposits	-	-	0.71
Total Other Bank balances	0.50	0.36	1.36

11A. EQUITY SHARE CAPITAL

₹ In Crores

Particulars	2018	2017	2016
Authorised:			
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)			
	50.00	50.00	50.00
Issued, Subscribed and Paid Up :			
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up.	35.45	35.45	35.45
(Previous Year : 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)			
	35.45	35.45	35.45

A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2018		2017		2016	
	No. of Shares	₹ In Crores	No. of Shares	₹ In Crores	No. of Shares	₹ In Crores
Issued and Subscribed :						
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45	3,54,54,752	35.45
Balance as at the end of the year	3,54,54,752	35.45	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 ₹ 10 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

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

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

Particulars	Aggregate Number of Shares		
	2018	2017	2016
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserve	-	1,77,27,376	1,77,27,376

D. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2018		2017		2016	
	No. of Shares	% Share holding	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	77,52,850	21.87	91,71,054	25.87	91,69,804	25.86
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	42,48,240	11.98
Sudhir D. Patil	41,06,040	11.58	41,45,290	11.69	41,56,040	11.72
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	23,62,758	6.66	24,07,108	6.79
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20	17,92,972	5.06
	2,43,89,044	68.79	2,58,46,498	72.90	2,58,71,848	72.97

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

11B. OTHER EQUITY

₹ In Crores			
Particulars	2018	2017	2016
Securities Premium Reserve	0.20	0.20	0.20
General Reserve	26.38	26.38	26.38
Retained Earnings	603.78	504.85	402.78
Other Comprehensive Income	0.06	0.10	0.08
TOTAL	630.42	531.53	429.44

12. NON-CURRENT BORROWINGS

₹ In Crores			
Particulars	2018	2017	2016
Carried at amortised Cost :			
Secured :			
Term Loan From Banks (refer note no. 12.1 and 12.2)	67.24	113.74	152.84
Total Secured Borrowings	67.24	113.74	152.84
Unsecured:			
Deferral Sales Tax Liability (refer note no. 12.3)	0.63	1.59	2.19
Total Unsecured Borrowings	0.63	1.59	2.19
Total non current borrowings	67.87	115.33	155.03

Current maturities in respect of long term borrowings that have been included in Note 13 as under :

₹ In Crores			
Particulars	2018	2017	2016
Term Loan From Banks	46.42	37.21	39.58
Deferral Sales Tax Liability	0.78	0.60	0.61
	47.20	37.81	40.19

Notes:

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

12.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ NIL (2017: ₹ NIL, 2016: ₹0.93 Crore)	BBR+ 2.25%	20 quarterly installments of ₹ 1.25 Crore each commenced from July 2011.
Term Loan I & II amounting to ₹ 13.22 Crore (2017: ₹ 26.40 Crore, 2016: ₹39.77 Cr)	PLR - 3.75% for both I & II	I - 12 Quarterly installments of ₹ 1.67 Crore each commenced from April 2016. II - 12 Quarterly installments of ₹ 1.67 Crore each commenced from May 2016.
Term Loan ₹ NIL (2017: ₹ NIL, 2016: ₹1.25 Crore)	PLR - 3 %	20 quarterly installments of ₹ 1.25 Crore each commenced from July 2011
Term Loan ₹ NIL (2017: ₹ 1.50 Crore, 2016: ₹8.74 Crore)	PLR - 5%	20 quarterly installments of ₹ 1.50 Crore commenced from Sept 2012
Term Loan ₹ 9.55 Crore (2017: ₹ 13.76 Crore, 2016: ₹14.78 Crore)	10.60%	20 Quarterly instalments with moratorium of 18 months commencing from April 2017
Term Loan ₹ 29.82 Crore (2017: ₹29.73 Crore, 2016: ₹ 29.76 Crore)	PLR - 3.75 %	Quarterly installments with a moratorium of 8 quarters from the date of first disbursement commencing from 30 th June 2018
Foreign Currency Loan		
Term Loan ₹ 61.08 Crore (2017: ₹79.57 Crore, 2016: ₹97.19 Crore)	3M LIBOR +1.90%	10% each at the end of every 6 months from the date of disbursement & 20% at the end of 60 months commenced from June 2016

*BBR - Bank Base Rate PLR - Prime Lending Rate

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

13. OTHER FINANCIAL LIABILITIES

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Carried at Amortised Cost:						
Current maturities of long-term debt (Refer Note 12.1 & 12.2)	46.42	-	37.21	-	39.58	-
Current maturities of Fixed Deposits	-	-	-	-	6.41	-
Current maturities of Deferral Sales						
Tax Liability (Refer Note 12.3)	0.78	-	0.60	-	0.61	-
Interest accrued on borrowings	1.14	-	1.50	-	2.42	-
Unclaimed dividends (Refer Note 13.3)	0.46	-	0.36	-	0.57	-
Unclaimed matured deposits and interest accrued thereon	0.03	-	0.13	-	0.08	-
Security Deposits	-	0.25	-	0.23	-	0.23
Other liabilities (Refer Note 13.1 and 13.2)	2.05	-	1.64	-	3.39	-
	50.88	0.25	41.44	0.23	53.06	0.23
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss						
Derivative financial instruments	0.06	-	-	-	-	-
	0.06	-	-	-	-	-
Total other financial liabilities	50.94	0.25	41.44	0.23	53.06	0.23

Notes:

13.1 Includes ₹ NIL (2016-17 ₹ Nil, 2015-16 ₹ 0.43 Crores) due to related parties. (Refer Note. 38)

13.2 Other liabilities mainly include capital creditors, etc.

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

14. PROVISIONS

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Provision for Employee Benefits						
Leave encashment	1.30	4.77	0.90	4.30	1.38	3.37
Gratuity	2.74	1.35	1.20	4.52	1.04	4.30
Total Provisions	4.04	6.12	2.10	8.82	2.42	7.67

15. DEFERRED TAX LIABILITIES (NET)

₹ In Crores

Particulars	Deferred tax liabilities/ (assets) As at 1 st April 2016	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to OCI	Deferred tax liabilities/ (assets) As at 31 st March 2017	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to OCI	Deferred tax liabilities/ (assets) As at 31 st March 2018
On Fiscal allowances on fixed assets	24.88	5.72	-	30.60	3.33	-	33.93
On Provision for employee benefits	(3.35)	0.54	(0.83)	(3.64)	(0.24)	(0.36)	(4.24)
On Allowances for credit losses	-	-	-	-	-	-	-
On Others	(5.48)	3.66	-	(1.82)	1.35	-	(0.47)
Total	16.05	9.92	(0.83)	25.14	4.44	(0.36)	29.22

16. OTHER NON FINANCIAL LIABILITIES

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Advances received from customers	5.14	-	4.50	-	5.28	-
Others (Refer note no 16.1)	5.80	-	9.43	-	3.90	-
Deferred revenue income (Refer note no 16.2)	0.03	0.48	-	-	-	-
Total Other Non Financial Liabilities	10.97	0.48	13.93	-	9.18	-

Notes:

16.1 Others mainly include government dues & taxes payable, salary deductions payable etc.

16.2 The Deferred revenue arises as a result of the benefit received by the company on import of capital equipment's under the 'Export Promotion Capital Goods' Scheme of the Central Government at a concessional/zero rate of custom duty. Consequently, the Company has assessed that it has saved custom duty aggregating to ₹ 0.51 Crores in respect of property, plant and equipment used in manufacturing process. The exemption from payment of customs duty represents transfer of resources by the Government and therefore in scope of Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The deferred income will be amortized over the estimated remaining useful life of property, plant and equipment which will be offset by incremental depreciation consequent to increase in carrying value of property, plant and equipment.

17. SHORT TERM BORROWINGS

₹ In Crores

Particulars	2018	2017	2016
Secured (Carried at amortised Cost) :			
Loans and Advances on packing credit account from banks	102.67	93.97	65.74
Total Borrowings	102.67	93.97	65.74

Notes:

17.1 Loans and Advances on packing credit account from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future, and second pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.

17.2 Rate of Interest for loans ranges from 1.10% p.a. to 6.50% p.a.

18. TRADE PAYABLES

Particulars	2018	2017	2016
Carried at amortised Cost			
Trade payable - Micro and small enterprises (Refer Note 18.1)	3.71	2.36	2.84
Trade payable - Other than micro and small enterprises (Refer Note 18.2)	295.73	226.83	158.50
Total Trade payables	299.44	229.19	161.34

Notes:

18.1 Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

	₹ In Crores		
	2018	2017	2016
(a) Dues remaining unpaid as at 31 st March			
- Principal	3.71	2.36	2.84
- Interest on the above	-	-	-
(b) Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") along with the amount of payment made to the supplier beyond the appointed day during the year			
- Principal paid beyond the appointed date	-	-	-
- Interest paid in terms of Section 16 of the Act	-	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-
(e) Amount of interest accrued and remaining unpaid as at 31 st March	-	-	-

18.2 Trade payable - Other than micro and small enterprises includes payable to subsidiary company ₹ 3.32 Crores (2016-17 ₹ 0.18 Crores, 2015-16 ₹1.78 Crores).(Refer Note. 38)

19. REVENUE FROM OPERATIONS

		₹ In Crores
Particulars	2017-18	2016-17
Sale of products (including Excise Duty of ₹ 28.60 Crores (2016-17 ₹ 86.70 Crores))	1,692.77	1,570.03
Other operating revenue		
(a) Scrap Sales	1.43	1.09
(b) Government Grant and Incentives (including export benefits)	18.56	18.22
Total Revenue from Operations	1,712.76	1,589.34

20. OTHER INCOME

		₹ In Crores
Particulars	2017-18	2016-17
(a) Interest Income		
- On Financial Assets at Amortised Cost (Refer Note No.20.1)	1.10	2.29
- On Non Financial assets	1.64	0.33
(b) Dividend Income		
- From Equity instruments measured at Fair value through other comprehensive income	-	-*
(c) Other Non - Operating Income		
Profit / (Loss) on sale of Property, Plant and Equipment (Net)	0.01	(0.05)
Liabilities no longer required written back	-	1.81
Foreign exchange gain/(loss) differences (Net)	0.06	4.64
Commission received	0.83	1.02
Others (Refer Note No.20.2)	2.17	4.10
(d) Other gains and losses		
Net gain arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	7.16	21.23
Total Other Income	12.97	35.37

*Figures less than ₹ 50,000

Notes:

20.1 Includes ₹ 1.07 Crores (2016-17 ₹ 2.21 Crores) overdue interest received from step down subsidiaries. (Refer Note. 38)

20.2 Others includes interest subvention, refund received, etc.

21. COST OF MATERIALS CONSUMED

		₹ In Crores
Particulars	2017-18	2016-17
(a) Raw materials	1,182.29	1,071.83
(b) Packing materials	48.61	48.21
Total Cost of materials consumed	1,230.90	1,120.04

22. PURCHASE OF STOCK-IN-TRADE

		₹ In Crores
Particulars	2017-18	2016-17
(a) Purchase of Stock-in-trade	13.95	16.12
Total Purchase of Stock-in-trade	13.95	16.12

23. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ In Crores

Particulars	2017-18	2016-17
Opening Stock :		
Finished goods	60.83	39.58
Work-in-progress	45.42	26.92
Stock-in-trade	5.66	3.71
	111.91	70.21
Less: Closing Stock :		
Finished goods	61.71	60.83
Work-in-progress	47.55	45.42
Stock-in-trade	10.45	5.66
	119.71	111.91
Net (increase) / decrease in inventory	(7.80)	(41.70)

24. EMPLOYEE BENEFIT EXPENSES

₹ In Crores

Particulars	2017-18	2016-17
(a) Salaries and wages, including bonus	65.28	62.50
(b) Contribution to provident and other funds	5.06	4.73
(c) Workmen and staff welfare expenses	5.03	4.71
Total	75.37	71.94

25. FINANCE COSTS

₹ In Crores

Particulars	2017-18	2016-17
(a) Interest expense for financial liabilities at amortised cost	20.45	20.47
(b) Other borrowing cost	0.14	0.31
Total	20.59	20.78

Note:

25.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is Nil
(2016-17 :10.73%)

26. DEPRECIATION AND AMORTISATION EXPENSE

₹ In Crores

Particulars	2017-18	2016-17
(a) Depreciation on Property, Plant and Equipment	26.32	23.98
(b) Amortisation of Intangible Assets	1.19	1.07
Total	27.51	25.05

27. OTHER EXPENSES

Particulars	₹ In Crores	
	2017-18	2016-17
Power and fuel	36.97	31.53
Water charges	0.89	0.90
Repairs and maintenance	12.26	6.71
Consumption of stores, spares & consumables	9.47	6.95
Rates and taxes	2.00	4.43
Insurance	4.07	3.89
Freight and forwarding	55.18	41.94
Travelling and conveyance	9.02	9.19
Discount and commission on sales	0.92	2.32
Prov for Doubtful Debts	-	0.92
Royalty	0.07	0.14
"REACH" registration expenses (Net)	1.31	-
CSR expenditure	2.56	2.33
Donations	0.01	0.01
Directors' sitting fees	0.38	0.40
Commission to non-executive directors	0.62	0.51
Rent (including storage charges)	2.35	2.15
Legal and professional fees	12.77	11.50
Prov for Doubtful Advances	0.16	0.44
Miscellaneous expenses	21.23	20.75
Total	172.24	147.01

Legal & Professional fees expenses include :

(a) Amounts paid/payable to Statutory Auditors (Net of service tax where applicable) :

Particulars	₹ In Crores	
	2017-18	2016-17
Audit fees	0.57	0.24
Other services [#]	0.39	0.01
Out of pocket expenses	-	-*
Total	0.96	0.25

[#] Excludes payment made to auditor's amounting to ₹ 0.89 Crores in respect of service rendered for Initial public offering (offer for sale) of equity shares of the company, which is recoverable from selling share holders.

(b) Amounts paid/payable to Cost Auditors (Net of service tax where applicable) :

Particulars	₹ In Crores	
	2017-18	2016-17
Audit fees	0.04	0.04
Other services	-	-
Out of pocket expenses	-*	-*
Total	0.04	0.04

*Figures less than ₹ 50,000

28. INCOME TAX RECOGNISED IN PROFIT OR LOSS

₹ In Crores

Particulars	2017-18	2016-17
Current Tax:		
In respect of current year	53.10	48.83
In respect of prior years	(5.58)	(0.69)
	47.52	48.14
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	3.20	9.23
Deferred Tax reclassified from equity to profit or loss	-	-
Adjustments due to changes in tax rates	0.29	-
In respect of prior years	0.95	0.69
	4.44	9.92
Total income tax expense	51.96	58.06

29. INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

₹ In Crores

Particulars	2017-18	2016-17
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined benefit obligations	(0.36)	(0.83)
	(0.36)	(0.83)
Classification of income tax recognised in Other Comprehensive Income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.36)	(0.83)
Income taxes related to items that will be reclassified to profit or loss	-	-
	(0.36)	(0.83)

30. EARNING PER SHARE (EPS)

Particulars	2017-18	2016-17
Profit for the year (₹ In Crores)	112.41	120.71
Weighted average number of Ordinary (Equity)	3,54,54,752	3,54,54,752
Shares used in computing basic & diluted EPS		
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	31.71	34.05

31. THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT OR LOSS IS AS FOLLOWS:

Particulars	₹ In Crores	
	2017-18	2016-17
Profit before tax	164.37	178.77
Applicable Income tax rate	34.61%	34.61%
Expected income tax expense	56.89	61.87
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of concessions and allowances	-	(2.02)
Effect of expenses/provision not deductible in determining taxable profit	0.58	0.45
Impact on account of Prior Years Taxation	(4.63)	-
Impact on account of Change in Tax Rate	0.29	-
Other Permanent Differences	(1.17)	(2.24)
Reported income tax expense	51.96	58.06

32. THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET:

Assessment Year	₹ In Crores			
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016	Available Up to A.Y.
2016-17	3.99	3.99	3.99	2024-25

33. SEGMENT INFORMATION

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

Particulars	2018			2017			2016		
	India	Overseas	Total	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	863.40	829.37	1,692.77	782.60	787.43	1,570.03	-	-	-
Non Current Assets*	350.56	-	350.56	335.19	-	335.19	303.11	-	303.11

* Includes property plant and equipments, intangible assets, capital working in progress and other non-financial non current assets.

Information about major customers

During the year ended 31st March 2018 & 31st March 2017, revenue from transaction with a single external customer did not amount to 10% or more of the companies revenue from external customer.

34. DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹13.62 Crores (2016 -17 ₹ 13.19 Crores) debited to the Statement of Profit & Loss.

35. DETAILS OF CSR EXPENDITURE

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

₹ In Crores			
Particulars	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Company during the year	-	-	3.14
II. Amount spent during the year on:			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	2.56	-	2.56

36. CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

₹ In Crores			
Particulars	2018	2017	2016
(a) Corporate guarantees given to bank in connection with borrowings by subsidiary company	106.63	132.53	159.68
(b) Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc.:			
— Excise duty & Service tax	5.76	7.27	5.44
— Income tax	-*	3.74	2.00
— Sales tax	2.67	1.33	1.24
— Custom duty	8.16	8.19	0.38
— Cess on electricity	-	-	0.95
(c) Customer Claim : No provision has been made in respect of claim of Euro 4,50,000 (2017 Euro 8,00,000) made by one of the overseas customers on account of quality issues in respect of third party trading material supplied by the Group. The Group has made a provision of USD 1,41,225 (2017 USD 1,41,225) in respect of the amount due from the said customer in respect of subsequent supplies to the said overseas customer.	3.64	5.54	-

*Figures less than ₹ 50,000

In respect of (b) & (c) above, it is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for ₹ 24.67 Crores (2016-17 ₹ 1.88 Crores, 2015-16 ₹9.68 Crores)

Estimated amount of contracts remaining to be executed of Intangible assets (net of advances) and not provided for ₹0.29 Crores (2016-17- ₹1.04 Crores, 2015-16 ₹0.12 Crores)

37. DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013**a. Investments made**

The same are classified under respective heads. Refer Note 4

b. Guarantees/Securities given

The same are classified under respective heads for purposes of guarantees given for loan availments from banks by subsidiaries/ associate Companies. Refer Note 38.

c. Loans given

₹ In Crores

Particulars	Loan Balance as on		
	2018	2017	2016
Galaxy Surfactants Ltd – Employees' Welfare Trust	-	1.17	1.17

The above loan given is interest free and has been classified under Non-current loans. The aforesaid loan is granted to Galaxy Surfactants Ltd – Employees' Welfare Trust, which has been given by the Company for the benefit of the employees. Refer Note 5.

