Galaxy Surfactants Ltd.

July 12, 2019

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**

Dear Sir/ Madam,

Subject: Submission of Annual Report for the Financial Year 2018-19.
Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Pursuant to the above mentioned regulation we are hereby enclosing Annual Report for the financial year 2018-19 together with the Notice of 33rd Annual General Meeting of the Company to be held on Tuesday, August 13, 2019 at 3:00 P.M. (IST) at the CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate- Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400 703.

This is for your information and records.

Yours faithfully,
For **Galaxy Surfactants Limited**

NIRANJAN ARUN KETKAR

Niranjan Ketkar
Company Secretary
M. No. A20002
Encl: As above

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Ground Floor, Unit no. 8, 12A and 14
Millennium Business Park, Mahape,
Navi Mumbai, 400 710
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Galaxy Surfactants Ltd.

33rd Annual Report 2018 - 2019

Global Supplier to Global Brands

Creating Value Through Innovation and Sustainability



We create value for business
by providing solutions...

Read Inside...

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Forward-Looking Statements

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make are forward-looking statements that set out anticipated performance/results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', '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.

Corporate Information

BOARD OF DIRECTORS

S. Ravindranath
Chairman, Non-Executive Independent Director

U. Shekhar
Managing Director

K. Ganesh Kamath
Executive Director (Finance) & CFO

K. Natarajan
Executive Director & COO

G. Ramakrishnan
Non-Executive Director

Dr. Nirmal Koshti
Non-Executive Director

Vaijanath Kulkarni
Non-Executive Director

Subodh Nadkarni
Non-Executive Independent Director

M. G. Parameswaran
Non-Executive Independent Director

Nandita Gurjar
Non-Executive Independent Director

Uday K. Kamat
Non-Executive Director

Shashikant Shanbhag
(w.e.f. 10th August 2018)
Additional Director

Sudhir Patil
(till 14th July 2018)
Non-Executive Director

BOARD COMMITTEES

AUDIT COMMITTEE
Subodh Nadkarni, Chairman
S. Ravindranath
M. G. Parameswaran
G. Ramakrishnan

NOMINATION AND REMUNERATION COMMITTEE
M. G. Parameswaran, Chairman
S. Ravindranath
Subodh Nadkarni
Nandita Gurjar

STAKEHOLDERS' RELATIONSHIP COMMITTEE
M. G. Parameswaran, Chairman
G. Ramakrishnan
K. Ganesh Kamath

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
U. Shekhar, Chairman
K. Ganesh Kamath
M. G. Parameswaran

COMPANY SECRETARY & COMPLIANCE OFFICER
Niranjan Ketkar

REGISTRAR & TRANSFER AGENT

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

REGISTERED OFFICE

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

ADDRESS OF CORRESPONDENCE

Rupa Solitaire, Ground Floor,
Unit No. 8, 12A and 14
Millenium Business Park,
Mahape, Navi Mumbai - 400 710,
Maharashtra
Phone: 022- 2761 6666 / 3306 3700
e-mail:
investorservices@galaxysurfactants.com

AUDITORS

Deloitte Haskins & Sells LLP

PLANTS

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

BANKERS

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

Creating Value through Innovation & Sustainability

The Solutions provided by us are used by our customers as differentiators in their product and derive a part of their total value. Consumers look at this uniqueness and buy and use that product. However, a lot has changed from the past on what constitutes 'value'. Most of the differentiation that ingredient companies were creating were part of the innovation process. There is a new dimension which has emerged and it is transforming the way value creation is moving on. And the transformation that many businesses are starting to commit to these days is also to add value from a sustainability perspective. The exciting thing is Innovation and Sustainability are synergized to create value.

We have entered an age where less is more, in personal care and especially in beauty care. Ironically, subtracting contributes more overall value than adding. Today's consumers make buying decisions based on what has been removed from a product, rather than what it contains. This behaviour can be seen across categories and is especially true for the beauty industry. There is no longer a focus on how to improve your skin by adding ingredients that are perceived to be trendy and beneficial. Now, consumers are focused on safer, better and more effective products with benefits derived from reduced chemical ingredients. They are eager to review these ingredient lists and its 'clean labels' with much shorter lists that are perceived to reflect greater quality or 'premium' products.

Remove it, reduce it and keep only what is essential. Moreover, communicate your differentiation. Let shoppers explicitly know what has been omitted. In order to appeal to today's conscious consumer, a brand has no choice. Thus, value creation is not only from economic value, rather treating sustainability as an issue with a direct impact on business. Our focus is not only for tech products, but clean-tech products, as the answer lies in eliminating the unnecessary.

Our innovation & sustainability policies are well-connected to emerging trends enabling us to win. We are sure that creating value this way will ensure our leadership as we simultaneously embark to capture hearts & minds of our customers & their consumers.



Taking Innovation with Sustainability to Newer Dimension

Our innovation focus is on Specialty chemicals to accelerate growth and in creating value. Our strategy is focused on capturing profitable growth with our customers and continuing to deliver on targets and beyond with our continuous operational excellence drive.

Specialty ingredients in home and personal care (our key focus portfolio) is a world-class business which involves global home and personal care brands. Our unique portfolio, commitment to continuous improvement and strong customer relationships have helped us achieve improved profitability and more importantly leadership positions in geographies. Given our strong presence in high growth markets, discipline in execution and strong culture focused on results, we are well-focused for future success. Our key customers are winning in growth markets and we aim to grow with them.

Our innovation funnel program is dynamic where new products are launched through the process and our existing products efficiencies are constantly analyzed. We are managing our margins to better adapt to changing raw material prices while analyzing our portfolio to fine-tune our products, customers and prices. Strong focus on commercializing our existing new product introduction pipeline, expanding our growing range of Prestige and masstige solutions, co-developing products with customers will play a key role in accelerating our growth. By maintaining our commitment to operational excellence, we build on these achievements which enables us to keep a strong track record in improving profitability. Details on few of the product innovations are detailed on the "New product innovation program" heading.

In our performance product portfolio, our innovation efforts are on the process innovation. We continuously conduct thorough analysis of our sites and production processes, plan and execute de-bottlenecking and free up resources to run our sites to their fullest potential. Embedding standardized processes, continuous improvement tools (TPM) and clear targets throughout organization help us to achieve operational excellence and business results.

Our focus on optimization always goes hand in hand with our unwavering commitment to safety of our employees and the communities in which we operate and our belief that innovation and sustainability are not only synchronized but is also simply the smartest way to do business.

We will work to maintain our leadership position in Health, Safety, and Environment in addition to the market leadership that we have in India and select geographies.



SUSTAINABILITY PRIORITIES

At Galaxy, Sustainability means aligning our strategy to meet business needs while minimizing environmental impact, and advancing social development.

We have embedded this approach in our Company at every level through various initiatives.

To identify our sustainable priorities, we began by evaluating the needs of our key shareholders and identifying the intersection of these needs with Galaxy Business Strategies. We select priority issues where both, the material needs expressed by stakeholder & Galaxy's potential to impact are the greatest. We employ our deep expertise to improve outcomes and monitor our progress to evolve our practices.

Our strategic sustainability framework

With the aim of making our sustainability initiatives impactful, we reviewed our Sustainability Policy during FY 2019, incorporating more specific implementation procedures. We remain committed to the promotion of a cleaner and safer environment that is aligned to our business strategy. Combining the power of science and technology with our innate passion to innovate, we are continuously advancing our sustainable development programmes by collaborating and working closely with all our stakeholders.

Integrating sustainability into value chain

Engaging continuously with our supply chain partners to improve operational efficiency and integrate sustainability considerations into value chain, we scaled strategic engagement with our suppliers on sustainability agenda during the year. Conscious efforts were taken to create sustainability awareness among local suppliers. We also conduct periodic site assessments, and regularly review the performance of non-financial indicators of our suppliers. Our manufacturing sites in India and Egypt are RSPO certified, reflecting our commitment to a sustainable palm oil supply chain.

Pursuing Sustainability Goals 2020

At Galaxy, we believe that our goals reflect our determination towards a more sustainable future. We thus remain focused on improving energy efficiency, increasing renewable energy consumption, reducing waste generation, minimising water consumption, and mitigating climate change.