38. RELATED PARTY DISCLOSURES :**(a) Related parties where control exists :**

Subsidiaries :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Galaxy Chemicals Inc.	4	Rainbow Holdings GmbH
2	Galaxy Holdings (Mauritius) Limited	5	TRI-K Industries Inc
3	Galaxy Chemicals (Egypt) SAE		

(b) Other parties with whom transactions have taken place during the year:**(i) Key Management Personnel (KMP)**

Sl. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife Son Daughter	Mrs. Lakshmy Shekhar Mr. Karthik Shekhar Ms. Nandini Shekhar
2	Mr. G. Ramakrishnan (Till 6 th Sept 2016) Executive Director (Innovation)	Wife	Mrs. Jayashree Ramakrishnan
3	Mr. S. R. Shanbhag (Till 22 nd May 2015) Executive Director	Wife	Mrs. Vandana Shanbhag
4	Mr. R. Venkateswar (Till 9 th June 2017) Executive Director		
5	Mr. K. Natarajan (w.e.f. 1 st Oct 2016) Executive Director & Chief Operating Officer		
6	Mr. G. Kamath (w.e.f. 1 st April 2017) Executive Director (Finance) & Chief Financial Officer		

(ii) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Galaxy Emulsifiers Private Limited	5	Galaxy Estates & Holdings [Partnership Firm]
2	Galaxy Finsec Private Limited	6	Galaxy Investments [Partnership Firm]
3	Osmania Traders Private Limited	7	Shubh Estates & Properties [Partnership Firm]
4	Galaxy Chemicals [Partnership Firm]	8	Galaxy Surfactants Ltd -Employees' Welfare trust (Till 13 th January'2018)

(c) The related party transactions are as under :

₹ In Crores

Sr No	Nature of Transactions	Subsidiary Company			Entities where Key Management Personnel can exercise significant influence			Key Management Personnel			Relatives of Key Management Personnel		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	PURCHASES :												
	Goods												
	Galaxy Chemicals (Egypt) S.A.E.	3.48	0.52	0.12									
	TRI-K Industries Inc.	5.00	3.66	4.18									
2	SALES :												
	Goods												
	Galaxy Chemicals (Egypt) S.A.E.	109.89	108.49	102.37									
	TRI-K Industries Inc.	73.35	72.33	66.58									
	Fixed Assets												
	Galaxy Chemicals (Egypt) S.A.E.	0.07	0.20	0.15									
3	INVESTMENTS :												
	Investments made												
	Galaxy Holdings (Mauritius) Ltd			97.89									
4	MANAGERIAL REMUNERATION :												
	U. Shekhar												
	Short-term employee benefits							2.09	2.09				
	G. Ramakrishnan												
	Short-term employee benefits								0.92				
	Post-employment benefits								1.38				
	Other long-term employee benefits								0.41				
	R. Venkateswar												
	Short-term employee benefits							0.25	2.09				
	Other long-term employee benefits							0.06					
	K Natarajan												
	Short-term employee benefits							2.11	1.04				
	G. Kamath												
	Short-term employee benefits							2.10					
5	FINANCE :												
	Interest Income												
	Galaxy Chemicals (Egypt) S.A.E.	1.07	2.13										
	TRI-K Industries Inc.		0.08										
	Interest Expense												
	TRI-K Industries Inc.		0.04										
	Nandini Shekhar												-*
	Jayashree												-*
	Ramakrishnan												
	Lakshmy Shekhar											0.01	

₹ In Crores

Sr No	Nature of Transactions	Subsidiary Company			Entities where Key Management Personnel can exercise significant influence			Key Management Personnel			Relatives of Key Management Personnel		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
	Interest accrued but not due on Fixed Deposits												
	Nandini Shekhar											0.05	
	Lakshmy Shekhar											0.05	
	Fixed Deposits Paid / Refunded												
	Nandini Shekhar											0.14	
	Jayashree Ramakrishnan											0.07	
	Lakshmy Shekhar											0.16	
	Vandana Shanbhag											0.06	
6	DIVIDENDS DISTRIBUTED :												
	Galaxy Chemicals				2.75	3.67							
	Galaxy Emulsifiers Pvt. Ltd.				0.16	0.22							
	Galaxy Surfactants Ltd - Employees' Welfare Trust				0.09	0.11							
	U. Shekhar							1.27	1.69				
	G. Ramakrishnan								0.94				
	K Natarajan							0.01	0.02				
	G. Kamath							0.01					
	Jayashree Ramakrishnan											0.72	
	Lakshmy Shekhar										-*	-*	
	Karthik Shekhar										0.03	0.05	
7	OTHER TRANSACTIONS :												
	Guarantee Commission (Other Income)												
	Galaxy Chemicals (Egypt) S.A.E.	0.83	1.02	1.15									
	Other Expenses												
	TRI-K Industries Inc.	0.02	0.14	0.19									
	Reimbursements received/ Receivable from parties												
	Galaxy Chemicals (Egypt) S.A.E.	0.14	0.22	0.28									
	TRI-K Industries Inc.	0.08	0.24	0.38									
8	OUTSTANDINGS :												
	Payable												
	Galaxy Chemicals (Egypt) S.A.E.	2.64		0.01									
	TRI-K Industries Inc.	0.68	0.18	1.77									
	Receivable												
	Galaxy Chemicals (Egypt) S.A.E.	37.40	50.41	41.02									
	TRI-K Industries Inc.	10.72	10.27	9.60									
	Investments												
	Galaxy Chemicals Inc.	0.46	0.46	0.46									

₹ In Crores

Sr No	Nature of Transactions	Subsidiary Company			Entities where Key Management Personnel can exercise significant influence			Key Management Personnel			Relatives of Key Management Personnel		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
	Galaxy Holdings (Mauritius) Ltd	217.15	217.15	217.15									
	Loans and Advances												
	Galaxy Chemicals (Egypt) S.A.E.	0.29	2.16	4.35									
	TRI-K Industries Inc.	0.19	0.11	0.31									
	Galaxy Surfactants Ltd - Employees' Welfare Trust					1.17	1.17						
	Unsecured Loans												
	Nandini Shekhar												0.14
	Jayashree												0.07
	Ramakrishnan												
	Lakshmy Shekhar												0.16
	Vandana Shanbhag												0.06
9	GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES												
	Galaxy Chemicals (Egypt) S.A.E.	106.63	132.53	159.68									

*Figures less than ₹ 50,000

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

39. EMPLOYEE BENEFITS

a. Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 3.64 Crores (2016-17 - ₹ 3.48 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

c. Other long term employee benefit plan

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.

Through its gratuity and leave plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, In case of gratuity plan this will be partially offset by an increase in the return on the plan's assets

Longevity risk

The present value of Gratuity and leave plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the Gratuity and leave plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity and leave plan – as per actuarial valuation

₹ In Crores

Particulars	As at March 31,					
	Funded Plan Gratuity			Unfunded Plans leave encashment		
	2018	2017	2016	2018	2017	2016
I Expense recognised in the Statement of Profit and Loss for the year ended						
1 Current service cost	1.03	0.96		0.61	0.55	
2 Interest cost on benefit obligation (Net)	0.37	0.38		0.34	0.32	
3 Net value of remeasurements on the obligation and plan assets	-	-		0.45	0.64	
4 Past service cost and loss/(Gain) on curtailments and settlement	0.01	-		-	-	
Total expenses included in employee benefits expense	1.41	1.34		1.40	1.51	

₹ In Crores

Particulars	As at March 31,					
	Funded Plan Gratuity			Unfunded Plans leave encashment		
	2018	2017	2016	2018	2017	2016
II Recognised in other comprehensive income for the year						
1 Actuarial (gains)/ losses arising from changes in financial assumption	(0.37)	0.83		-	-	
2 Actuarial (gains)/ losses arising from changes in experience adjustment	1.02	1.74		-	-	
3 Return on plan asset	0.38	(0.17)		-	-	
Recognised in other comprehensive income	1.03	2.40		-	-	
III Change in the present value of defined benefit obligation						
1 Present value of defined benefit obligation at the beginning of the year	15.01	13.02		5.20	4.75	
2 Current service cost	1.03	0.96		0.61	0.55	
3 Interest cost/(Income)	0.99	0.85		0.34	0.32	
4 Remeasurements (gains)/ losses						
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-		-	-	
(I) Actuarial (gains)/ losses arising from changes in financial assumption	(0.37)	0.83		(0.12)	0.24	
(II) Actuarial (gains)/ losses arising from changes in experience adjustment	1.02	1.74		0.57	0.40	
5 Past service cost	0.01	-		-	-	
6 Benefits paid	(0.99)	(2.39)		(0.53)	(1.06)	
7 Liabilities assumed/(settled)	-	-		-	-	
Present value of defined benefit obligation at the end of the year	16.70	15.01		6.07	5.20	
IV Change in fair value of plan assets during the year						
1 Fair value of plan assets at the beginning of the year	9.29	7.68		-	-	
2 Interest income	0.62	0.48		-	-	
3 Contribution by employer	4.07	1.38		-	-	
4 Benefits paid	(0.99)	(0.42)		-	-	
5 Remeasurements (gains)/ losses						
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-		-	-	
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-		-	-	
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-		-	-	
6 Return on plan assets excluding interest income	(0.38)	0.17		-	-	
Fair value of plan assets at the end of the year	12.61	9.29		-	-	

₹ In Crores

Particulars	As at March 31,					
	Funded Plan Gratuity			Unfunded Plans leave encashment		
	2018	2017	2016	2018	2017	2016
V Net Asset/(Liability) recognised in the Balance Sheet as at						
1 Present value of defined benefit obligation as at 31 st March	(16.70)	(15.01)	(13.02)	(6.07)	(5.20)	(4.75)
2 Fair value of plan assets as at 31 st March	12.61	9.29	7.68	-	-	-
3 Surplus/(Deficit)	(4.09)	(5.72)	(5.34)	(6.07)	(5.20)	(4.75)
4 Current portion of the above	(2.74)	(1.20)	(1.04)	(1.30)	(0.90)	(1.38)
5 Non current portion of the above	(1.35)	(4.52)	(4.30)	(4.77)	(4.30)	(3.37)
VI Actuarial assumptions						
1 Discount rate	7.50%	7.25%	7.80%	7.25%	7.25%	7.80%
2 Attrition rate	5% at younger ages reducing to 1% at older ages					
3 Average salary escalation rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4 Mortality table used	Indian Assured Lives Mortality (2006-08)					
VII Major Category of Plan Assets as a % of the Total Plan Assets						
1 Insurer managed funds*	100%	100%	100%	-	-	-
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.						
VIII The expected contributions to the plan for the next annual reporting period	2.74	1.20		1.30	0.90	
IX Quantitative sensitivity analysis for significant assumption is as below						
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity and leave plan obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity and leave plan Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.						
1 Discount rate varied by +0.5%	15.99	14.39		5.83	4.98	
2 Discount rate varied by -0.5%	17.44	15.68		6.31	5.43	
3 Salary growth rate varied by +0.5%	17.44	15.68		6.31	5.43	
4 Salary growth rate varied by -0.5%	15.98	14.38		5.83	4.98	
5 Withdrawal rate (W.R.) varied + 20%	16.71	15.01		6.07	5.20	
6 Withdrawal rate (W.R.) varied - 20%	16.66	15.00		6.05	5.19	
X Maturity profile of defined benefit obligation						
1 Year 1	2.77	2.69		1.30	0.90	
2 Year 2	0.57	0.68		0.17	0.21	
3 Year 3	0.89	0.57		0.25	0.19	
4 Year 4	1.03	0.94		0.19	0.28	
5 Year 5	2.30	0.91		0.51	0.19	
6 More than 5 years	6.21	7.12		2.92	2.78	

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and Loss account. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The leave encashment expenses have been recognised as part of "Salaries and wages" in the statement of Profit and Loss account.

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

40. OPERATING LEASES

The Company's significant leasing arrangements are in respect of operating leases for job working and building premises (residential, offices, godowns etc.) Out of these leasing arrangements, some are non-cancellable for a period ranging between 1 to 3 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit and Loss

With regard to some non-cancellable operating leases, the future minimum rentals are as follows

₹ In Crores

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 April 2016
Future minimum lease payments			
Not later than one year	0.62	0.47	0.16
Later than one year but not later than five years	0.75	0.73	0.05
Later than five years	-	-	-
Total future minimum lease payments	1.37	1.20	0.21

41. CAPITAL MANAGEMENT

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders.

The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

₹ In Crores

Particulars	As at 31 st March 2018	As at 31 st March, 2017	As at 1 st April 2016
Short term debt	102.67	93.97	65.74
Long term debt	115.07	153.14	201.63
Total	217.74	247.11	267.37
Equity	665.87	566.98	464.89
Long term debt to equity	0.17	0.27	0.43
Total debt to equity	0.33	0.44	0.58

42. CATEGORIES OF FINANCIAL INSTRUMENTS

₹ In Crores

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 April 2016
A) Financial assets			
a) Measured at amortised cost			
i) Cash and Cash equivalents	1.91	4.60	7.11
ii) Bank Balances other than Cash and Cash Equivalents	0.50	0.36	1.36
iii) Investment in Equity Shares	2.83	2.83	2.83
iv) Loans	0.57	1.78	1.81
v) Trade Receivable	330.10	287.58	225.47
vi) Other Financial Assets	11.08	7.59	12.12
Sub-Total	346.99	304.74	250.70
b) Measured at Fair value through Other Comprehensive Income			
i) Investment in Equity Shares	0.07	0.11	0.09
Sub-Total	0.07	0.11	0.09
c) Measured at Fair value through Profit or Loss			
i) Investment in Preference Shares	220.22	213.06	191.84
Sub-Total	220.22	213.06	191.84
d) Derivatives measured at fair value through Profit & Loss			
i) Derivative instruments not designated as hedging instruments	2.07	2.28	3.80
Sub-Total	2.07	2.28	3.80
Total Financial Assets	569.35	520.19	446.43

₹ In Crores

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 April 2016
B) Financial liabilities			
a) Measured at amortised cost			
i) Non-current Borrowings	67.87	115.33	155.03
ii) Current Borrowings	102.67	93.97	65.74
iii) Trade Payables	299.44	229.19	161.34
iv) Other Financial Liability	51.13	41.67	53.29
Sub-Total	521.11	480.16	435.40
b) Derivatives measured at fair value through Profit & Loss			
i) Derivative instruments not designated as hedging instruments	0.06	-	-
Sub-Total	0.06	-	-
Total Financial liabilities	521.17	480.16	435.40

43. FINANCIAL RISK MANAGEMENT FRAMEWORK

The company has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The companies risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Companies business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk.

Market Risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

(a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Companies interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding. To a certain extent we use interest rate swap to minimise the risk.

(b) Commodity Risk

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the companies business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

(c) Currency Risk

The company is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent the company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the companies foreign currency exposure at the end of the reporting period are as follows

In Crores

Particulars	US Dollar	Rupees	Euro	Rupees	Others Rupees	Total
As at 31st March 2018						
Borrowings	(1.38)	(90.07)	(0.12)	(9.83)	-	(99.90)
Trade Receivables & Other financial assets	2.31	150.35	0.20	16.34	0.12	166.81
Trade Payables & Other financial liabilities	(3.07)	(200.20)	-	(0.24)	(0.07)	(200.51)
	(2.14)	(139.92)	0.08	6.27	0.05	(133.60)
As at 31st March 2017						
Borrowings	(1.73)	(112.40)	(0.07)	(4.51)	-	(116.91)
Trade Receivables & Other financial assets	2.31	149.60	0.08	5.38	0.12	155.10
Trade Payables & Other financial liabilities	(1.75)	(113.64)	-	(0.21)	-	(113.85)
	(1.17)	(76.44)	0.01	0.66	0.12	(75.66)
As at 1st April 2016						
Borrowings	(1.80)	(119.04)	(0.09)	(7.13)	-	(126.17)
Trade Receivables & Other financial assets	2.39	158.49	0.10	7.27	0.08	165.84
Trade Payables & Other financial liabilities	(1.03)	(68.07)	-	(0.21)	(0.02)	(68.30)
	(0.44)	(28.62)	0.01	(0.07)	0.06	(28.63)

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date are as follows

In Crores

Particulars	US Dollar	Rupees	Euro	Rupees	Others Rupees	Total
As at 31st March 2018						
Borrowings	(0.43)	(28.16)	(0.12)	(9.83)	-	(37.99)
Trade Receivables & Other financial assets	2.31	150.35	0.08	6.48	0.12	156.95
Trade Payables & Other financial liabilities	(3.05)	(198.57)	-	(0.24)	(0.07)	(198.88)
	(1.17)	(76.38)	(0.04)	(3.59)	0.05	(79.92)
As at 31st March 2017						
Borrowings	(0.48)	(31.34)	(0.07)	(4.51)	-	(35.85)
Trade Receivables & Other financial assets	2.02	130.88	0.08	5.38	0.12	136.38
Trade Payables & Other financial liabilities	(1.73)	(112.02)	-	(0.21)	-	(112.23)
	(0.19)	(12.48)	0.01	0.66	0.12	(11.70)
As at 1st April 2016						
Borrowings	(0.30)	(19.67)	(0.09)	(7.13)	-	(26.80)
Trade Receivables & Other financial assets	1.18	78.00	0.02	1.61	0.08	79.69
Trade Payables & Other financial liabilities	(1.03)	(68.07)	-	(0.21)	(0.02)	(68.30)
	(0.15)	(9.74)	(0.07)	(5.73)	0.06	(15.41)

44. CREDIT RISK MANAGEMENT

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The companies exposures are continuously monitored and wherever necessary we take advances/LC's to minimise the risk.

45. TRADE RECEIVABLES AND ADVANCES

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has evaluated incorporated into the determination of expected credit losses. Based on such information the company has evaluated that there is no provision required under expected credit loss model. Further, the company reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary

Reconciliation of loss allowance for Trade Receivables

₹ In Crores

Particulars	Year Ended 31 st March	
	2018	2017
Balance as at beginning of the year	0.92	-
Additions during the year	*	0.92
Balance at end of the year	0.92	0.92

* Figure less than ₹ 50,000

46. OTHER FINANCIAL ASSETS

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

47. LIQUIDITY RISK**(i) Liquidity risk management**

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

₹ In Crores

Particulars	Carrying amount in	Less than 1			
	Balance sheet	Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March 2018					
Deferral Sales Tax Liability	1.41	0.78	0.35	0.20	0.08
Short term borrowings	102.67	102.67	-	-	-
Long term borrowings	113.66	46.42	67.24	-	-
Trade payables	299.44	299.44	-	-	-
Other Financial Liabilities	3.99	3.74	-	-	0.25
Total	521.17	453.05	67.59	0.20	0.33
As at 31st March 2017					
Deferral Sales Tax Liability	2.19	0.60	1.02	0.49	0.08
Short term borrowings	93.97	93.97	-	-	-
Long term borrowings	150.95	37.21	79.78	33.96	-
Trade payables	229.19	229.19	-	-	-
Other Financial Liabilities	3.86	3.62	-	-	0.24
Total	480.16	364.59	80.80	34.45	0.32
As at 1st April 2016					
Deferral Sales Tax Liability	2.80	0.61	1.16	0.77	0.26
Short term borrowings	65.74	65.74	-	-	-
Long term borrowings	198.83	45.99	95.41	57.43	-
Trade payables	161.34	161.34	-	-	-
Other Financial Liabilities	6.69	6.46	-	-	0.23
Total	435.40	280.14	96.57	58.20	0.49

48. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	₹ In Crores	
			Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31 st March 2018	USD	+1%	(1.39)	-
	EUR	+1%	(0.04)	-
Year ended 31 st March 2017	USD	+1%	(0.93)	-
	EUR	+1%	0.01	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both Term Loans & Working Capital loans. The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase in basis points	₹ In Crores	
			Effect on profit before tax	Effect on pre-tax equity
Year ended 31 st March 2018	INR	+25 bps	(0.42)	-
Year ended 31 st March 2017	INR	+25 bps	(0.42)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

49. OFFSETTING OF BALANCES:

The Company has not offset financial assets and financial liabilities.

50. COLLATERALS

The Company has long term loans and working capital loans which are secured by hypothecation of current and movable assets and mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur

51. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

₹ In Crores

Financial Instruments regularly measured using Fair Value - recurring Items								Applicable for Level 2 and Level 3 heirarchy	For Level 3 heirarchy valuation	
Particulars	Fair Value					Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets/ financial liabilities	Category	2018	2017	2016					
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	2.07	2.28	3.80	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.	-	-
	Financial Liabilities		0.06	-	-					
2) Investment in equity instruments -Quoted	Financial Assets	Financial instruments designated at FVTOCI	0.07	0.11	0.09	Level 1	Quoted price in active market	Not applicable for level 1	-	-
3) Investment in Preference shares-unquoted	Financial Assets	Financial instruments mandatorily required to be measured at FVTPL	220.22	213.06	191.84	Level 3	Discounted Cash Flow	Future cashflow at a discount rate derived by considering 3 factors i.e. yield to maturity, hedging cost and country specific risk.	Future Cashflow and discounting rate	Any change in future cashflow and discounting rate shall have a corresponding change in the valuation of preference share

52. FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTIZED COST

Particulars	₹ In Crores	
	Carrying Value	Fair value (Level 2)
As at 31st March 2018		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	1.41	1.25
Total	1.41	1.25
As at 31st March 2017		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	2.19	1.85
Total	2.19	1.85
As at 1st April 2016		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	2.80	2.25
Total	2.80	2.25

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value

53. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Particulars	₹ In Crores	
	Investment in Preference shares- unquoted	
Opening balance as on 1st April 2016	191.83	
Total fair value recognised:		
- in profit & loss under other income	21.23	
Closing balance as on 31st March 2017	213.06	
Opening balance as on 1st April 2017	213.06	
Total incomes/ gains or losses recognised:		
- in profit & loss	7.16	
Closing balance as on 31st March 2018	220.22	

54. IND-AS YET TO BE NOTIFIED

a. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. There is no material impact of this amendment on its financial statements.

b. Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

There is no material impact of this amendment on its financial statements.

55. PROFIT AND EQUITY RECONCILIATION- STANDALONE

(i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS of 1st April, 2016 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities

(ii) **A. Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarised as follows:**

		₹ In Crores
	Notes	For the year ended 31 st March, 2017
Particulars		
Profit after tax as reported under previous GAAP		102.99
Impact of depreciation on decapitalisation of difference in exchange	(iii)b	0.12
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(iii)c	21.23
Reclassification of actuarial gains / (losses) arising in respect of employee benefit schemes to Other Comprehensive income (OCI)	(iv)b	2.40
Impact of measuring Long Term Borrowings at amortised cost	(iv)c	(0.71)
Others		0.32
Deferred tax Adjustments for above items		(5.64)
Profit after tax as reported under IND AS		120.71
other comprehensive income		(1.55)
Total other comprehensive income		119.16

B. Reconciliation of total equity as reported under previous GAAP is summarised as follows :

		₹ In Crores
		As at 1 st April 2016 (date of transition)
Particulars	Notes	For the year ended 31 st March, 2017
Equity as reported under previous GAAP		565.91
Impact of depreciation on decapitalisation of difference in exchange	(iii)b	(1.43)
Impact of measuring investments at Fair Value through Profit or loss (FVTPL) or OCI	(iii)c	(1.64)
Impact of measuring Long Term Borrowings at amortised cost	(iv)c	2.18
Others		2.78
Deferred tax Adjustments for above items		(0.82)
Dividends not recognised as liability until declared (including tax thereon)		-
Equity as reported under IND AS		566.98
		464.89

Notes:

iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

- Ind AS 103 (Business Combinations) has not been applied retrospectively to business combinations that occurred prior to 1st April, 2016. Use of this exemption means that in the opening Balance Sheet, goodwill/ capital reserve and other assets and liabilities acquired in previous business combinations remain at the previous GAAP carrying values.
- Property, plant and equipment and intangible assets were carried at cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Company has elected to apply IND AS 16 - Property, Plant and Equipment retrospectively at the date of transition.
- Under previous GAAP, investment in subsidiaries were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has considered their previous GAAP carrying amount as their deemed cost. Under IND AS, financial assets in equity instruments [Other than those in subsidiary] and preference instruments have been classified as fair value through profit and loss at the time of transition.

- d. The Company has applied Appendix C of Ind AS 17 (Leases) – ‘Determining whether an Arrangement contains a Lease’ to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.
- e. Under previous GAAP, interest free sales tax deferment loan was carried at cost. Under Ind AS, such interest free loans have been carried at previous GAAP amount at the date of transition.
- (iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:
- a. The Company uses derivative financial instruments, such as currency forwards, options, to hedge its foreign currency risks. Under Ind AS changes in the fair value of any derivative instruments that are not designated for hedge accounting are recognised in the Statement of Profit and Loss.
- b. Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and pension plans and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.
- c. Under Ind AS Loan processing fees / transaction costs are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

Material Adjustment to the Balance sheet on Adoption of IND AS as at 31st March 2017

Particulars	As per Previous GAAP	Effect of Transition to IND AS impacting equity	Reclassification Adjustment	As per IND AS
Property Plant and Equipment	289.49	(1.43)	(16.14)	271.92
Investments	217.65	(1.63)	(0.02)	216.00

Material Adjustment to the Balance sheet on Adoption of IND AS as at 31st April 2016

Particulars	As per Previous GAAP	Effect of Transition to IND AS impacting equity	Reclassification Adjustment	As per IND AS
Property Plant and Equipment	235.00	(1.55)	(16.33)	217.12
Investments	217.65	(22.87)	(0.02)	194.76
Short Term provisions	-	-	-	-
- Proposed Dividend	4.27	(4.27)	-	-

There are no material adjustments to the statement of Cash Flows as reported under the previous GAAP.

For and on behalf of the Board

U. SHEKHAR

Managing Director
DIN : 00265017

K. NATARAJAN

Executive Director & COO
DIN : 07626680

G. KAMATH

Executive Director
Finance & CFO
DIN : 07767220

N. KETKAR

Company Secretary

Place : Navi Mumbai
Date : 29th May 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GALAXY SURFACTANTS LTD REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Galaxy Surfactants Ltd (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTERS

- (a) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 614.15 Crores as at 31st March, 2018, total revenues of ₹ 679.07 Crores and net cash outflows amounting to ₹ 14.88 Crores for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The comparative financial information of the Group for the year ended 31st March 2017, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended 31st March 2017 and 31st March 2016 dated 23rd June, 2017 and 4th June, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other

Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent, none of the directors of the Parent is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of Parent's internal financial controls over financial reporting, for the reasons stated therein.
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent.

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

Place: Navi Mumbai
Date: May 29, 2018

Kedar Rajee
Partner
(Membership No. 102637)

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Galaxy Surfactants Limited (hereinafter referred to as “Parent”), as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Navi Mumbai
Date: May 29, 2018

Kedar Raje
Partner
(Membership No. 102637)

CONSOLIDATED BALANCE SHEETas at 31st March 2018, 31st March 2017 and 1st April 2016

₹ In Crores

Particulars	Note	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
I. ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	439.89	447.17	407.06
(b) Capital Work-in-Progress		24.92	10.31	50.76
(c) Goodwill		2.37	2.35	2.40
(d) Other Intangible Assets	3	4.50	6.30	8.42
(e) Financial Assets				
(i) Investments	4	0.07	0.11	0.09
(ii) Loans	5	0.24	1.50	1.52
(iii) Other Financial Assets	6	6.54	6.92	8.19
(f) Deferred Tax Assets (Net)	7	3.44	4.34	3.50
(g) Income Tax Assets (Net)		10.52	12.17	11.22
(h) Other Non-Current Assets	8	44.04	39.64	30.21
Total Non-Current Assets		536.53	530.81	523.37
Current Assets				
(a) Inventories	9	345.63	317.42	235.78
(b) Financial Assets				
(i) Trade Receivables	10	418.23	347.18	250.88
(ii) Cash and Cash Equivalents	11	27.07	25.72	14.68
(iii) Bank Balances other than Cash and Cash Equivalents	11	0.50	0.36	1.36
(iv) Loans	5	0.33	0.28	0.29
(v) Other Financial Assets	6	9.00	3.11	5.10
(c) Other Current Assets	8	118.10	62.32	78.32
Total Current Assets		918.86	756.39	586.41
Total Assets		1,455.39	1,287.20	1,109.78
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12A	35.45	35.45	35.45
(b) Other Equity	12B	683.32	539.46	414.89
Total Equity attributable to owners of the Company		718.77	574.91	450.34
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	72.24	128.45	193.61
(ii) Other Financial Liabilities	14	0.25	0.23	0.23
(b) Provisions	15	6.12	8.82	7.67
(c) Deferred Tax Liabilities (Net)	16	27.67	25.25	20.92
(d) Other Non-current Liabilities	17	0.93	0.45	2.29
Total Non-Current Liabilities		107.21	163.20	224.72
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	219.70	204.82	142.36
(ii) Trade Payables	19	327.79	252.29	192.56
(iii) Other Financial Liabilities	14	60.02	64.42	81.27
(b) Other Current Liabilities	17	17.75	22.48	12.72
(c) Provisions	15	4.10	2.19	2.58
(d) Current Tax Liabilities (Net)		0.05	2.89	3.23
Total Current Liabilities		629.41	549.09	434.72
Total Equity And Liabilities		1,455.39	1,287.20	1,109.78

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

KEDAR RAJE

Partner

(Membership No. 102637)

Place : Navi Mumbai

Date : 29th May 2018

For and on behalf of the Board

U. SHEKHAR

Managing Director

DIN : 00265017

G. KAMATH

Executive Director

Finance & CFO

DIN : 07767220

K. NATARAJAN

Executive Director & COO

DIN : 07626680

N. KETKAR

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018 and 31st March 2017

₹ In Crores

Particulars	Note	Year Ended 31 st March,	
		2018	2017
Revenue from operations	20	2,462.51	2,248.04
Other Income	21	10.14	10.42
Total Income		2,472.65	2,258.46
Expenses			
Cost of materials consumed	22	1,710.60	1,517.07
Purchases of Stock-in-trade	23	46.42	57.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(5.91)	(48.79)
Excise duty		28.60	86.70
Employee benefit expenses	25	146.04	141.55
Finance costs	26	30.55	27.22
Depreciation and amortisation expenses	27	48.53	47.16
Other expenses	28	249.05	222.42
Total Expenses		2,253.88	2,051.04
Profit before exceptional items and tax		218.77	207.42
Exceptional Items		-	-
Profit before tax		218.77	207.42
Tax Expense			
Current Tax	29	57.06	55.55
Deferred Tax	29	3.68	4.25
Total Tax Expenses		60.74	59.80
Profit for the year		158.03	147.62
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(1.03)	(2.40)
(b) Equity instruments through other comprehensive income		(0.04)	0.02
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	0.36	0.83
B. (i) Items that will be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(0.65)	(4.43)
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total other comprehensive income		(1.36)	(5.98)
Total comprehensive income for the year		156.67	141.64
Earnings per equity share :			
(Face value ₹10 per share)			
Basic (₹)	31	44.57	41.64
Diluted (₹)	31	44.57	41.64

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

KEDAR RAJE

Partner

(Membership No. 102637)

Place : Navi Mumbai

Date : 29th May 2018

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U. SHEKHAR

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K. NATARAJAN

Executive Director & COO

DIN : 07626680

N. KETKAR

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2018, 31st March 2017 and 1st April 2016

A) Equity Share Capital

₹ In Crores

Particulars	2018	2017	2016
Issued and Subscribed :			
Balance as at the beginning of the year	35.45	35.45	35.45
Balance as at the end of the year	35.45	35.45	35.45

B) Other Equity

₹ In Crores

Particulars	Reserves and Surplus				Items of other comprehensive income		Total
	Capital Reserve on consolidation	Securities Premium Account	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	Foreign Currency translation Reserve	
Balance as at 1st April 2016	3.11	0.20	26.38	385.12	0.08	-	414.89
Profit for the year	-	-	-	147.62	-	-	147.62
Other Comprehensive Income / (Loss)	-	-	-	(1.57)	0.02	(4.43)	(5.98)
Total Comprehensive Income for the year	-	-	-	146.05	0.02	(4.43)	141.64
Dividend paid on Equity Shares	-	-	-	14.18	-	-	14.18
Dividend Distribution Tax	-	-	-	2.89	-	-	2.89
As at 31 March 2017	3.11	0.20	26.38	514.10	0.10	(4.43)	539.46
Profit for the year	-	-	-	158.03	-	-	158.03
Other Comprehensive Income / (Loss)	-	-	-	(0.67)	(0.04)	(0.65)	(1.36)
Total Comprehensive Income for the year	-	-	-	157.36	(0.04)	(0.65)	156.67
Dividend paid on Equity Shares	-	-	-	10.64	-	-	10.64
Dividend Distribution Tax	-	-	-	2.17	-	-	2.17
Balance as at 31 March 2018	3.11	0.20	26.38	658.65	0.06	(5.08)	683.32

Description of the nature and purpose of Other Equity

Capital reserve on consolidation: This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Securities Premium Account: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Details of Dividend proposed :

₹ In Crores

Particulars	2018	2017
Dividend per share (In ₹)	7	3
Dividend proposed on Equity Shares	24.82	10.64
Dividend Distribution Tax	5.10	2.17
Total Dividend proposed including Dividend Distribution Tax	29.92	12.81

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board

Deloitte Haskins & Sells LLPChartered Accountants
(Firm's Registration No.117366W/W-100018)**U. SHEKHAR**Managing Director
DIN : 00265017**K. NATARAJAN**Executive Director & COO
DIN : 07626680**KEDAR RAJE**Partner
(Membership No. 102637)**G. KAMATH**Executive Director
Finance & CFO
DIN : 07767220**N. KETKAR**

Company Secretary

Place : Navi Mumbai
Date : 29th May 2018

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2018 and 31st March 2017

₹ In Crores

Particulars	2018	2017
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	158.03	147.62
Adjustments for :		
Income tax expense	60.74	59.80
Finance costs	30.55	27.22
Interest income	(1.78)	(0.37)
Interest subvention	(2.00)	(1.54)
Dividend income	-	-*
Loss / (Gain) on disposal of property, plant and equipment (Net)	-	0.03
Depreciation and amortisation expenses	48.53	47.16
Net foreign exchange loss / (gain)	(0.78)	3.24
Liabilities no longer required written back	(1.19)	(1.81)
	134.07	133.73
Operating Profit before Working Capital changes	292.10	281.35
Changes in :		
Trade receivables & Other Assets	(128.65)	(101.68)
Inventories	(28.25)	(86.35)
Trade payables & Other Liabilities	67.25	74.56
	(89.65)	(113.47)
Cash generated from operations	202.45	167.88
Income Taxes paid (net of refunds)	(58.25)	(56.84)
NET CASH FROM OPERATING ACTIVITIES	144.20	111.04
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	1.80	0.38
Dividends received	-	-*
Repayment by related parties	1.17	-
Payments for property, plant and equipment	(55.93)	(42.99)
Proceeds from disposal of property, plant and equipment	0.70	0.44
Payments for intangible assets	(1.02)	(1.45)
(Increase)/ Decrease in Earmarked & Margin Account (net)	(0.14)	0.29
Bank Deposits matured (net)	-	0.71
Repayment of Loan given	0.03	0.04
NET CASH USED IN INVESTING ACTIVITIES	(53.39)	(42.58)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of long term borrowings	(61.06)	(77.26)
Proceeds from short term borrowings (net)	12.61	63.96
Dividends paid on equity shares	(12.69)	(17.28)
Interest paid	(28.52)	(26.43)
NET CASH USED IN FINANCING ACTIVITIES	(89.66)	(57.01)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1.15	11.45
OPENING CASH AND CASH EQUIVALENTS	25.72	14.68
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.20	(0.41)
CLOSING CASH AND CASH EQUIVALENTS	27.07	25.72

* Figure less than ₹ 50,000

Notes- The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard (Ind AS) 7 - Statement of Cash flow.