The Sustainability Cell is a three-tier structure with Steering Committee at the apex comprising Board of Directors. Members of Sustainability Cell meet regularly to review performance on environmental and social indicators and are guided by sustainability policy. We have adopted Global Reporting Initiative – GRI Standards for reporting Company's performance on non-financial indicators. Last year, our 7th Sustainability Report was prepared in accordance with the GRI Standards: Core option.



Galaxy has extended its Sustainability Goals 2020 to its manufacturing site at Egypt.

Sustainability Goals - Group level

Energy & Climate Change	Waste	Water
We aim to reduce our energy consumption and emission impacting climate.	We aim to generate less waste.	We aim to reduce our water consumption.
Targets (By 2020-21)	**Targets (By 2020-21)**	**Targets (By 2020-21)**
• Reduce energy intensity by 50% at GSL vs 2011-12 and by 30% at GCE vs 2014-15 by improving energy efficiency. • Increase share of electricity from renewable energy sources by 10% at GSL with base year 2015-16. • Reduce GHG constituting of the scope 1 & 2 by 35% GSL vs by 25% at GCE vs 2014-15. • Introduce the afforestation programs as climate change mitigation measures and plant 25,000 trees at GSL.	• Reduce Packaging waste generation by 10% at GSL using process of reduction, recycling and reuse of raw material packaging waste with base year 2015-16. • Reduce waste generation by 15% at GCE with base year 2014-15.	• Reduce Water consumption per metric tonne of production by 80% at GSL with base year 2011-12 & by 50% at GCE with base year 2014-15.

Life Cycle Assessment
We aim to adopt Life Cycle approach to evaluate potential environmental impacts.
Targets (By 2020-21): Achieve environmentally sound management framework for products and complete Life Cycle Assessment of 40 products.

GSL - GALAXY SURFACTANTS LTD. (STANDALONE)
GCE - GALAXY CHEMICALS EGYPT S.A.E.

With the dedicated efforts of every member of the Galaxy team, we are well on way to achieving these goals. Significant progress has already been made in water and energy consumption reduction, along with increase in the use of renewable energy.

Minimising GHG to reduce carbon footprint

We are committed to contributing towards low carbon growth by measuring and tracking our energy consumption and greenhouse gas (GHG) emissions. We continue to work towards lowering our emissions through implementation of energy conservation projects. We regularly undergo CDP - Climate Change and Water assessment as part of our Supply Chain module in response to request from our key customers.

Galaxy Group CDP Score for 2018

Climate Change: Management Level, B



Galaxy Score: Management level, B
Chemicals Sector Average: Disclosure level, D
Regional Average: Disclosure level, D

Water: Management Level, B-



Galaxy Score: Management level, B-
Chemicals Sector Average: Awareness level, C
Regional Average: Awareness level, C

Scoring Pattern Legend:

Leadership (A/A-):
Implementing current best practices

Management (B/B-):
Taking coordinated action on climate change/ water issues

Awareness (C/C-):
Knowledge of impacts on, and of, climate change/ water issues

Disclosure (D/D-):
Transparent about climate change/water issues

F:
Failure to provide sufficient information to CDP to be evaluated for this purpose

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 Indian 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. In order to enhance safety awareness among employees & contractors, various trainings have been conducted. A total of over 16,600 hours of safety training has been imparted across all locations in India during the year under review.

Various initiatives have been introduced in this year including Mobile Policy, Safety Goggle Policy and 'Suraksha Sambandh' in order to enhance safety performance. We have rejuvenated Behaviour Based Safety programme through Project GPBS - Galaxy Parivaar Bane Surakshit in January 2019 with involvement and commitment from top and senior management. We have successfully taken up awareness sessions and BBS lead observer creation for sustained BBS implementation across all sites through formation of different committees. Jhagadia site has been successfully recertified for ISO 14001: 2015 & BS OHSAS 18001: 2007 and Taloja site has successfully renewed surveillance Audit for ISO 14001:2015 & BS OHSAS 18001: 2007.

All our manufacturing sites in India comply with the ZLD requirements and have received the necessary consents from the pollution control boards. We involve employees & contractors through different competitions like safety poster, slogan, fire drill, first aid, fire extinguishers across all locations during the National Safety Month in March.

We strictly comply with REACH registration for every substance exported to the European Union greater than or equal to 1 MT. All our 26 products sold in the region have received this registration.