The accompanying notes 1 to 55 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

KEDAR RAJE
Partner
(Membership No. 102637)

Place : Navi Mumbai
Date : 29th May 2018

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN : 00265017

G. KAMATH
Executive Director
Finance & CFO
DIN : 07767220

K. NATARAJAN
Executive Director & COO
DIN : 07626680

N. KETKAR
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2018

1. (A) CORPORATE INFORMATION

The Consolidated financial statements comprise of financial statements of Galaxy Surfactants Ltd ("the Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2018.

The Parent is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The address of its registered office is disclosed in the introduction to the Annual Report.

The Group is engaged in manufacturing of surfactants and other speciality ingredients for the personal care and home care industries. Our products find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Company has completed Initial Public offerings (IPO) of 63,31,674 shares of ₹ 10 each at an offer price of ₹ 1480 per Equity Share aggregating to ₹ 937,08,77,520, through offer for sale. The Equity Shares of the Company were listed on 8th February, 2018 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2017 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

These are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Group has applied Ind AS 101, first time Adoption of Indian Accounting Standards for transition from IGAAP to Ind AS. An explanation of how transition to Ind AS has affected the previous reported financial position, financial performance and cash flows of the Group is provided in Note 54.

The Consolidated financial statements of the Group for the year ended 31st March, 2018 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on May 29th 2018.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

c) Basis of Consolidation

The Consolidated financial statements incorporate the financial statements of the Group

Subsidiaries

Subsidiaries are entities over which the group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-

controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

The principal accounting policies are set out below

d) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty; and net of customer returns, trade allowance, rebates, value added taxes, goods and service tax and amount collected on behalf of third parties.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is

the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

e) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Machinery spares that meet the definition of property, plant and equipment are capitalised. Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress".

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis, other than the following asset classes, based on Group's expected usage pattern supported by technical assessment.

Useful lives

1. Plant and machinery: 5-7 years
2. Furniture and fixture: 7-10 years
3. Computers & Software's: 3-5 years
4. Buildings: 10-22 years
5. Vehicles: 8-10 years

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

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f) Goodwill and Intangible Assets:

Goodwill is initially recognised as the excess of the acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

Intangible assets are initially recognised at cost unless acquired in a business combination on or after the transition date (1st April, 2016) in which case it is recognised at their acquisition date fair value.

Intangible assets other than Goodwill and intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and amortisation expense in statement of Profit & Loss account.

Software:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how:

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding Ten years commencing from the date of acquisition.

Customer Relationships:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Research & Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g) Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

h) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i) Foreign exchange transactions and translations:

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in profit or loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income in the statement of changes in equity after attribution to non-controlling interests as appropriate.

On the disposal of a foreign operation i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

j) Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences

Defined contribution plans

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the statement of profit and loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit or Loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Group are entitled to compensated absences for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

k) Borrowing Costs:

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable tax regulations. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively

m) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of

these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit or Loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss. Dividend income received on such equity investments are recognised in profit or loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest rate method.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit

risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Profit or Loss.

q) Dividend Distribution:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts:

The Group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon

management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into

account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements

t) Business Combinations:

The Group accounts for its business combinations under acquisition method of accounting. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The difference between the fair value of the purchase consideration paid together with non-controlling interest on acquisition date and the fair value of net assets acquired is recognised as goodwill or capital reserve on acquisition. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Any shortfall is recognised as capital reserve on consolidation.

u) Fair value measurement:

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group

determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

v) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

2. PROPERTY, PLANT AND EQUIPMENT

₹ In Crores

Particulars	Lease hold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) Cost							
Balance as at 1 st April 2016	4.72	175.57	509.87	21.04	4.88	21.35	737.43
Additions during the year	0.01	24.74	58.90	1.17	0.55	2.14	87.51
Disposals during the year	-	-	(0.36)	(0.01)	(0.44)	(0.01)	(0.82)
Other Adjustments during the year	(0.10)	(1.64)	(3.91)	(0.09)	-*	(0.13)	(5.87)
Balance as at 31 st March 2017	4.63	198.67	564.50	22.11	4.99	23.35	818.25
Additions during the year	0.06	1.92	31.55	0.46	2.42	2.11	38.52
Disposals during the year	-	-	(2.05)	-	(1.29)	(0.03)	(3.37)
Other Adjustments during the year	0.02	0.37	0.93	0.02	-*	0.03	1.37
Balance as at 31 st March 2018	4.71	200.96	594.93	22.59	6.12	25.46	854.77
(II) Accumulated depreciation							
Balance as at 1 st April 2016	3.25	44.33	253.06	10.70	2.32	16.71	330.37
Depreciation expense for the year	0.53	7.54	30.33	2.41	0.53	2.24	43.58
Disposals during the year	-	-	(0.17)	-*	(0.20)	(0.01)	(0.38)
Other Adjustments during the year	(0.09)	(0.42)	(1.79)	(0.07)	-*	(0.12)	(2.49)
Balance as at 31 st March 2017	3.69	51.45	281.43	13.04	2.65	18.82	371.08
Depreciation expense for the year	0.53	8.10	32.37	2.41	0.52	1.81	45.74
Disposals during the year	-	-	(1.97)	-	(0.69)	(0.03)	(2.69)
Other Adjustments during the year	0.02	0.13	0.55	0.02	-*	0.03	0.75
Balance as at 31 st March 2018	4.24	59.68	312.38	15.47	2.48	20.63	414.88
Carrying amount(I-II)							
Balance as at 1 st April 2016	1.47	131.24	256.81	10.34	2.56	4.64	407.06
Balance as at 31 st March 2017	0.94	147.22	283.07	9.07	2.34	4.53	447.17
Balance as at 31 st March 2018	0.47	141.28	282.55	7.12	3.64	4.83	439.89

*Figure less than 50,000

Notes:

- 2.1 Buildings includes shares being the value of shares in Co-operative housing Society of ₹ -* (2016-17 ₹ -*, 2015-16 ₹-*)
- 2.2 The amount of borrowing costs incurred during the year and capitalised is ₹Nil (2016-17 ₹ 1.22 Crores)

Particulars	2018 Amount	2017 Amount
Buildings	-	0.53
Plant & Machinery	-	0.69

- 2.3 The amount of expenditures (other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 0.05 Crores (2016-17 ₹ 1.87 Crores) out of which ₹ 0.05 Crores (2016-17 ₹ 0.48 Crores) is incurred in current year.
- 2.4 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur. Term loans from Banks of a subsidiary company are secured by a first charge created on immovable assets.

3. OTHER INTANGIBLE ASSETS

₹ In Crores

Particulars	Computer Software	Technical Know How	Trademarks	Customer Relationships	Total
(I) Cost					
Balance as at 1 st April 2016	12.40	0.30	1.59	7.35	21.64
Additions during the year	1.50	-	-	-	1.50
Other adjustments during the year	(0.08)	-	(0.03)	(0.16)	(0.27)
Balance as at 31st March 2017	13.82	0.30	1.56	7.19	22.87
Additions during the year	1.01	-	-	-	1.01
Deductions/Adjustments during the year	(4.55)	-	-	-	(4.55)
Other adjustments during the year	0.02	-	0.01	0.04	0.07
Balance as at 31st March 2018	10.30	0.30	1.57	7.23	19.40
(II) Accumulated amortisation					
Balance as at 1 st April 2016	8.76	0.04	1.17	3.25	13.22
Amortisation expense for the year	1.64	0.03	0.42	1.49	3.58
Other adjustments during the year	(0.08)	-	(0.03)	(0.12)	(0.23)
Balance as at 31st March 2017	10.32	0.07	1.56	4.62	16.57
Amortisation expense for the year	1.33	0.03	-	1.43	2.79
Deductions/Adjustments during the year	(4.53)	-	-	-	(4.53)
Other adjustments during the year	0.02	-	0.01	0.04	0.07
Balance as at 31st March 2018	7.14	0.10	1.57	6.09	14.90
Carrying amount(I-II)					
Balance as at 1 st April 2016	3.64	0.26	0.42	4.10	8.42
Balance as at 31 March 2017	3.50	0.23	-	2.57	6.30
Balance as at 31 March 2018	3.16	0.20	-	1.14	4.50

Note:

- 3.1 The amortization expense of intangible assets have been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

4. NON CURRENT INVESTMENTS

Particulars	Face Value Per Unit (₹)	2018		2017		2016	
		Number	₹ In Crores	Number	₹ In Crores	Number	₹ In Crores
Investments in Equity Instruments							
Quoted (all fully paid unless otherwise specified)							
(A) Designated and carried at fair value through other comprehensive income							
(i) In Other Companies							
Equity shares							
Union Bank of India	10	7,200	0.07	7,200	0.11	7,200	0.09
Investments in Equity Instruments (Total)			0.07		0.11		0.09
Other Disclosures							
Aggregate Book Value of quoted investments			0.07		0.11		0.09
Aggregate Market Value of quoted investments			0.07		0.11		0.09

5. LOANS

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost :						
A) Loans to related parties*						
- Unsecured, considered good	-	-	-	1.17	-	1.17
TOTAL (A)	-	-	-	1.17	-	1.17
B) Other Loans (Employees)						
- Unsecured, considered good	0.33	0.24	0.28	0.33	0.29	0.35
TOTAL (B)	0.33	0.24	0.28	0.33	0.29	0.35
GRAND TOTAL	0.33	0.24	0.28	1.50	0.29	1.52

*Refer note no. 38

6. OTHER FINANCIAL ASSETS

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Financial assets at amortised cost :						
Security Deposit	3.97	5.45	0.34	5.03	0.10	6.25
Advances	0.99	-	1.32	-	2.39	-
Bank Deposit	-	0.33	-	0.33	-	0.34
Interest accrued	0.21	-	0.23	-	0.25	-
Other financial assets (Refer Note 6.1)	2.41	0.11	0.39	0.11	0.06	0.10
Derivatives financial instruments not designated as hedging instruments carried at fair value through P & L						
- Derivative financial instruments	1.42	0.65	0.83	1.45	2.30	1.50
TOTAL	9.00	6.54	3.11	6.92	5.10	8.19

Note:

6.1 Other Financial assets (Current) as at 31st March 2018 mainly represents amounts recoverable in respect of expenses incurred on initial public offering (Offer for sale) of equity shares of the company.

7. DEFERRED TAX ASSETS (NET)

₹ In Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others #	Total
Deferred tax (liabilities)/ assets as at 1st April 2016	(1.98)	1.26	4.22	3.50
(Charge) / credit to Statement of Profit and Loss	0.66	(0.15)	0.40	0.91
Foreign currency translation difference	0.02	(0.02)	(0.07)	(0.07)
Deferred tax (liabilities)/ assets as at 31st March 2017	(1.30)	1.09	4.55	4.34
(Charge) / credit to Statement of Profit and Loss	1.59	(0.04)	(2.45)	(0.90)
Foreign currency translation difference	0.01	-*	(0.01)	-
Deferred tax (liabilities)/ assets as at 31st March 2018	0.30	1.05	2.09	3.44

* Figure less than ₹ 50,000

Others mainly includes deferred tax on inventory reserve

8. OTHERS ASSETS (NON FINANCIAL)

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Capital Advance	-	4.93	-	2.25	-	2.96
Advances other than capital advances						
Balance with government authorities	61.65	23.23	21.12	21.18	26.38	10.73
Prepaid Expenses	6.31	15.88	2.59	16.21	3.45	16.48
Other advance Considered Good (Refer Note 8.1)	27.53	-	19.05	-	26.59	0.04
Other advance Considered Doubtful	0.69	-	0.53	-	0.09	-
	96.18	39.11	43.29	37.39	56.51	27.25
Less: Provision of Doubtful Advances	0.69	-	0.53	-	0.09	-
	95.49	39.11	42.76	37.39	56.42	27.25
Export Incentives receivable	22.61	-	19.56	-	21.90	-
TOTAL	118.10	44.04	62.32	39.64	78.32	30.21

Note:

8.1 Other advances mainly include Advances to suppliers, etc.

9. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

₹ In Crores

Particulars	2018	2017	2016
Raw Materials [Including in transit of ₹31.25 Crores (2017 : ₹ 28.64 Crores, 2016: ₹22.76 Crores)]	132.35	114.27	79.69
Packing Material [Including in transit of ₹ 0.32 Crores (2017 : ₹ 0.17 Crores, 2016: ₹ 0.22 Crores)]	8.37	6.68	7.40
Work-in-Progress	66.93	68.45	40.56
Finished Products	80.40	80.96	59.05
Stock-in-Trade [Including in transit of ₹ 4.1 Crores (2017 : ₹ 4.69 Crores, 2016: ₹7.84 Crores)]	42.13	33.78	36.49
Consumables, Stores and Spares [Including in transit of ₹0.04 Crores (2017 : ₹0.05 Crores, 2016: ₹0.06 Crores)]	15.45	13.28	12.59
TOTAL	345.63	317.42	235.78

Notes:

9.1 The cost of Inventories recognised as an expense during the year in respect of continuing operations was ₹ 1957.51 Crores (for the year ended March 31, 2017 : ₹ 1714.34 Crores)

9.2 The cost of Inventories recognised as an expense includes ₹ 1.12 Crores (During 2016 - 2017 : ₹ 4.97 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹0.20 Crores (During 2016 - 2017 : ₹ 0.25 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption.

9.3 The group availed working capital facility which are interalia secured by hypothecation of inventories.

9.4 The mode of valuation of inventories is stated in sub note (g) of note. 1B.

10. TRADE RECEIVABLES

₹ In Crores

Particulars	2018	2017	2016
Unsecured, considered good	418.23	347.18	250.88
Unsecured, considered Doubtful	1.10	1.58	0.57
	419.33	348.76	251.45
Less : Allowance for expected credit loss*	1.10	1.58	0.57
TOTAL	418.23	347.18	250.88

*Also refer note no. 45

11. CASH AND BANK BALANCES

₹ In Crores

Particulars	2018	2017	2016
Financial assets at amortised cost :			
Cash and cash equivalents			
Balances with banks			
- On Current Accounts	26.78	25.46	13.91
- Fixed Deposits with original maturity less than 3 months	-	-	0.49
	26.78	25.46	14.40
Cash on hand	0.29	0.26	0.28
Total Cash and cash equivalents	27.07	25.72	14.68
Bank balances other than cash and cash equivalents			
Earmarked balances with banks	0.50	0.36	0.60
Balances with Banks on Margin Accounts	-	-	0.05
Fixed Deposits	-	-	0.71
Total Other Bank balances	0.50	0.36	1.36

12A. EQUITY SHARE CAPITAL

₹ In Crores

Particulars	2018	2017	2016
Authorised:			
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)			
	50.00	50.00	50.00
Issued, Subscribed and Paid Up:			
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up.	35.45	35.45	35.45
(Previous Year: 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)			
	35.45	35.45	35.45

A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

Particulars	2018		2017		2016	
	No. of Shares	₹ In Crores	No. of Shares	₹ In Crores	No. of Shares	₹ In Crores
Issued and Subscribed :						
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45	3,54,54,752	35.45
Balance as at the end of the year	3,54,54,752	35.45	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 ₹ 10 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

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

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

Particulars	Aggregate Number of Shares		
	2018	2017	2016
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium, Capital Redemption Reserve and General Reserve	-	1,77,27,376	1,77,27,376

D. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No. of Shares	% Share holding	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	77,52,850	21.87	91,71,054	25.87	91,69,804	25.86
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	42,48,240	11.98
Sudhir D. Patil	41,06,040	11.58	41,45,290	11.69	41,56,040	11.72
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	23,62,758	6.66	24,07,108	6.79
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20	17,92,972	5.06
	2,43,89,044	68.79	2,58,46,498	72.90	2,58,71,848	72.97

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

12B. OTHER EQUITY

Particulars	₹ In Crores		
	2018	2017	2016
Securities Premium Reserve	0.20	0.20	0.20
General Reserve	26.38	26.38	26.38
Capital Reserve on consolidation	3.11	3.11	3.11
Retained Earnings	658.65	514.10	385.12
Item of Other Comprehensive Income			
Equity instruments through other comprehensive income	0.06	0.10	0.08
Foreign currency translation reserve	(5.08)	(4.43)	-
TOTAL	683.32	539.46	414.89

13. NON-CURRENT BORROWINGS

Particulars	₹ In Crores		
	2018	2017	2016
Carried at amortised Cost :			
Secured :			
Term Loan From Banks (Refer note 13.1 & 13.2)	71.61	126.86	191.42
Total Secured Borrowings	71.61	126.86	191.42
Unsecured:			
Deferral Sales Tax Liability (Refer note 13.3)	0.63	1.59	2.19
Total Unsecured Borrowings	0.63	1.59	2.19
Total non-current borrowings	72.24	128.45	193.61

Current maturities in respect of long term borrowings have been included in Note 14 as under :

Particulars	₹ In Crores		
	2018	2017	2016
Term Loan From Banks	55.24	58.98	66.52
Deferral Sales Tax Liability	0.78	0.60	0.61
	56.02	59.58	67.13

Notes:

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

Term loans from Banks of a subsidiary company are secured by a first charge created over movable and immovable assets (other than working capital assets), assignment of insurance policies over those assets and a corporate guarantee by the Ultimate Holding Company.

13.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ NIL (2017: ₹ NIL, 2016: ₹0.93 Crores)	BBR+ 2.25%	20 quarterly installments of ₹ 1.25 Crores each commenced from July 2011
Term Loan I & II amounting to ₹ 13.22 Crores (2017: ₹ 26.40 Crores, 2016: ₹39.77 Crores)	PLR - 3.75% for both I & II	I - 12 Quarterly installments of ₹ 1.67 Crores each commenced from April 2016. II - 12 Quarterly installments of ₹ 1.67 Crores each commenced from May 2016
Term Loan ₹ NIL (2017: ₹ NIL, 2016: ₹1.25 Crores)	PLR - 3 %	20 quarterly installments of ₹ 1.25 Crores each commenced from July 2011
Term Loan ₹ NIL (2017: ₹ 1.50 Crores, 2016: ₹8.74 Crores)	PLR - 5%	20 quarterly installments of ₹ 1.50 Crores commenced from Sept 2012
Term Loan ₹ 9.55 Crores (2017: ₹ 13.76 Crores, 2016: ₹14.78 Crores)	10.60%	20 Quarterly installments with moratorium of 18 months commencing from April 2017
Term Loan ₹ 29.82 Crores (2017: ₹29.73 Crores, 2016: ₹ 29.76 Crores)	PLR - 3.75 %	Quarterly installments with a moratorium of 8 quarters from the date of first disbursement commencing from 30 th June 2018
Foreign Currency Loan		
Term Loan ₹ 61.08 Crores (2017: ₹79.57 Crores, 2016: ₹97.19 Crores)	3M LIBOR +1.90%	10% each at the end of every 6 months from the date of disbursement & 20% at the end of 60 months commenced from June 2016
Term Loan of ₹ NIL (2017: ₹ 12.97 Crores 2016: ₹ 26.84 Crores)	6M LIBOR + 3.6%	12 half yearly installments of USD 0.1 Crores each commenced from June 2012
Term Loan of ₹ 13.18 Crores (2017: ₹21.91 Crores, 2016: ₹ 31.32 Crores)	6M LIBOR + 3.5%	12 half yearly installments of USD 0.07 Crores each commenced from March 2014
Term Loan of ₹ NIL (2017: ₹ NIL, 2016: ₹ 7.36 Crores)	LIBOR + 2%	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

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

14. OTHER FINANCIAL LIABILITIES

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non Current	Current	Non Current	Current	Non Current
Carried at Amortised Cost:						
Current maturities of long-term debt (Refer Note 13.1 & 13.2)	55.24	-	58.98	-	66.52	-
Current maturities of Fixed Deposits (Refer Note 14.1)	-	-	-	-	6.41	-
Current maturities of Deferral Sales Tax Liability (Refer Note 13.3)	0.78	-	0.60	-	0.61	-
Interest accrued on borrowings	1.31	-	1.78	-	2.88	-
Unclaimed dividends (Refer Note 14.3)	0.46	-	0.36	-	0.57	-
Unclaimed matured deposits and interest accrued thereon	0.03	-	0.13	-	0.07	-
Security Deposits	0.03	0.25	0.02	0.23	0.01	0.23
Other liabilities (Refer Note 14.2)	2.11	-	2.55	-	4.20	-
	59.96	0.25	64.42	0.23	81.27	0.23
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss						
Derivative financial instruments	0.06	-	-	-	-	-
	0.06	-	-	-	-	-
Total other financial liabilities	60.02	0.25	64.42	0.23	81.27	0.23

Notes:

14.1 Includes ₹ NIL (2017: ₹ NIL, 2016: ₹ 0.43 Crores) due to related parties. Refer Note 38

14.2 Other liabilities mainly include capital creditors, rent payable, etc.

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

15. PROVISIONS

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Provision for Employee Benefits						
Leave encashment	1.36	4.77	0.99	4.30	1.54	3.37
Gratuity	2.74	1.35	1.20	4.52	1.04	4.30
Total Provisions	4.10	6.12	2.19	8.82	2.58	7.67

16. DEFERRED TAX LIABILITIES / (ASSETS) (NET)

₹ In Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) As at 1st April 2016	24.88	(3.35)	(0.61)	20.92
Charge/ (credit) to Statement of Profit and Loss	5.72	0.54	(1.10)	5.16
Charge/ (credit) to Other comprehensive income	-	(0.83)	-	(0.83)
Deferred tax liabilities/ (assets) As at 31st March 2017	30.60	(3.64)	(1.71)	25.25
Charge/ (credit) to Statement of Profit and Loss	3.33	(0.24)	(0.31)	2.78
Charge/ (credit) to Other comprehensive income	-	(0.36)	-	(0.36)
Deferred tax liabilities/ (assets) As at 31st March 2018	33.93	(4.24)	(2.02)	27.67

17. OTHER NON FINANCIAL LIABILITIES

₹ In Crores

Particulars	2018		2017		2016	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
Advances received from customers	11.01	-	12.57	-	8.25	-
Others (Refer note no 17.1)	6.71	0.45	9.91	0.45	4.47	2.29
Deferred revenue income (Refer note no 17.2)	0.03	0.48	-	-	-	-
Total Other Non Financial Liabilities	17.75	0.93	22.48	0.45	12.72	2.29

Notes:

17.1 Others mainly include government dues & taxes payable, salary deductions payable, etc.

17.2 The Deferred revenue arises as a result of the benefit received by the group on import of capital equipment's under the 'Export Promotion Capital Goods' Scheme of the Central Government at a concessional/ zero rate of custom duty. Consequently, the group has assessed that it has saved custom duty aggregating to ₹ 0.52 Crores in respect of property, plant and equipment used in manufacturing process. The exemption from payment of customs duty represents transfer of resources by the Government and therefore in scope of Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance. The deferred income will be amortized over the estimated remaining useful life of property, plant and equipment which will be offset by incremental depreciation consequent to increase in carrying value of property, plant and equipment.

18. SHORT TERM BORROWINGS

₹ In Crores

Particulars	2018	2017	2016
Secured (Carried at amortised Cost) :			
Working Capital Loan			
Loans and Advances on packing credit account from banks	102.67	101.23	77.64
Bank overdrafts	117.03	103.59	64.72
Total Borrowings	219.70	204.82	142.36

Notes:

18.1 Loans and Advances on packing credit account from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future, and second pari passu charge created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.

Bank overdrafts in respect of subsidiary companies are secured by:

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

18.2 Rate of Interest for loans ranges from 1.10% p.a. to 6.50% p.a.

19. TRADE PAYABLES

Particulars	₹ In Crores		
	2018	2017	2016
Carried at amortised Cost			
Trade payable - Micro and small enterprises (Refer Note 19.1)	3.71	2.36	2.84
Trade payable - Other than micro and small enterprises	324.08	249.93	189.72
Total Trade payables	327.79	252.29	192.56

Note:

19.1 Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below:

	₹ In Crores		
	2018	2017	2016
(a) Dues remaining unpaid as at 31 st March			
- Principal	3.71	2.36	2.84
- Interest on the above	-	-	-
(b) Interest paid in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") along with the amount of payment made to the supplier beyond the appointed day during the year			
- Principal paid beyond the appointed date	-	-	-
- Interest paid in terms of Section 16 of the Act	-	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-	-
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-	-
(e) Amount of interest accrued and remaining unpaid as at 31 st March	-	-	-

20. REVENUE FROM OPERATIONS

Particulars	₹ In Crores	
	2017-18	2016-17
Sale of products (including Excise Duty of ₹ 28.60 Crores (2016-17 ₹ 86.70 Crores))	2,441.35	2,224.27
Other operating revenue		
(i) Scrap Sales	1.43	1.17
(ii) Government Grant and Incentives (including export benefits)	19.73	22.60
Total Revenue from Operations	2,462.51	2,248.04

21. OTHER INCOME

₹ In Crores		
Particulars	2017-18	2016-17
(a) Interest Income		
- On Financial Assets at Amortised Cost	0.14	0.04
- On Non Financial assets	1.64	0.33
(b) Dividend Income		
- From Equity instruments measured at Fair value through other comprehensive income	-	_*
(c) Other Non - Operating Income		
Profit / (Loss) on sale of Property, Plant and Equipment (net)	-	(0.03)
Liabilities/Provision no longer required written back	1.19	1.81
Foreign exchange differences (Net)	4.38	0.39
Commission received	0.52	3.71
Others (Refer Note No.21.1)	2.27	4.17
Total Other Income	10.14	10.42

* Figure less than ₹ 50,000

Note:

21.1 Others include interest subvention, refund received, etc.

22. COST OF MATERIALS CONSUMED

₹ In Crores		
Particulars	2017-18	2016-17
(a) Raw materials	1,645.58	1,451.36
(b) Packing materials	65.02	65.71
Total cost of materials consumed	1,710.60	1,517.07

23. PURCHASE OF STOCK-IN-TRADE

₹ In Crores		
Particulars	2017-18	2016-17
(a) Purchase of Stock-in-trade	46.42	57.71
Total Purchase of Stock-in-trade	46.42	57.71

24. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ In Crores		
Particulars	2017-18	2016-17
Opening Stock :		
Finished goods	80.96	59.05
Work-in-progress	68.45	40.56
Stock-in-trade	33.78	36.49
	183.19	136.10
Less: Closing Stock :		
Finished goods	80.40	80.96
Work-in-progress	66.93	68.45
Stock-in-trade	42.13	33.78
	189.46	183.19
Foreign currency translation difference	0.36	(1.70)
Net (increase) / decrease in inventory	(5.91)	(48.79)

25. EMPLOYEE BENEFIT EXPENSES

Particulars	₹ In Crores	
	2017-18	2016-17
(a) Salaries and wages, including bonus	125.53	121.47
(b) Contribution to provident and other funds	8.48	8.38
(c) Workmen and staff welfare expenses	12.03	11.70
Total	146.04	141.55

26. FINANCE COSTS

Particulars	₹ In Crores	
	2017-18	2016-17
(a) Interest expense on financial liabilities at amortised cost	30.41	26.91
(b) Other borrowing cost	0.14	0.31
Total	30.55	27.22

Note:

26.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is NIL (2016-17 : 10.73%)

27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	₹ In Crores	
	2017-18	2016-17
(a) Depreciation on Property, Plant and Equipment	45.74	43.58
(b) Amortisation of Intangible Assets	2.79	3.58
Total	48.53	47.16

28. OTHER EXPENSES

Particulars	₹ In Crores	
	2017-18	2016-17
Power and fuel	41.11	36.02
Water charges	1.22	1.22
Repairs and maintenance	14.06	8.38
Consumption of stores, spares & consumables	11.40	9.36
Rates and taxes	8.01	6.28
Insurance	6.98	7.25
Freight and forwarding	83.10	68.16
Travelling and conveyance	15.11	16.73
Discount and commission on sales	2.05	3.76
Bad debts & Provision for Doubtful Debts	0.02	1.03
Royalty	0.07	0.14
"REACH" registration expenses (Net)	1.52	0.13
CSR expenditure	2.56	2.33
Donations	0.01	0.01
Directors' sitting fees	0.38	0.40
Commission to non-executive directors	0.62	0.51
Rent (including storage charges)	11.12	12.13
Legal and professional fees	16.57	15.23
Prov for Doubtful Advances	0.16	0.44
Miscellaneous expenses	32.98	32.91
Total	249.05	222.42

29. INCOME TAX RECOGNISED IN PROFIT OR LOSS

₹ In Crores

Particulars	2017-18	2016-17
Current Tax:		
In respect of current year	62.64	56.24
In respect of prior years	(5.58)	(0.69)
	57.06	55.55
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	2.44	3.56
In respect of prior years	0.95	0.69
Adjustments due to changes in tax rates	0.29	-
	3.68	4.25
Total income tax expense	60.74	59.80

30. INCOME TAX RECOGNISED/(CREDITED) IN OTHER COMPREHENSIVE INCOME

₹ In Crores

Particulars	2017-18	2016-17
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(0.36)	(0.83)
	(0.36)	(0.83)
Classification of income tax recognised in other comprehensive income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.36)	(0.83)
Income taxes related to items that will be reclassified to profit or loss	-	-
	(0.36)	(0.83)

31. EARNING PER SHARE (EPS)

Particulars	2017-18	2016-17
Profit for the year (₹ In Crores)	158.03	147.62
Weighted average number of Ordinary (Equity) Shares used in computing basic & diluted EPS	3,54,54,752	3,54,54,752
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	44.57	41.64

32. THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSE AT TAX RATE TO INCOME TAX EXPENSE REPORTED IN STATEMENT OF PROFIT OR LOSS IS AS FOLLOWS:

₹ In Crores

Particulars	2017-18	2016-17
Profit before tax	218.77	207.42
Applicable Income tax rate	34.608%	34.608%
Expected income tax expense	75.71	71.78
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Difference in tax rates of subsidiary companies	(11.08)	(9.96)
Effect of concessions and allowances	(1.33)	(3.34)
Effect of expenses/provision not deductible in determining taxable profit	0.65	0.55
Impact on account of Prior Years Taxation	(4.63)	-
Impact on account of Change in Tax Rate	0.29	-
Others	1.13	0.77
Reported income tax expense	60.74	59.80

33. THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET:

₹ In Crores

Assessment Year	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016	Available Up to A.Y.
2016-17	3.99	3.99	3.99	2024-25

34. SEGMENT INFORMATION

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Board of directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

₹ In Crores

Particulars	2018			2017			2016		
	India	Overseas	Total	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	864.69	1,576.66	2,441.35	784.85	1,439.42	2,224.27	-	-	-
Non Current Assets*	350.56	175.68	526.24	335.21	182.73	517.94	303.12	206.95	510.07

* includes property plant and equipments, capital work in progress, goodwill, intangible assets and other non-financial non current assets.

Information about major customers

During the year ended 31st March 2018 & 31st March 2017, revenue from transactions with a single external customer did not amount to 10% or more of the companies revenue from external customer.

35. DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 26.04 Crores (2016 -17 ₹ 26.58 Crores) debited to the Profit & Loss.

36. DETAILS OF CSR EXPENDITURE

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

₹ In Crores

Particulars	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Group during the year	-	-	3.14
II. Amount spent during the year on:	-	-	-
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	2.56	-	2.56

37. CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

₹ In Crores

Particulars	2018	2017	2016
(a) Claims against the Group not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc.:			
- Excise duty & Service tax	5.76	7.27	5.44
- Income tax	-*	3.74	2.00
- Sales tax	2.67	1.33	1.24
- Custom duty	8.16	8.19	0.38
- Cess on electricity	-	-	0.95
(b) Customer Claim : No provision has been made in respect of claim of Euro 4,50,000 (2017 Euro 8,00,000) made by one of the overseas customers on account of quality issues in respect of third party trading material supplied by the Group. The Group has made a provision of USD 1,41,225 (2017 USD 1,41,225) in respect of the amount due from the said customer in respect of subsequent supplies to the said overseas customer.	3.64	5.54	

* Figure less than ₹ 50,000

In respect of (a) & (b) above, it is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipments (net of advances) and not provided for ₹ 31.02 Crores (2016-17: ₹ 4.61 Crores, 2015-16: ₹ 9.68 Crores)

Estimated amount of contracts remaining to be executed of Intangible assets (net of advances) and not provided for ₹ 0.48 Crores (2016-17: ₹ 1.38 Crores, 2015-16: ₹ 0.12 Crores)

38. RELATED PARTY DISCLOSURES :

(a) Parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Sl. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife Son Daughter	Mrs. Lakshmy Shekhar Mr. Karthik Shekhar Ms. Nandini Shekhar
2	Mr. G. Ramakrishnan (Till 6 th Sept 2016) Executive Director (Innovation)	Wife	Mrs. Jayashree Ramakrishnan
3	Mr. S. R. Shanbhag (Till 22 nd May 2015) Executive Director	Wife	Mrs. Vandana Shanbhag
4	Mr. R. Venkateswar (Till 9 th June 2017) Executive Director		
5	Mr. K. Natarajan (w.e.f. 1 st Oct 2016) Executive Director & Chief Operating Officer		
6	Mr. G. Kamath (w.e.f. 1 st April 2017) Executive Director (Finance) & Chief Financial Officer		

(ii) Enterprise over which KMP is able to exercise significant influence :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1	Galaxy Emulsifiers Private Limited	5	Galaxy Estates & Holdings [Partnership Firm]
2	Galaxy Finsec Private Limited	6	Galaxy Investments [Partnership Firm]
3	Osmania Traders Private Limited	7	Shubh Estates & Properties [Partnership Firm]
4	Galaxy Chemicals [Partnership Firm]	8	Galaxy Surfactants Limited-Employees' Welfare trust (Till 13 th January'2018)

(b) The related party transactions are as under :

₹ In Crores

Sr No	Nature of Transactions	Entities where Key Management Personnel can exercise significant influence			Key Management Personnel			Relatives of Key Management Personnel		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
1	MANAGERIAL REMUNERATION :									
	U. Shekhar									
	Short-term employee benefits				2.09	2.09				
	G. Ramakrishnan									
	Short-term employee benefits				-	0.92				
	Post-employment benefits				-	1.38				
	Other long-term employee benefits				-	0.41				
	R. Venkateswar									
	Short-term employee benefits				0.25	2.09				
	Other long-term employee benefits				0.06	-				
	K. Natarajan									
	Short-term employee benefits				2.11	1.04				
	G. Kamath									
	Short-term employee benefits				2.10	-				
2	FINANCE :									
	Interest Expense									
	Nandini Shekhar								-*	
	Jayashree Ramakrishnan								-*	
	Lakshmy Shekhar								0.01	
	Interest accrued but not due on Fixed Deposits									
	Nandini Shekhar									0.05
	Lakshmy Shekhar									0.05
	Fixed Deposits Paid / Refunded									
	Nandini Shekhar								0.14	
	Jayashree Ramakrishnan								0.07	
	Lakshmy Shekhar								0.16	
	Vandana Shanbhag								0.06	
3	DIVIDENDS DISTRIBUTED :									
	Galaxy Chemicals	2.75	3.67							
	Galaxy Emulsifiers Pvt. Ltd.	0.16	0.22							
	Galaxy Surfactants Limited - Employees' Welfare Trust	0.09	0.11							
	U. Shekhar				1.27	1.69				
	G. Ramakrishnan				-	0.94				
	K. Natarajan				0.01	0.02				
	G. Kamath				0.01	-				
	Jayashree Ramakrishnan							-	0.72	
	Lakshmy Shekhar							-*	-*	
	Karthik Shekhar							0.03	0.05	
4	OTHER TRANSACTIONS :									
	Unsecured Loans									
	Nandini Shekhar									0.14
	Jayashree Ramakrishnan									0.07
	Lakshmy Shekhar									0.16
	Vandana Shanbhag									0.06
	Loans and Advances									
	Galaxy Surfactants Ltd - Employees' Welfare Trust	-	1.17	1.17						

* Figure less than ₹ 50,000

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

39. EMPLOYEE BENEFITS

a. Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 3.64 Crores (2016-17: ₹ 3.48 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

The Subsidiaries makes contributions towards Social security for qualifying employees. The subsidiaries have recognised ₹ 3.72 Crores (2016-17 ₹ 3.87 Crores) for the year being Subsidiaries contribution to Social security, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

c. Other long term employee benefit plan

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.