Responsible Care

Responsible Care® is the chemical industry's unique global initiative that drives continuous improvement in health, safety and environmental (HSE) performance, together with open and transparent communication with stakeholders.

Since 2013, Galaxy Surfactants Ltd. has adopted the principles of Responsible Care® and received permission for using Responsible Care® Logo for a period of 3 years - January 2018 to December 2020 - for its manufacturing sites in India.

We believe that Product Stewardship means understanding and effectively reducing the risk related to safety, health and environment, throughout the life cycle of a product, and also enhancing value delivery to customers. The Company has undertaken a LCA (Life Cycle Assessment) study with cradle-to-gate approach for measuring the environmental impact of its products through their life cycle, using GaBi tool.



Message from the Managing Director



GALAXY WITH ITS EXISTING SPECIALTY CARE PRODUCTS viz. MILD SURFACTANTS, SUNSCREENS, NON-TOXIC PRESERVATIVES, SYNDET AND TRANSPARENT BATHING BARS IS WELL EQUIPPED TO CAPITALISE ON THE EMERGING TRENDS.

Dear Members,

It gives me immense pleasure to welcome you all to the 33rd Annual General Meeting of your Company – Galaxy Surfactants Ltd. According to leadership Guru Steven Denning, the life expectancy rate of Fortune 500 companies has reduced from around 75 years in the 1950s to less than 15 years now. As Galaxy enters its 40th year, we believe innovation, creative disruption, consistency, integrity and governance will be the key creators and drivers of value over the next decade.

This year's theme: Value Creation through Innovation & Sustainability, has been the bedrock of our existence. 'Innovation' means the process of translating an idea/invention into a good/service that creates value and satisfies the needs of the customers. Right from our inception, Innovation Research and Development of new products and technologies have been one of our key strengths. At Galaxy, Innovation has driven Transformation and Growth and enabled us to create value for our customers.

But what is value?

Value has many dimensions and one of them is convenience. Convenience that enriches the experience and enhances the standard of living of the end consumer, convenience that is sustainable, clean and environment-friendly and finally convenience that is customised and innovative.

Today, E-Commerce has not only ensured greater awareness among consumers but also enabled companies to easily forge one-on-one relationships with end consumers, thus giving them the scope to deliver tailor-made customised solutions thereby enriching the consumer experience. This is value, value for which consumers do not mind paying extra. But at the heart of this 'Value generation' lies Innovation.

Home and Personal Care Industry

Globally, the Home and Personal Care Industry is witnessing the following trends:

1. Premiumisation
2. Safety, 'Sulphate Free – Paraben Free'
3. Natural, Organic, Green & Ayurveda
4. Water-Efficient convenient Home Care Solutions
5. Sensory Feel

Consumers see significant value in milder, safer, greener and sustainably manufactured products.

This transformation has only been possible due to the innovative products launched by the Home and Personal Care companies in the last few years. Particularly in India, the emerging categories of Baby Care, Facial Care, Men's Grooming, Premium Fabric Care, Premium Home and Beauty Care have premiumised and re-energised this space.

While multinational companies continue to dominate the Home and Personal Care Industry, innovation has enabled the emergence of niche specialised players catering to the various sub-segments of the Home and Personal Care Industry. These new players, also known as micro-market players, are companies that have found a clear position in the Beauty and Personal Care industry and have been able to reach out to the nation as well as the world at large through the E-Commerce channels. With E-Commerce expected to double in the next 4 years globally, these companies stand to gain significantly.

Galaxy's Positioning: Capitalising on the Emerging Niche

Galaxy with its existing specialty care products viz. Mild Surfactants, Sunscreens, Non-Toxic Preservatives, Syndet and Transparent Bathing Bars is well equipped to capitalise on the emerging trends. While Mild Surfactants and Preservatives have grown from ₹ 20 Crores in 2009 to ₹ 350 Crores in 2019, major growth for these has come from the developed markets. When it comes to India, these are growing, though the demand is still in its infancy, thus offering your Company significant room for growth.

As premiumisation and growing awareness for milder, paraben free products picks up in the emerging markets going ahead, our existing portfolio of products shall drive growth for us.

Premium Fabric Care e.g. concentrated detergents have outperformed in the Home Care category globally. Galaxy with its premium performance surfactants has been able to capitalise and grow through this. As the migration from bar soaps and cheaper detergents to premium fabric care and liquid detergents gains traction, our premium performance surfactants shall also witness healthy growth.

Innovation has been the bedrock of our position and growth in the Home and Personal Care Ingredients industry. Creating and launching products in response to the market trends, offering customised solutions and technical support has been Galaxy's way of working and creating value for its customers since inception. Continuing this practice, Galaxy launched –

- GLI 21 – Our unique patented green mild amino acid based surfactant (mildest of all) which shall find application in the Baby Care, Facial Care, Premium Beauty Care and Men's Grooming categories
- Galguard Trident and NT – Our range of Paraben, Chlorine & Formaldehyde Free Non Toxic Preservatives
- LLDC – Eco-friendly liquid laundry detergent formulation for the Home Care segment

Galaxy today is working very closely with multiple start-ups, e-commerce players and home and personal care companies catering to the emerging categories of baby care, face care, men's grooming and premium home and personal care segments. The efforts expended today shall bear fruits in the coming 2-3 years.

Business Performance: 2018-19

Galaxy's Robust Business Model is based on the following strategies:

1. Mutually complimentary two-pronged strategy to drive growth in both the product segments – Performance Surfactants and Specialty Care Products
2. Continue to focus on R&D and Product Innovation as part of our 'Consumer to Chemistry' approach
3. Increase wallet share with existing customers and continued focus on expanding our customer base
4. Mutually complimentary two-pronged strategy to drive growth in both the emerging and mature markets
5. Continue improving our Financial Performance through focus on operational efficiencies and functional excellence

The Home and Personal Care Industry is a stable growing industry that offers significant opportunities for your Company in various markets – developed, evolving as well as the emerging markets. Galaxy is present in all these markets and it is this across the globe presence that has enabled your Company to register a healthy volume growth despite the sudden slowdown in its home market, Egypt, on account of down trading as well as overall decline in end user demand.

Your Company logged in an 8.8% (adjusted volume) Y-O-Y volume growth with the Specialty Care segment logging in a healthy 18.8% growth. Work done over the last three years along with a diverse customer base across geographies enabled us to outperform the industry.

India logged in a healthy 12.1% volume growth, with H-2 being comparatively slower. This was well ahead of the market growth rate of 7-9%. While we remain optimistic about the India Consumption Story, temporary slowdown in consumption shall impact 1-2 Quarters going ahead. Monsoons shall play a critical role in India's growth story.

Rest of World driven by Specialty Care Products was an outperformer clocking 29.2% growth. While the growth percentage is expected to taper off due to the base effect, we see these volumes growing sustainably as per the historical trends going ahead.

Broad slowdown exhibited by the Africa, Middle East and Turkey markets which recorded a decline of 4.7% in volume terms (Y-O-Y) on the back of a broad slowdown in Egypt. Demand in Egypt saw a significant decline on the back of slowing local demand and down trading by customers. Egypt for the year under review has recorded a decline of 30.6% in volume terms (Y-O-Y). While Egypt reported a decline, the other markets barring Egypt grew 17.4% in volume terms despite the overall AMET market growing in the 1-2% zone as far as performance surfactants are concerned.

To summarise, Galaxy registered growth on all counts:

- Volume Growth of 8.8%*
- EBITDA Growth of 20.2%
- PAT Growth of 20.9%
- ROCE of 26.8%
- EBITDA/MT of ₹ 16,676 (improvement of 10.5% over previous year)
- Cash Flow from Operations of ₹ 283 Crores

* adjusted volume

We incurred a CAPEX of ₹ 169 Crores in 2018-19 primarily for our performance surfactants and debottlenecking for some of our products. This shall yield an additional capacity of 50,000 MT going ahead from Q-1 FY 2019-20.

Sustainability: The Way of Life

The recent developments in China have disrupted supplies globally, thus opening up opportunities for countries like India, underscoring the importance of commitment to environment and regulatory compliance. 100% compliance and commitment to environment, safety and health standards is the way forward for sustainable growth. The cost of non-compliance is significantly high due to the losses that occur due to supply chain disruption and damage to one's brand equity. Customers, therefore, prefer partnering with companies that are compliant with all the environment, regulatory and safety standards. This shall not only ensure uninterrupted supplies for them; but shall also ensure sustainable growth and development.