Through its gratuity and leave plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, In case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Longevity risk

The present value of Gratuity and leave plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the Gratuity and leave plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity and Leave plan – as per actuarial valuation

₹ In Crores

Particulars	As at March 31,					
	Funded Plan			Unfunded Plans		
	Gratuity			Leave encashment		
	2018	2017	2016	2018	2017	2016
I Expense recognised in the Statement of Profit and Loss for the year ended						
1 Current service cost	1.03	0.96		0.61	0.55	
2 Interest cost on benefit obligation (Net)	0.37	0.38		0.34	0.32	
3 Net value of remeasurements on the obligation and plan assets	-	-		0.45	0.64	
4 Past service cost and loss/(Gain) on curtailments and settlement	0.01	-		-	-	
Total expenses included in employee benefits expense	1.41	1.34		1.40	1.51	

Gratuity and Leave plan – as per actuarial valuation

₹ In Crores

Particulars	As at March 31,					
	Funded Plan			Unfunded Plans		
	Gratuity			Leave encashment		
	2018	2017	2016	2018	2017	2016
II Recognised in other comprehensive income for the year						
1 Actuarial (gains)/ losses arising from changes in financial assumption	(0.37)	0.83		-	-	
2 Actuarial (gains)/ losses arising from changes in experience adjustment	1.02	1.74		-	-	
3 Return on plan asset	0.38	(0.17)		-	-	
Recognised in other comprehensive income	1.03	2.40		-	-	
III Change in the present value of defined benefit obligation						
1 Present value of defined benefit obligation at the beginning of the year	15.01	13.02		5.20	4.75	
2 Current service cost	1.03	0.96		0.61	0.55	
3 Interest cost/(income)	0.99	0.85		0.34	0.32	
4 Remeasurements (gains)/ losses						
(I) Actuarial (gains)/ losses arising from changes in demographic assumption				-	-	
(I) Actuarial (gains)/ losses arising from changes in financial assumption	(0.37)	0.83		(0.12)	0.24	
(II) Actuarial (gains)/ losses arising from changes in experience adjustment	1.02	1.74		0.57	0.40	
5 Past service cost	0.01	-		-	-	
6 Benefits paid	(0.99)	(2.39)		(0.53)	(1.06)	
7 Liabilities assumed/(settled)	-	-		-	-	
Present value of defined benefit obligation at the end of the year	16.70	15.01		6.07	5.20	
IV Change in fair value of plan assets during the year						
1 Fair value of plan assets at the beginning of the year	9.29	7.68		-	-	
2 Interest income	0.62	0.48		-	-	
3 Contribution by employer	4.07	1.38		-	-	
4 Benefits paid	(0.99)	(0.42)		-	-	
5 Remeasurements (gains)/ losses		-				
(I) Actuarial (gains)/ losses arising from changes in demographic assumption		-				
(II) Actuarial (gains)/ losses arising from changes in financial assumption		-				
(III) Actuarial (gains)/ losses arising from changes in experience adjustment		-				
6 Return on plan assets excluding interest income	(0.38)	0.17		-	-	
Fair value of plan assets at the end of the year	12.61	9.29		-	-	
V Net Asset/(Liability) recognised in the Balance Sheet as at						
1 Present value of defined benefit obligation as at 31 st March	(16.70)	(15.01)	(13.02)	(6.07)	(5.20)	(4.75)
2 Fair value of plan assets as at 31 st March	12.61	9.29	7.68	-	-	-
3 Surplus/(Deficit)	(4.09)	(5.72)	(5.34)	(6.07)	(5.20)	(4.75)

Gratuity and Leave plan – as per actuarial valuation

₹ In Crores

Particulars	As at March 31,					
	Funded Plan			Unfunded Plans		
	Gratuity			Leave encashment		
	2018	2017	2016	2018	2017	2016
4 Current portion of the above	(2.74)	(1.20)	(1.04)	(1.30)	(0.90)	(1.38)
5 Non current portion of the above	(1.35)	(4.52)	(4.30)	(4.77)	(4.30)	(3.37)
VI Actuarial assumptions						
1 Discount rate	7.50%	7.25%	7.80%	7.25%	7.25%	7.80%
2 Attrition rate	5% at younger ages reducing to 1% at older ages					
3 Average salary escalation rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
4 Mortality table used	Indian Assured Lives Mortality (2006-08)					
VII Major Category of Plan Assets as a % of the Total Plan Assets						
1 Insurer managed funds*	100%	100%	100%	-	-	-
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.						
VIII The expected contributions to the plan for the next annual reporting period	2.74	1.20		1.30	0.90	
IX Quantitative sensitivity analysis for significant assumption is as below						
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity and leave plan obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity and leave plan Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.						
1 Discount rate varied by +0.5%	15.99	14.39		5.83	4.98	
2 Discount rate varied by -0.5%	17.44	15.68		6.31	5.43	
3 Salary growth rate varied by +0.5%	17.44	15.68		6.31	5.43	
4 Salary growth rate varied by -0.5%	15.98	14.38		5.83	4.98	
5 Withdrawal rate (W.R.) varied + 20%	16.71	15.01		6.07	5.20	
6 Withdrawal rate (W.R.) varied - 20%	16.66	15.00		6.05	5.19	
X Maturity profile of defined benefit obligation						
1 Year 1	2.77	2.69		1.30	0.90	
2 Year 2	0.57	0.68		0.17	0.21	
3 Year 3	0.89	0.57		0.25	0.19	
4 Year 4	1.03	0.94		0.19	0.28	
5 Year 5	2.30	0.91		0.51	0.19	
6 More than 5 years	6.21	7.12		2.92	2.78	

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in “Contribution to Provident and other funds” in the statement of Profit and loss account. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income. The leave encashment expenses have been recognised as part of “Salaries and wages” in the statement of Profit and loss account.

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

40. OPERATING LEASES

The Group's significant leasing arrangements are in respect of operating leases for job working and building premises (residential, offices, godowns etc.) Out of these leasing arrangements, some are non-cancellable for a period ranging between 1 to 3 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' in the statement of Profit and Loss.

With regard to some non-cancellable operating leases, the future minimum rentals are as follows:

Particulars	₹ In Crores		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Future minimum lease payments			
Not later than one year	3.26	4.29	4.05
Later than one year but not later than five years	6.79	9.20	11.29
Later than five years	-	-	-
Total future minimum lease payments	10.05	13.49	15.34

41. CAPITAL MANAGEMENT

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	₹ In Crores		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Short term debt	219.70	204.82	142.36
Long term debt	128.26	188.03	267.15
Total	347.96	392.85	409.51
Equity	718.77	574.91	450.34
Long term debt to equity	0.18	0.33	0.59
Total debt to equity	0.48	0.68	0.91

42. CATEGORIES OF FINANCIAL INSTRUMENTS

	₹ In Crores		
	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
A) Financial assets			
a) Measured at amortised cost			
i) Cash and Cash equivalents	27.07	25.72	14.68
ii) Bank Balances other than Cash and Cash Equivalents	0.50	0.36	1.36
iii) Loans	0.57	1.78	1.81
iv) Trade Receivable	418.23	347.18	250.88
v) Other Financial Assets	13.47	7.75	9.49
Sub-Total	459.84	382.79	278.22
b) Measured at Fair value through Other Comprehensive Income			
i) Investment in Equity Shares	0.07	0.11	0.09
Sub-Total	0.07	0.11	0.09
c) Derivatives measured at fair value through Profit & Loss			
i) Derivative instruments not designated as hedging instruments	2.07	2.28	3.80
Sub-Total	2.07	2.28	3.80
Total Financial Assets	461.98	385.18	282.11

₹ In Crores

	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
B) Financial liabilities			
a) Measured at amortised cost			
i) Non-current Borrowings	72.24	128.45	193.61
ii) Current Borrowings	219.70	204.82	142.36
iii) Trade Payables	327.79	252.29	192.56
iv) Other Financial Liability	60.21	64.65	81.50
Sub-Total	679.94	650.21	610.03
b) Derivatives measured at fair value through Profit & Loss			
i) Derivative instruments not designated as hedging instruments	0.06	-	-
Sub-Total	0.06	-	-
Total Financial Liabilities	680.00	650.21	610.03

43. FINANCIAL RISK MANAGEMENT FRAMEWORK

The Group has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest rate risks and Commodity price risk.

Market Risk

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Groups's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

(a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding. To a certain extent we use interest rate swap to minimise the risk.

(b) Commodity Risk

The Group is exposed to the price risk associated with purchasing of the raw materials. The Group typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Group's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the Group. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

(c) Currency Risk

The Group is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent the Group uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Group's foreign currency exposure at the end of the reporting periods are as follows

In Crores

	US Dollar	Rupees	Euro	Rupees	Others Rupees	Total
As at 31st March 2018						
Borrowings	(1.38)	(90.07)	(0.12)	(9.83)	-	(99.90)
Trade Receivables & Other financial assets	1.56	101.75	0.31	24.69	2.25	128.69
Trade Payables & Other financial liabilities	(3.02)	(196.88)	(0.01)	(0.93)	(20.68)	(218.49)
	(2.84)	(185.20)	0.18	13.93	(18.43)	(189.70)
As at 31st March 2017						
Borrowings	(1.73)	(112.40)	(0.07)	(4.51)	-	(116.91)
Trade Receivables & Other financial assets	1.34	86.64	0.12	8.40	3.57	98.61
Trade Payables & Other financial liabilities	(1.75)	(113.46)	(0.14)	(9.47)	(14.12)	(137.05)
	(2.14)	(139.22)	(0.09)	(5.58)	(10.55)	(155.35)
As at 1st April 2016						
Borrowings	(1.80)	(119.04)	(0.09)	(7.13)	-	(126.17)
Trade Receivables & Other financial assets	1.56	103.23	0.13	9.93	1.70	114.86
Trade Payables & Other financial liabilities	(1.00)	(66.30)	(0.02)	(1.74)	(1.88)	(69.92)
	(1.24)	(82.11)	0.02	1.06	(0.18)	(81.23)

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date's are as follows-

In Crores

	US Dollar	Rupees	Euro	Rupees	Others Rupees	Total
As at 31st March 2018						
Borrowings	(0.43)	(28.16)	(0.12)	(9.83)	-	(37.99)
Trade Receivables & Other financial assets	1.56	101.75	0.18	14.83	2.25	118.83
Trade Payables & Other financial liabilities	(3.00)	(195.25)	(0.01)	(0.93)	(20.68)	(216.86)
	(1.87)	(121.66)	0.05	4.07	(18.43)	(136.02)
As at 31st March 2017						
Borrowings	(0.48)	(31.34)	(0.07)	(4.51)	-	(35.85)
Trade Receivables & Other financial assets	1.05	67.93	0.12	8.40	3.57	79.90
Trade Payables & Other financial liabilities	(1.72)	(111.84)	(0.14)	(9.47)	(14.12)	(135.43)
	(1.15)	(75.25)	(0.09)	(5.58)	(10.55)	(91.38)
As at 1st April 2016						
Borrowings	(0.30)	(19.67)	(0.09)	(7.13)	-	(26.80)
Trade Receivables & Other financial assets	0.34	22.73	0.06	4.27	1.70	28.70
Trade Payables & Other financial liabilities	(1.00)	(66.30)	(0.02)	(1.74)	(1.88)	(69.92)
	(0.96)	(63.24)	(0.05)	(4.60)	(0.18)	(68.02)

44. CREDIT RISK MANAGEMENT

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from our operating activities, primarily from trade receivables. The Group's customer base majorly has creditworthy counterparties which limits the credit risk. The Group's exposures are continuously monitored and wherever necessary Group take advances/LC's to minimise the risk.

45. TRADE RECEIVABLES AND ADVANCES

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the group has evaluated that there is no provision required under expected credit loss model. Further, the Group reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables

Particulars	Year Ended 31 st March	
	2018	2017
Balance as at beginning of the year	1.58	0.57
Additions during the year	0.18	1.02
Amount of loss reversed / written back	(0.66)	-
Foreign currency translation difference	-*	(0.01)
Balance at end of the year	1.10	1.58

* Figure less than 50,000

46. OTHER FINANCIAL ASSETS

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

47. LIQUIDITY RISK

(i) Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount in				
	Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March 2018					
Deferral Sales Tax Liability	1.41	0.78	0.35	0.20	0.08
Short term borrowings	219.70	219.70	-	-	-
Long term borrowings	126.85	55.24	71.61	-	-
Trade payables	327.79	327.79	-	-	-
Other Financial Liabilities	4.25	4.00	-	-	0.25
Total	680.00	607.51	71.96	0.20	0.33
As at 31st March 2017					
Deferral Sales Tax Liability	2.19	0.60	1.02	0.49	0.08
Short term borrowings	204.82	204.82	-	-	-
Long term borrowings	185.84	58.98	92.89	33.97	-
Trade payables	252.29	252.29	-	-	-
Other Financial Liabilities	5.07	4.84	-	-	0.23
Total	650.21	521.53	93.91	34.46	0.31

₹ In Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 1st April 2016					
Deferral Sales Tax Liability	2.80	0.61	1.16	0.77	0.26
Short term borrowings	142.36	142.36	-	-	-
Long term borrowings	264.36	72.93	129.56	61.87	-
Trade payables	192.56	192.56	-	-	-
Other Financial Liabilities	7.95	7.72	-	-	0.23
Total	610.03	416.18	130.72	62.64	0.49

48. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ In Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31 st March 2018	USD	+1%	(2.02)	-
	EUR	+1%	0.04	-
Year ended 31 st March 2017	USD	+1%	(1.67)	-
	EUR	+1%	(0.06)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both long term & Short term borrowings. The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ In Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31 st March 2018	INR	+25 bps	(0.95)	-
Year ended 31 st March 2017	INR	+25 bps	(0.86)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity Effect.

49. OFFSETTING OF BALANCES:

The Group has not offset financial assets and financial liabilities.

50. COLLATERALS

The Group has long term loans and working capital loans which are secured by hypothecation of current and movable assets and mortgage of immovable properties.

51. FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

₹ In Crores

Financial Instruments regularly measured using Fair Value - recurring Items								Applicable for Level 2 and Level 3 hierarchy
Particulars	Fair Value					Fair value hierarchy	Valuation technique(s)	Key inputs
	Financial assets/ financial liabilities	Category	2018	2017	2016			
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	2.07	2.28	3.80	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
	Financial Liabilities		0.06	-	-			
2) Investment in equity instruments -Quoted	Financial Assets	Financial instruments designated at FVTOCI	0.07	0.11	0.09	Level 1	Quoted price in active market	Not applicable for level 1

52. FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTIZED COST :

₹ In Crores

Particulars	Carrying Value	Fair value (Level 2)
As at 31st March 2018		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	1.41	1.25
Total	1.41	1.25
As at 31st March 2017		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	2.19	1.85
Total	2.19	1.85
As at 1st April 2016		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	2.80	2.25
Total	2.80	2.25

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value

53. IND-AS YET TO BE NOTIFIED**a. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. There is no material impact of this amendment on its financial statements.

b. Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

There is no material impact of this amendment on its financial statements.

54. PROFIT AND EQUITY RECONCILIATION- CONSOLIDATED

- (i) Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities

- (ii) **A. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017 is summarised as follows:**

₹ In Crores		
	Notes	For the year ended 31 st March, 2017
Particulars		
Profit after tax as reported under previous GAAP		145.44
Impact of depreciation on decapitalisation of difference in exchange	(iii)b	0.12
Reclassification of actuarial gains / (losses) arising in respect of employee benefit schemes to Other Comprehensive income (OCI)	(iv)b	2.40
Impact of measuring Long Term Borrowings at amortised cost	(iv)c	(0.27)
Goodwill amortisation reversal	(iii)a	0.87
Others		0.33
Deferred tax Adjustments for above items		(1.27)
Profit after tax as reported under IND AS		147.62
Other Comprehensive Income		(5.98)
Total Comprehensive Income		141.64

B. Reconciliation of total equity as reported under previous GAAP is summarised as follows :

		₹ In Crores	
Particulars	Notes	For the year	As at 1 st April
		ended 31 st March, 2017	2016 (date of transition)
Equity as reported under previous GAAP		569.96	441.71
Impact of depreciation on decapitalisation of difference in exchange	(iii)b	(1.43)	(1.55)
Impact of measuring investments at Fair Value through Other Comprehensive Income	(iii)c	0.10	0.08
Impact of measuring Long Term Borrowings at amortised cost	(iv)c	1.87	2.14
Goodwill amortisation reversal	(iii)a	0.87	-
Deferred tax Adjustments for above items		0.80	1.25
Others		2.74	2.44
Dividends not recognised as liability until declared (including tax thereon)		-	4.27
Equity as reported under IND AS		574.91	450.34

Notes :

- iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions in the financial statements:
- Ind AS 103 (Business Combinations) has not been applied retrospectively to business combinations that occurred prior to 1st April, 2016. Use of this exemption means that in the opening Balance Sheet, goodwill/ capital reserve and other assets and liabilities acquired in previous business combinations remain at the previous GAAP carrying values.
 - Property, plant and equipment and intangible assets were carried at cost in the Balance Sheet prepared in accordance with previous GAAP on 31st March, 2016. Under Ind AS, the Group has elected to apply IND AS 16 - Property, Plant and Equipment retrospectively at the date of transition.
 - Under IND AS, financial assets in equity instruments have been classified as fair value through Other Comprehensive income at the time of transition.
 - The Group has applied Appendix C of Ind AS 17 (Leases) – ‘Determining whether an Arrangement contains a Lease’ to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.
 - Under previous GAAP, interest free sales tax deferment loan was carried at cost. Under Ind AS, such interest free loans have been carried at previous GAAP amount at the date of transition.
 - Under previous GAAP, the Company accumulated exchange differences arising on monetary items that, in substance, formed part of Company’s net investment in non-integral foreign subsidiaries in a foreign currency translation reserve. Such balances are to be recognised in the Statement of Profit and Loss on disposal of the net investment. Ind AS allows an entity an option to reset the cumulative translation differences arising on monetary items that exist as of the transition date to zero. The Company has elected to reset the foreign exchange translation reserve to zero.