Your Company is committed to promote a cleaner and safer environment which is aligned to our business strategy. Combining power of science and technology with passion to innovate, the Company aims to advance sustainable development by collaborating with its stakeholders. At Galaxy, we aim to create a positive impact through our sustainability initiatives. Your Company focuses on improving energy efficiency, increasing renewable energy consumption, reducing waste generation, reducing water consumption, climate change mitigation projects and life cycle assessment.

Your Company continuously engages with its supply chain partners to improve operational efficiency and integrate sustainability considerations into the value chain. The focus in this year was to increase the strategic engagement with our global suppliers on sustainability agenda and develop sustainability awareness among the local suppliers. Your Company conducts periodical site assessment as well as reviews the performance of non-financial indicators of its suppliers. Your Company has initiated interaction with its suppliers for mutual value creation on the sustainability front. Our manufacturing sites in India and Egypt are RSPO certified, which reflects your Company's commitment to a sustainable palm oil supply chain.

People: Our Assets

Galaxy is committed towards building talent and a high performance learning culture where our employees feel creative, challenged and rewarded, and have comprehensive opportunities to demonstrate their skills and abilities. The Core Culture (Motto, Mission, Vision, 4 Cs and Values) along with the Identified 6 Leadership Pillars, known as the Galaxy Way of Leading is one of our key levers for creating an engaging environment for our Employees. In line with our People Strategy, we launched the Career Development Plan (CDP), which is part of Galaxy's commitment to recognize, coach and invest in our employees' current and future developmental needs. CDPs are a key component of Leadership and Talent Building Program, which is devoted towards improving the organizational and individual performance.

CUSTOMERS, PREFER PARTNERING WITH COMPANIES THAT ARE COMPLIANT WITH ALL THE ENVIRONMENT, REGULATORY AND SAFETY STANDARDS. THIS SHALL NOT ONLY ENSURE UNINTERRUPTED SUPPLIES FOR THEM; BUT SHALL ALSO ENSURE SUSTAINABLE GROWTH AND DEVELOPMENT.

Corporate Social Responsibility

Significant work was done by your Company in the areas of Health-Hygiene, Education, Women Empowerment and Community Development in 2018-19:

- Building check dams for water conservation and improving the accessibility of water
- Providing infrastructural help in order to make pure drinking water accessible
- Construction of community household toilets
- Provision of E-learning kits, career assistance for under-privileged students
- Providing financial support for Divyang people, and
- Awareness about menstrual hygiene among girls and women, income generation through vocational training and distribution of sewing machines were some of the major initiatives undertaken by your Company in this year

Awards and Recognitions

Your Company won many awards in 2018-19, primarily for its path-breaking innovations and winning partnerships we share with our customers. To name a few:

1. **Award:** ICIS Innovation Award 2018 in the Best Process Innovation Category
   a. **For:** Green Process for the manufacture of Amino Acid Surfactants

2. **Award:** Innovation Award – Silver at HPCI Mumbai 2019
   a. **For:** Galguard NT

3. **Award:** Outstanding Contribution to "Partner to Win" by Unilever, ACI 2019

The Competitive Edge

Finally to Conclude: What gives us the edge. Galaxy is the only company that is wholly and solely focussed on catering to the Home and Personal Care Industry. The dedicated and relentless commitment demonstrated by your Company over decades, has enabled it to become the 'mind partner' to some of the leading global multinational customers as well as the regional and local giants:

- Customers prefer a one one-stop for every requirement – be it in terms of products for multiple categories, in terms of innovation or be it in terms of technical and formulation expertise and support – Galaxy offers everything. Our wide product basket and ability to develop products in response to the emerging trends gives us the edge.

GALAXY IS COMMITTED TOWARDS BUILDING TALENT AND A HIGH PERFORMANCE LEARNING CULTURE WHERE OUR EMPLOYEES FEEL CREATIVE, CHALLENGED AND REWARDED, AND HAVE COMPREHENSIVE OPPORTUNITIES TO DEMONSTRATE THEIR SKILLS AND ABILITIES.

- Our 1,750+ customer base is not only spread across the globe but also spread across various customer categories. MNC's make up for 42% of the global home and personal care share, we are present across the globe with them. We have the regional leaders as well as the local emerging niche players – a diverse customer base has enabled scalability and consistency when it comes to growth for us.

- Sustainability forms the bedrock for us be it in sourcing, manufacturing or developing environment-friendly products. Our practices and core beliefs engulf sustainability in our working. In recent times, given what is happening globally, customers are attaching significant weightage to this aspect.

- Finally, it's all about having the right product – be it performance or specialty. Creating the right product and solution for customers and partnering with them in their growth journey is – The formula for our sustainable growth.

With the right products, committed and competent people, expertise and deep knowledge of the Home and Personal Care Industry – We, at Galaxy, are confident about enhancing our stakeholders' value sustainably and consistently.

Thank you,

Yours sincerely,

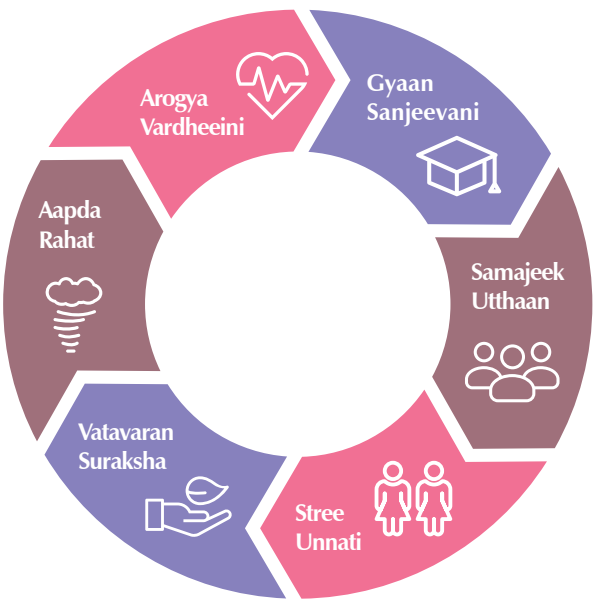
U. Shekhar
Managing Director

Delivering Value to Communities

The Galaxy value matrix extends beyond its internal stakeholders and customers to the communities around which we work. As a good corporate citizen, we have committed ourselves to a sustainable growth strategy that blends profitability with social development. Our Corporate Social Responsibility (CSR) framework is built on the mantra of good for all in the communities surrounding our manufacturing facilities, which are directly exposed to the impact of our business operations.

Our key CSR Projects

Our CSR charter is aligned to a set of key projects, which we have identified and adopted as the beacon to guide our community engagement initiatives and programmes.



Towards Disease-free communities (Arogya Vardheeini)
'Arogya Vardheeini', our health, hygiene and preventive healthcare initiative, is centered on providing primary healthcare among the communities, through diagnosis and treatment. Awareness programmes, health camps and dialysis centres, infrastructural support for making pure drinking water accessible to the target population are highlights of the programme. Sanitation is another focus area, and we construct toilets for girls and boys in schools, besides providing financial support for construction of community household toilets.

Enabling education & skill development (Gyaan Sanjeevani)
Aptly called 'Gyaan Sanjeevani' (knowledge panacea), our Education programme involves provision of e-learning facilities, infrastructure improvements, funding of stationery and books for libraries, besides scholarships and other assistance to enhance the career prospects of the underprivileged students in schools. We are also engaged in enhancing vocational skills for differently abled by providing financial support to organisation working for Divyang people and specially-challenged children, in the form of school bus facility, special benches & tables, food supply, as well as sports equipment for institutes.

Powering community growth (Samajeek Utthaan)
Cognizant of the importance of Community Development (Samajeek Utthaan), we are working towards rural development and reduction in the inequalities faced by socially and economically backward groups. To this end, we provide infrastructure support to poor students' hostels and old-age homes, as well homes for orphans, destitute and runaway children.

During FY 2019, the Company spent ₹ 3.02 Crores in promoting its CSR interventions and initiatives, to impact more than 2 Lac lives as possible in the most productive manner.