(iv) In addition to the above, the principal adjustments made by the Group in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:

- a. The Group uses derivative financial instruments, such as currency forwards, options, to hedge its foreign currency risks. Under Ind AS changes in the fair value of any derivative instruments that are not designated for hedge accounting are recognised in the Statement of Profit and Loss.
- b. Under previous GAAP, actuarial gains and losses related to the defined benefit schemes for gratuity and pension plans and liabilities towards employee leave encashment were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in OCI. Consequently, the tax effect of the same has also been recognised in OCI instead of profit or loss.
- c. Under Ind AS Loan processing fees / transaction costs are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

Material Adjustment to the Balance sheet on Adoption of IND AS as at 31st March 2017

Particulars	As per Previous GAAP	Effect of Transition to IND AS impacting equity	Reclassification Adjustment	As per IND AS
Property Plant and Equipment	464.74	(1.43)	(16.14)	447.17

Material Adjustment to the Balance sheet on Adoption of IND AS as at 1st April 2016

Particulars	As per Previous GAAP	Effect of Transition to IND AS impacting equity	Reclassification Adjustment	As per IND AS
Property Plant and Equipment	424.95	(1.55)	(16.34)	407.06
Short Term provisions				
- Proposed Dividend	4.27	(4.27)	-	-

There are no material adjustments to the statement of Cash Flows as reported under the previous GAAP.

55. ADDITIONAL DISCLOSURE

₹ In Crores

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated comprehensive income	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated comprehensive income
Mar-18																
Galaxy Surfactants Limited	92.65%	665.88	71.13%	112.41	52.42%	(0.71)	111.70	98.62%	566.99	81.77%	120.71	25.95%	(1.55)	84.13%	119.16	
Foreign Subsidiaries																
Galaxy Chemicals Inc.	0.03%	0.24	0.43%	0.68	(0.44%)	0.01	0.44%	0.69	(0.08%)	(0.44)	(0.02%)	(0.04)	(0.17%)	0.01	(0.02%)	(0.03)
Galaxy holdings (Mauritius) Ltd.	2.73%	19.65	3.64%	5.75	(23.92%)	0.32	3.88%	6.07	2.36%	13.57	1.21%	1.79	19.08%	(1.14)	0.46%	0.65
Rainbow holdings GmbH	(2.05%)	(14.72)	(0.66%)	(1.05)	211.63%	(2.87)	(2.50%)	(3.92)	(1.88%)	(10.80)	(0.77%)	(1.14)	(24.44%)	1.46	0.22%	0.32
Galaxy chemicals (Egypt) S.A.E.	20.85%	149.86	16.10%	25.45	(67.30%)	0.91	16.83%	26.36	21.48%	123.50	18.82%	27.78	49.90%	(2.98)	17.50%	24.80
TRI-K Industries, Inc.	12.88%	92.61	13.33%	21.07	(44.34%)	0.60	13.83%	21.67	12.34%	70.94	9.43%	13.92	28.29%	(1.69)	8.63%	12.23
Eliminations	(27.09%)	(194.75)	(3.97%)	(6.28)	(28.05%)	0.38	(3.77%)	(5.90)	(32.84%)	(188.85)	(10.44%)	(15.40)	1.39%	(0.09)	(10.92%)	(15.49)
TOTAL	100.00%	718.77	100.00%	158.03	100.00%	(1.36)	100.00%	156.67	100.00%	574.91	100.00%	147.62	100.00%	(5.98)	100.00%	141.64

For and on behalf of the Board

U. SHEKHAR

Managing Director

DIN : 00265017

G. KAMATH

Executive Director

Finance & CFO

DIN : 07767220

Place : Navi Mumbai

Date : 29th May 2018

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

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)	Turnover	₹ In Crores					Country
										Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% shareholding	
1	Galaxy Chemicals Inc	USD	65.17	-*	0.24	0.30	0.06	-	-	0.68	-	0.68	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	65.17	2.37	17.28	234.51	214.86	-	-	5.84	0.09	5.75	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	80.80	0.17	(14.89)	6.19	20.91	-	-	(1.05)	-	(1.05)	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	65.17	163.67	(13.81)	373.15	223.29	-	677.89	25.45	-	25.45	-	100%	Egypt
5	TRI-K Industries Inc.	USD	65.17	-*	92.60	132.00	39.39	-	294.63	30.72	9.65	21.07	-	100%	USA

* Figure less than ₹ 50,000

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that THIRTY SECOND ANNUAL GENERAL MEETING of the Members of GALAXY SURFACTANTS LIMITED will be held on Thursday, August 9, 2018 at CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2018 and the Reports of Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares for the Financial Year 2017-18.
3. To appoint a Director in place of Mr. Sudhir Patil (DIN 00264933), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. Ramakrishnan (DIN 00264760), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. Ratification of remuneration of M/s Nawal Barde Devdhe & Associates as Cost Auditors of the Company:

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

“RESOLVED THAT pursuant to the provisions of the 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. Nawal Barde Devdhe & Associates, appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2019, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is hereby ratified and confirmed;

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

6. Appointment of Mr. Uday K. Kamat (DIN 00226886) as Non-Executive and Non-Independent Director

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

“RESOLVED THAT Mr. Uday K. Kamat (DIN 00226886) appointed by the Board of Directors at their meeting held on March 13, 2018 as an Additional Director with effect from April 1, 2018 pursuant to the provisions of the Section 161 of the Companies Act, 2013 (“the Act”) read with Articles 104 of the Articles of Association of the Company holds office as an Additional Director till the conclusion of this Annual General Meeting and the Company has received a notice under Section 160 of the Act in writing from a member proposing his candidature for the Office of Director of the Company liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to such notice received by the Company under section 160 of the Act, approval of Members be and is hereby accorded to the appointment of Mr. Uday K. Kamat as Non-Executive and Non-Independent director liable to retire by rotation under the provisions of Section 149, 152 and other applicable provisions if any, of the Act and the Rules framed thereunder from time to time;

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

7. Re-appointment of Mr. U. Shekhar (DIN 00265017) as Managing Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 200, 203 and Articles 149, 150, 151 and 152 and other applicable clauses of Articles of Association read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the Members be and is hereby accorded to the re-appointment of Mr. U. Shekhar (DIN 00265017) as Managing Director of the Company with effect from April 1, 2019 till February 17, 2024 and for payment of remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice this Meeting;

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. U. Shekhar (DIN 00265017) as Managing Director, the Company has no profits or its profits are inadequate, the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, be paid as minimum remuneration, subject to such statutory approval as may be applicable;

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to alter and vary terms and conditions of appointment and/ or remuneration, within the limits set out in the Explanatory Statement;

RESOLVED FURTHER THAT the Board of Directors and/ or any committee thereof be and is hereby authorised to do all such acts, deeds, and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt may arise in the relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard."

8. Re-appointment of Mr. Amit Ramakrishnan as "Technical Sales Executive and Systems Process Analyst" in TRI-K Industries Inc. USA from February 1, 2019

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and subject to such other approvals as may be necessary, the approval of Members be and is hereby accorded to the re-appointment of Mr. Amit Ramakrishnan as "Technical Sales Executive and Systems Process Analyst" in the service of TRI-K Industries Inc., USA, subsidiary of the Company for a period of 3 years with effect from February 1, 2019 on the remuneration and other terms as set out in the Explanatory Statement;

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take all steps necessary, proper or expedient to give effect to this Resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the tenure of reappointment of Mr. Amit Ramakrishnan with TRI-K Industries Inc., USA."

9. Approval for payment of remuneration by wholly owned subsidiary TRI-K Industries Inc., USA to Mr. Uday K. Kamat (DIN 00226886), Director of the Company for attending/ participating in its Board Meetings

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of Members be and is hereby accorded for the payment of remuneration to Mr. Uday K. Kamat (DIN 00226886), Director of the Company, by TRI-K Industries Inc. USA, for attending and participating in the Board Meetings of TRI-K Industries Inc. USA, the wholly owned subsidiary of the Company by way of sitting fees or such other mode as may be determined by the Board of such subsidiary, for a period of 3 years w. e. f. April 1 2018 as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all steps necessary, proper or expedient to give effect to this Resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. Uday K. Kamat will receive remuneration from TRI-K Industries Inc."

10. Payment of Commission to Non-Executive directors of the Company:

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

"RESOLVED THAT subject to the provisions of the Section 197, 198 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof from time to time being in force) and also subject to such approvals as may be necessary, the approval of the Members be and is hereby accorded to the payment of such commission to the Non-Executive Directors of the Company as may be decided by the Board of Directors of the Company provided however that the aggregate commission so payable to all the Non-Executive Directors (i.e. directors other than the Managing Director and/ or the Wholtime Directors and Non-Executive Directors who are in full time employment of subsidiaries) of the Company per annum shall not exceed 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 and any other applicable provisions of the Act or any modifications or re-enactment thereof from time to time;

RESOLVED FURTHER THAT the commission amount and the structure of payment shall be determined and reviewed by the Board of Directors of the Company (including the Nomination and Remuneration Committee) from time to time commensurate with the prevalent best practices in terms of remunerating Non-Executive Directors adequately for the time and contribution made by them;

RESOLVED FURTHER THAT the commission as stated above is payable in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board or its Committees and shall be payable for a period of five consecutive years starting from April 1, 2019 to March 31, 2024 and will cover new appointments in such capacity on the Board of the Company, during the said period;

RESOLVED FURTHER THAT the Board of Directors of the Company, or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper or expedient to give effect to this resolution."

11. Appointment of Mr. G. Ramakrishnan (DIN 00264760) as a Strategic Advisor to the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modifications or re-enactments thereof, for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of Members be and is hereby accorded for appointment of Mr. G. Ramakrishnan (DIN 00264760), non-executive director of the Company, to the office or place of profit by the Company as a Strategic Advisor for undertaking focused exploration and study of the North American marketplace with a view to help formulate appropriate strategies to more fully exploit the potential of the North American marketplace as a source of growth for the products of the Company, new product innovations, and strategic acquisitions, alliances and hires, and the payment of consideration to him by the Company as may be determined by the Board, for a period upto 2 years w. e. f. June 1, 2018 as set out in the Explanatory Statement, within the meaning of Section 188 and other applicable provisions, if any, of the Companies Act, 2013;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to take all steps necessary,

proper or expedient to give effect to this Resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. G. Ramakrishnan (DIN 00264760) will receive remuneration from the Company."

12. Appointment of Mr. Uday K Kamat (DIN 00226886) as a Strategic Advisor to the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modifications or re-enactments thereof, for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of Members be and is hereby accorded for appointment of Mr. Uday K Kamat (DIN 00226886), non-executive director of the Company, to the office or place of profit by the Company as a Strategic Advisor for undertaking focused exploration and study of the North American marketplace with a view to help formulate appropriate strategies to more fully exploit the potential of the North American marketplace as a source of growth for the products of the Company, new product innovations, and strategic acquisitions, alliances and hires, and the payment of consideration to him by the Company as may be determined by the Board, for a period upto 2 years w. e. f. June 1, 2018 as set out in the Explanatory Statement, within the meaning of Section 188 and other applicable provisions, if any, of the Companies Act, 2013;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee Board of Directors of the Company be and is hereby authorised to take all steps necessary, proper or expedient to give effect to this Resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. Uday K Kamat (DIN 00264760) will receive remuneration from the Company."

By Order of the Board of Directors

Navi Mumbai
Date: May 29, 2018

Niranjan Ketkar
Company Secretary

Registered Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703, India
Phone: +91-22-2761 6666

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business under Item Nos. 5 to 12 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A proxy so appointed shall not have any right to speak at the meeting. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and public holidays, up to the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from Friday August 3, 2018 to Thursday August 9, 2018 (both days inclusive) for ascertaining the names of the shareholders to whom the final dividend, which if declared at the Annual General Meeting, is payable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd., for this purpose.
6. The final dividend for the financial year ended March 31, 2018, 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 Thursday August 2, 2018; and
 - (b) For shares held in dematerialized form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on Thursday August 2, 2018.
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 dematerialize their shares. The ISIN number of the Company is INE600K01018.
9. The Company believes in conducting business in an economically viable, environmentally sound and socially responsible manner under its Sustainability Policy. Accordingly, we request shareholders to update their email address with their depository participants to enable the Company to send any kind of communication electronically. Accordingly, we are sending documents like the Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc., by electronic mode to those Members whose email addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. **Members who have not registered their email addresses so far are requested to register their email address with their Depository Participant only, for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
10. Those Members who have so far not encashed their dividend warrants for the financial year 2010-11, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' established by the Central Government, pursuant to Section 125 of the Companies Act, 2013 on the respective due 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, 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 Limited.

(i) Members who are holding shares in physical or dematerialized form as on Thursday August 2, 2018 shall exercise their vote by electronic means. The Company has engaged the services of the Central Depository Securities 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 Monday August 6, 2018 at 9:00 a.m. and will end on Wednesday August 8, 2018 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 Thursday August 2, 2018, 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 Thursday August 2, 2018.

(v) Mr. S Sathyanarayanan, Practicing Company Secretary (Membership No. F4966) (C. P. No. 3251) Proprietor of S Sathyanarayanan & Co. has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(vi) The Scrutinizer shall immediately after the conclusion of voting at AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, not later

than 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 Monday August 6, 2018 at 9:00 a.m. and will end on Wednesday August 8, 2018 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 (record date) of Thursday August 2, 2018 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.

For Members holding shares in Demat Form and Physical Form	
Dividend Bank Details	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.
OR	
Date of Birth (DOB)	<ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> 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. 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 Corporates.
- 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.

EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVEINING THE ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD ON THURSDAY, AUGUST 9, 2018 AT CIDCO CONVENTION CENTER AUDITORIUM, SWAMI PRANABANANDA MARG, SECTOR 30-A, GATE - OPP. JOYALUKKAS JEWELLERS, VASHI, NAVI MUMBAI 400703 AT 3.00 P.M.

Item no. 5

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Nawal Barde Devdhe & Associates, Cost Accountants in practice to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 on remuneration of ₹ 4,50,000/- plus any taxes and reimbursement of out of pocket expense as agreed between the Company and the Cost Auditors.

In terms of the provisions of the Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is being sought for the remuneration of ₹ 4,50,000/- plus taxes and reimbursement of out of pocket expense payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item no. 6

Mr. Uday K. Kamat (DIN 00226886) was appointed as an Additional Director of the Company w. e. f. April 1, 2018 by the Board of Directors at their meeting held on March 13, 2018. In terms of Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Uday K. Kamat will hold office of till the conclusion of this Annual General Meeting and is eligible for the appointment as a Director. The Company has received notice from member in writing under Section 160 of the Act as amended from time to time, proposing his candidature for the office of Director.

Mr. Uday K. Kamat holds Bachelors' Degree in Commerce from University of Mumbai. He is an associate member of the Institute of Chartered Accountants of India and qualified Cost Accountant from the Institute of Cost Accountants of India (Previously known as the Institute of Costs and Works Accountants of India). He has over thirty five years of experience in the field of finance, commerce, project management and general management. Mr. Uday K Kamat was associated with the Company as an Executive Director (Finance) till September

19, 2014 and thereafter he continued as an Executive Director till March 31, 2016. Subsequent to his retirement he was acting as a consultant to the Company till March 31, 2018.

Mr. Uday K. Kamat is holding 33,000 equity shares of the Company, out of which 3,000 equity shares are jointly held with his wife Mrs. Dhanvanti Kamat. Mrs. Dhanavanti Kamat is holding 4,000 equity shares of the Company jointly with Mr. Uday K Kamat.

Mr. Uday K. Kamat is not disqualified from being appointed as a 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.

Mr. Uday K. Kamat and his relatives/ related parties as defined under the provisions of the Companies Act, 2013 and the Rules made thereunder being interested members are not entitled to vote on the resolutions pertaining to his appointment.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out in Item no. 6 except Mr. Uday K. Kamat pertaining to his appointment.

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

Item no. 7

The current appointment of Mr. U. Shekhar (DIN 00265017) as Managing Director is upto March 31, 2019.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee held on May 29, 2018 and considering the contribution made by Mr. U. Shekhar as Managing Director thought it fit in the interest of the Company to retain and avail their expertise by re-appointing Mr. U. Shekhar as Managing Director and Key Managerial Personnel as per the provisions of the Companies Act, 2013 with effect from April 1, 2019 till February 17, 2024 to achieve the desired goals of the Company.

Mr. U. Shekhar is not disqualified from being appointed as Director under section 164 of the Companies Act, 2013 (the Act).

The re-appointment and payment of remuneration including perquisites of Mr. U. Shekhar are subject to the approval of members of the Company and other statutory approvals as may be required. The principal terms and conditions of appointment are as given below:

- (1) The Managing Director shall be subject to superintendence, control and directors of the Board of Directors, manage the business and affairs of the Company.
- (2) Tenure of appointment shall be with effect from April 1, 2019 to February 17, 2024

(3) Mr. U. Shekhar shall not be liable to retire by rotation during his tenure.

(4) Remuneration payable to Managing Director (Appointee) is as under:

(I) Basic Salary

Basic Salary- in the scale of ₹ 8.4 Lakh to ₹ 13.5 Lakh per month

(II) Perquisites

In addition to the aforesaid salary, the appointee 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, 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 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 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 maximum of two clubs. This will not include admission and membership fees.

(v) Personal accident insurance: Coverage to be extended as per the Company's Rules.

(vi) A car with a driver for official purpose as per Company's Rules. Use of car for personal purpose 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 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

(III) Commission

Commission shall be decided by the Board of Directors/ Committee of Directors from time to time. The commission in a particular year shall be subject to the overall ceiling laid down under Section 197 and 198 and other applicable provisions of the Act and Rules made thereunder

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 perquisite 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 remuneration.

(5) Annual Increment:

The Annual Increments effective from April 1 every year shall be decided by the Board of Directors and will be merit based and will take into account the Company's performance, subject to ceiling prescribed in Schedule V to the Act or any modification thereof to the same from time to time.

(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 Managing Director of the said appointee, remuneration by way of salary, perquisites, commission and other allowance shall be in accordance with the ceiling prescribed in Schedule V to the Act or any modification thereof to the same from time to time.

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

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

(7) No sitting fees shall be paid to the appointee for attending the meeting of the Board of Directors or any committees thereof.

The aggregate of remuneration viz. salary, commission and perquisites/ benefits, including contribution towards Provident Fund, and gratuity fund/ provision payable to 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 Section 197, 198 and other applicable provisions of the Act.

The appointment and remuneration payable to the said appointee is also subject to the approval members as required under Schedule V to the Act.

The copy of draft letter of appointment is kept open for inspection by any member of the Company under section 190(2) of the Act.

Mr. U. Shekhar and his relatives/ related parties as defined under the provisions of the Act and the Rules made thereunder being interested members are not entitled to vote on the resolutions pertaining to his appointment.

None of the Directors or Key Managerial Personnel 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. U. Shekhar.

Your Board recommends the Resolution at Item no. 7 as an ordinary resolution for the approval of the Members.

Item no. 8

Mr. Amit Ramakrishnan, son of Mr. G. Ramakrishnan - Promoter and Non-Executive Director of the Company, was appointed as a Technical Sales Executive and Systems Process Analyst for a period of 3 years w.e.f. February 1, 2016 as per approval of members in their meeting held on September 28, 2015. The term of current appointment of Mr. Amit Ramakrishnan shall expire on January 31, 2019.

Considering the valuable contribution and experience of Mr. Amit Ramakrishnan, TRI-K Industries Inc., subsidiary of Company (TRI-K) has decided to reappoint him as Technical Sales Executive and Systems Process Analyst. The Board of Directors on the recommendation of the Audit Committee in their meeting held on May 29, 2018 have approved the extension of term of employment of Mr. Amit Ramakrishnan for a further period of 3 years w. e. f. February 1, 2019.

The revised principal terms and conditions of the proposed extension of appointment and remuneration of Mr. Amit Ramakrishnan are as follows:

1. The re-appointment will be effect from February 1, 2019
2. The tenure of employment will be for a period of 3 years from the above date
3. The designation will be "Technical Sales Executive & Systems Process Analyst"
4. The total remuneration, including perquisites and benefits shall not exceed USD 16,000 per month for the period of employment and the same will be as per the following details:
 - a) Salary, allowances and performance bonus in the scale of USD 9,000 to USD 14,000 per month
 - b) Perquisites covering social security, medical care, life insurance, vacation, 401K contribution and other statutory benefits not exceeding USD 4,000 per month
5. The services are transferable to any other location of the Company or the Group Company.

Mr. G. Ramakrishnan and his relatives/ related parties as defined under the provisions of the Companies Act, 2013 and the Rules made thereunder being interested members are not entitled to vote on the resolutions pertaining to his appointment.

None of the Directors or Key Managerial Personnel and/ or their relatives is deemed to be interested to be concerned or interested in the Resolution at Item no. 8 of the accompanying notice except Mr. G. Ramakrishnan.

Your Board recommends the Resolution at Item no. 8 as an ordinary resolution for the approval of the Members.

Item no. 9

TRI-K Industries Inc. (TRI-K), a wholly owned subsidiary of the Company makes payment of sitting fees to its non-executive directors for attending and participating in its meetings.

Mr. Uday K. Kamat, Non-Executive Director of the Company is non-executive member on the Board of TRI-K. This entitles him to receive remuneration by way of sitting fees for attending the Board Meetings of the said subsidiary.

Any payment received by Mr. Uday K. Kamat from subsidiary of the Company attracts the provisions of the Section 188 of the Companies Act, 2013 covering appointment to a place of profit.

Accordingly, approval of members is being sought under Section 188 of the Companies Act, 2013 for the following:

- a) Payment of sitting fees/ remuneration to Mr. Uday K. Kamat, non-executive director of the Company for attending, participating in the Board Meetings of TRI-K.

- b) Quantification and nature of payment to be determined by the Board of TRI-K from time to time.
- c) Such payment shall not exceed USD 10,000 per annum.
- d) The approval shall be valid for 3 years from April 1, 2018 to March 31, 2021.

On the approval of the Audit Committee, the Board of Directors at their meeting held on May 29, 2018 have considered the payment of sitting fees by the wholly owned subsidiary TRI-K to Mr. Uday K. Kamat subject to requisite approval of the Members and any other approvals that may be required under the provisions of the Companies Act, 2013, if any.

Mr. Uday K. Kamat and his relatives/ related parties as defined under the provisions of the Companies Act, 2013 and the Rules made thereunder being interested members are not entitled to vote on the resolutions pertaining to his appointment.

None of the Directors or Key Managerial Personnel and/ or their relatives is deemed to be interested to be concerned or interested in the Resolution at Item no. 9 of the accompanying notice except Mr. Uday K. Kamat, Non-Executive Director.

Your Board recommends the Resolution at Item no. 9 as an ordinary resolution for the approval of the Members.

Item no. 10

In the 28th Annual General Meeting held on Friday September 19, 2014, the members have approved the payment of commission to Non-Executive Directors of the Company as may be decided by the Board under the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the period of 5 years commencing from April 1, 2014 to March 31, 2019.

The Board is of the opinion that Non-Executive Directors be fairly remunerated for their time and contribution in performance of the Company. Your Company benefits from their professional expertise as independent professionals/ business executives and through their invaluable experience in corporate excellence.

Your Board, therefore, recommends that the Company continue to pay commission to the Non-Executive Directors on the Board of the Company for a further period of five years commencing from April 1, 2019 to March 31, 2024. Non-Executive Directors of the Company who are in full time employment of its subsidiaries will not be eligible to receive commission.

Your Board proposes to pay to the Non-Executive Directors such commission as the Board of Directors may deem appropriate within the overall limit of 1% of the Net Profits of the Company, calculated in accordance with the provisions of Section 197, 198 and other related provisions of the Companies Act, 2013.

Your Board is of the opinion that within the maximum permissible limits prescribed under the law, it should be able to structure, review and determine the commission payable to Non-Executive Directors in line with their respective contributions and prevalent best corporate practices.

None of the Directors or Key Managerial Personnel and/ or their relatives is deemed to be interested to be concerned or interested in the Resolution at Item no. 10 of the accompanying notice except Non-Executive Directors.

Your Board recommends the Resolution at Item no. 10 as an ordinary resolution for the approval of the Members.

Item No. 11

Mr. G. Ramakrishnan (DIN 00264760) is a Non-Executive Director of the Company. Mr. G. Ramakrishnan is a promoter of the Company within the meaning of Section 2(69) of the Companies Act, 2013, as amended.

Mr. G. Ramakrishnan holds a Master's Degree in Commerce from University of Bombay. He is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He is also a qualified Company Secretary. He has over thirty-five years of experience with the Company in its Personal and Home care business in various areas including strategic planning, marketing and sales, general management and human resources management.

In recognition of the large and growing North American market, the Company in 2009 made the strategic decision to acquire TRI-K Industries, Inc. ("TRI-K"), a New Jersey based manufacturer of cosmetic ingredients. Over the years, each of the Company and TRI-K has increased business in North America. It is the considered view of your Board that North America continues to be a very important market and source of new product innovation, and for strategic acquisitions, alliances and hires for the Company. Your Board has determined that it is in the best interest of the Company and its members that the Company engage Mr. G. Ramakrishnan who has long experience with the Company and has been closely involved in the formulation and implementation of the Company's strategic initiatives, to undertake focused exploration and study of the North American marketplace with a view to help the Company formulate appropriate strategies to more fully exploit the potential of that marketplace. Your Board, Nomination and Remuneration Committee and Audit Committee, in their respective meeting held on May 29, 2018 have approved the appointment of Mr. G. Ramakrishnan as a Strategic Advisor to the Company upon the following terms:

Duties: To periodically travel to North America, to engage with customers, vendors, R&D laboratories and facilities, potential acquisition targets and hires, and other strategic participants in the marketplace;

Term of appointment: Upto two years, starting June 1, 2018;

Annual remuneration: Upto ₹ 60 Lakhs (Rupees Sixty Lakhs) per annum (exclusive of taxes);

Expense reimbursement: business expenses to be reimbursed;

Mr. G. Ramakrishnan is a Non-Executive Director of the Company and has abstained himself from voting in the Board. Further, Mr. G. Ramakrishnan and his related parties and relatives, as those terms are defined in Section 2(76) and 2(77) of the Companies Act, 2013, respectively, and the Rules made thereunder, being interested members are not entitled to vote on the resolutions pertaining to their appointment.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out in Item no. 11 except Mr. G. Ramakrishnan pertaining to his appointment.

Your Board recommends the Resolution at Item no. 11 as an Ordinary Resolution for the approval of the Members.

Item No. 12

Mr. Uday K. Kamat (DIN 00226886) is a Non-Executive Director of the Company. Mr. Uday K. Kamat has been associated with the Company as an Executive Director from April 1, 2003 to March 31, 2016.

Mr. Uday K. Kamat holds a Bachelor's Degree in Commerce from University of Mumbai. He is an Associate Member of the Institute of Chartered Accountants of India and qualified Cost Accountant from the Institute of Cost and Works Accountants of India. He has over thirty-five years of experience in the field of finance, commerce, project management and general management.

In recognition of the large and growing North American market, the Company in 2009 made the strategic decision to acquire TRI-K Industries, Inc. ("TRI-K"), a New Jersey based manufacturer of cosmetic ingredients. Over the years, each of the Company and TRI-K has increased business in North America. It is the considered view of your Board that North America continues to be a very important market and source of new product innovation, and for strategic acquisitions, alliances and hires for the Company. Your Board has determined that it is in the best interest of the Company and its members that the Company engage Mr. Uday K. Kamat, who has long experience with the Company and has been closely involved in the formulation and implementation of the Company's strategic

initiatives, to undertake focused exploration and study of the North American marketplace with a view to help the Company formulate appropriate strategies to more fully exploit the potential of that marketplace. Your Board, Nomination and Remuneration Committee and Audit Committee, in their respective meeting held on May 29, 2018 have approved the appointment of Mr. Uday K. Kamat as a Strategic Advisor to the Company upon the following terms:

Duties: To periodically travel to North America to engage with customers, vendors, R&D laboratories and facilities, potential acquisition targets and hires, and other strategic participants in the marketplace;

Term of appointment: Upto two years, starting June 1, 2018;

Annual remuneration: Upto ₹ 60 Lakhs (Rupees Sixty Lakhs) per annum (exclusive of taxes);

Expense reimbursement: business expenses to be reimbursed;

Mr. Uday Kamat is a Non-Executive Directors of the Company and has abstained himself from voting in the Board. Further, Mr. Uday Kamat and his related parties and relatives, as those terms are defined in Section 2(76) and 2(77) of the Companies Act, 2013, respectively, and the Rules made thereunder, being interested members are not entitled to vote on the resolutions pertaining to their appointment.

No other Director, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the Resolution as set out in Item no. 12 Mr. Uday Kamat pertaining to his appointment.

Your Board recommends the Resolution at Item no. 12 as an Ordinary Resolution for the approval of the Members.

By Order of the Board of Directors

Navi Mumbai
Date: May 29, 2018

Niranjan Ketkar
Company Secretary

Registered Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703, India
Phone: +91-22-2761 6666

ANNEXURE

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 32nd ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETING (SS-II) AND REGULATION 36(3) OF THE LISTING REGULATIONS:

Name of Director	U. Shekhar	Uday K. Kamat
Director Identification Number	00265017	00226886
Age	64 years	64 years
Qualification	Bachelors' Degree in Chemical Engineering from the University Dept. of Chemical Technology, Mumbai and P.G. Diploma in Management from IIM, Calcutta	B.Com, Associate member of The Institute of Chartered Accountants of India and qualified Cost Accountant from The Institute of Cost Accountants of India.
Date of First Appointment	May 20, 1986	April 01, 2018
Expertise in specific General Functional Area	30 years of experience in the chemical manufacturing industry.	35 years of experience in the field of finance, commerce, project management and general management
Shareholding in the Company	42,26,740 equity shares of ₹ 10 each. Mrs. Lakshmy Shekhar is holding 1,27,400 equity shares of the Company Jointly with Mr. U. Shekhar.	33,000 equity shares of ₹ 10 each, out of which 3,000 equity shares are jointly held with his wife Mrs. Dhanvanti Kamat. Mrs. Dhanavanti Kamat is holding 4,000 equity shares of the Company jointly with Mr. Uday K Kamat.
Relationship with other Directors/KMPs	None	None
Terms and conditions of Re-appointment/ Appointment	As per resolution no. 7 of the notice read with explanatory statement thereto.	As per resolution no. 6 of the notice read with explanatory statement thereto.
Remuneration last drawn including sitting fee	As mentioned in Corporate Governance Report	Not Applicable
Remuneration Proposed to be paid	As per resolution no. 7 of the notice read with explanatory statement thereto.	As per resolution no. 6 of the notice read with explanatory statement thereto. In addition, he will also receive sitting fees and remuneration from TRI-K Industries Inc as per resolution no. 9 of the notice read with explanatory statement. Further he will also be appointed as Strategic Advisor on the terms and conditions as mentioned explanatory statement of Item no. 12.
No. of Board meetings attended during the Financial Year (2017-18)	5/6	Not Applicable
Directorships of other Boards as on March 31, 2018	<ul style="list-style-type: none"> • Galaxy Emulsifiers Pvt. Ltd. • Galaxy Finsec Pvt. Ltd. • Osmania Traders Pvt. Ltd. • Galaxy Chemicals (Egypt) SAE • Galaxy Chemicals Inc. USA 	
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	None	None

MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING



Notes

[illegible]



GALAXY SURFACTANTS LIMITED

CIN: U39877MH1986PLC039877

Regd. Office: C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai – 400703, India,
Tel.: 022-2761 6666; Fax: 022-2761 5883; E-mail: investorservices@galaxysurfactants.com
website: www.galaxysurfactants.com

ATTENDANCE SLIP

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

DP ID and Client ID:
No. of Shares:

Folio No.:

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

I hereby record my presence at the Thirty Second Annual General Meeting of the Company on Thursday, August 09, 2018 at 3:00 p.m. at CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703.

Name of the attending Member/ Proxy

(To be signed at the time of handing over this slip)

Member's/ Proxy's Signature

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.

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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: E-mail Id:
Address:
Signature: Or failing him.....
2. Name: E-mail Id:
Address:
Signature: Or failing him.....
2. Name: E-mail Id:
Address:
Signature: Or failing him.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held on Thursday, August 09, 2018 at 3:00 p.m. at CIDCO Convention Center Auditorium, Swami Pranabandana Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703 and at any adjournment thereof in respect of such resolutions as are indicated below :-

Sr. No.	Resolutions	For	Against
1	Receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.		
2	Declare Dividend on Equity Shares for the financial year 2017-18.		
3	Appoint a Director in place of Mr. Sudhir Patil (DIN 00264933), who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appoint a Director in place of Mr. G. Ramakrishnan (DIN 00264760), who retires by rotation and being eligible, offers himself for re-appointment.		
5	Ratification of Remuneration of M/s. Nawal Barde Devdhe & Associates, as Cost Auditors of the Company.		
6	Appointment of Mr. Uday K. Kamat (DIN 00226886) as a Non-Executive Non-Independent Director		
7	Re-appointment of Mr. U. Shekhar (DIN 00265017) as Managing Director		
8	Re-appointment of Mr. Amit Ramakrishnan as "Technical Sales Executive and Systems Process Analyst" in TRI-K Industries Inc. USA from February 1, 2019		
9	Approval for payment of remuneration by wholly owned subsidiary TRI-K Industries, USA to Mr. Uday K. Kamat (DIN 00226886), Director of the Company for attending/ participating in its Board Meetings		
10	Payment of Commission to Non-Executive directors of the Company		
11	Appointment of Mr. G. Ramakrishnan (DIN 00264760) as a Strategic Advisor to the Company.		
12	Appointment of Mr. Uday K. Kamat (DIN 00226886) as a Strategic Advisor to the Company.		

Signature of Shareholder_____

Signature of Proxy_____

Signed this day of, 2018

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.





GALAXY SURFACTANTS LTD.

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

Ph: +91-22-2761 6666

Website: www.galaxysurfactants.com • Email: investorservices@galaxysurfactants.com



Galaxy Surfactants Limited
CIN: U39877MH1986PLC039877

Registered Office: C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703, Maharashtra, India
Tel: +91 22 3913 5500 / 2761 6666, Fax: +91 22 2761 5883/2761 5886
Email: investorservices@galaxysurfactants.com; Website: www.galaxysurfactants.com

**ADDENDUM
TO THE
NOTICE DATED 29TH MAY 2018 OF 32ND ANNUAL GENERAL MEETING OF THE COMPANY**

To,

The Members,

Galaxy Surfactants Limited ("the Company") had issued a notice dated 29th May, 2018 of the 32nd Annual General Meeting (AGM) to be held on Thursday, 9th August, 2018 at 3.00 p.m.(IST) at CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate- Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai- 400 703 ("Original Notice").

Whereas circumstances have arisen due to the sudden demise of Mr. Sudhir Patil, Non-Executive Director of the Company on 14th July, 2018 requiring certain modifications to the Original Notice, therefore, Members are hereby notified as follows:

Members should take note that the resolution at item no. 3 of the Original Notice (*To appoint a Director in place of Mr. Sudhir Patil (DIN 00264933), who retires by rotation and being eligible, offers himself for re-appointment*) having become infructuous stands withdrawn and is replaced with following item:

"3. To appoint a Director in place of Dr. Nirmal Koshti (DIN 07626499), who retires by rotation and being eligible, offers himself for reappointment".

The Original Notice shall be deemed to be amended to the extent as stated above and rest of the contents of the Original Notice shall remain unchanged.

This addendum shall be deemed to be part of the Original Notice.

By Order of the Board of Directors

Sd/-
Niranjan Ketkar
Company Secretary & Compliance Officer
M. No. A20002

Place: Navi Mumbai
Date: July 23, 2018