Other initiatives in this regard include rainwater harvesting, construction of water percolation ponds, setting up public libraries, promoting sports through community connect mahotsav, providing hand washing stations & bore-wells, and cement chairs at public places in villages. We also facilitate livelihood and income generation opportunities for the communities, cultural activities for jail inmates and residents of old-age homes.

Empowering women (Stree Unnati)

'Stree Unnati' is aimed at empowerment of women through education and development of the girl child and women. Initiatives include creating awareness about menstrual hygiene, income generation through vocational training and distribution of sewing machines for girls and women. Knowledge about relevant statutes, self-defence training, celebration of International Women's Day with destitute and trafficked girls and women, and providing food to the poor destitute women are other initiatives under this umbrella.

Protecting the environment (Vatavaran Suraksha)

Under our Vatavaran Suraksha programme, we ensure environmental protection and maintenance of ecological balance through tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting, solid waste reduction & proper disposal by segregation & composting. We also promote solar and other non-conventional energy projects, as well as reverse rainwater harvesting.

Providing calamity relief (Aapda Rahat)

To support the victims of natural calamities, we have launched an Aapda Rahat programme, wherein we contribute to the PM's Relief Fund or NGOs, while also directly providing relief material to people of calamity-affected areas, contributed by our employees.



Providing calamity relief



Towards disease-free communities



Powering community growth

Consolidated Financial Performance

5-year track record

(₹ Crores)

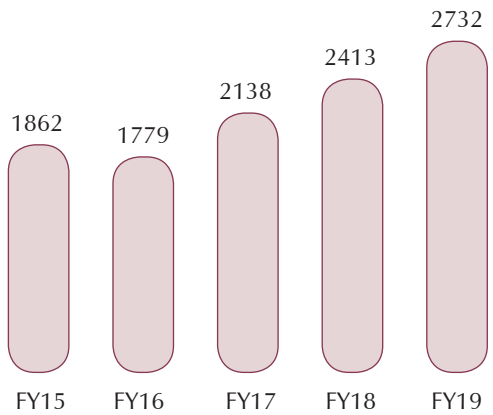
Particulars	FY19*	FY18*	FY17*	FY16	FY15
Profit & Loss Account					
Sales (Net of excise duty)	2732	2413	2138	1779	1862
Other Income	36	31	34	28	13
EBITDA	358	298	282	238	192
EBIT	307	249	235	193	147
Interest	30	31	27	31	34
Profit Before Taxation	277	219	207	161	113
Profit After Taxation	191	158	148	101	68
Basic Earnings Per Share of ₹ 10 (₹)	53.87	44.57	41.64	28.52	19.18
Dividend Per Share of ₹ 10 (₹)	8.00	7.00	6.00	6.00	4.00
Balance Sheet					
Fixed Assets	601	472	466	487	466
Investments	-	0.07	0.11	0.03	0.03
Net Current Assets	602	621	524	386	369
Total^	**1203**	**1092**	**991**	**873**	**835**
Equity Capital	35	35	35	35	35
Reserves & Surplus	841	683	539	406	325
Loan Funds	299	349	395	413	456
Deferred Tax Liability	27	24	21	19	19
Total^	**1203**	**1092**	**991**	**873**	**835**
PAT / Sales (net of excise duty) (%)	7.0	6.6	6.9	5.7	3.7
Return on Capital Employed (%)	26.8	23.9	25.2	22.6	18.6
Return on Net Worth (%)	23.9	24.4	28.8	25.2	20.4
Net Current Assets to Sales (%)	22.0	25.7	24.5	21.7	19.8
Cash Generated from Operating Activities	283	145	111	170	41

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

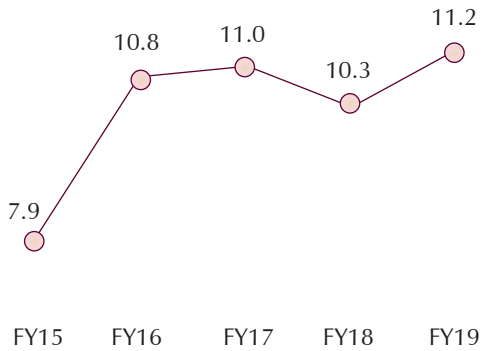
^Figures rounded off to ₹ Crores

Performance Trends (Consolidated)

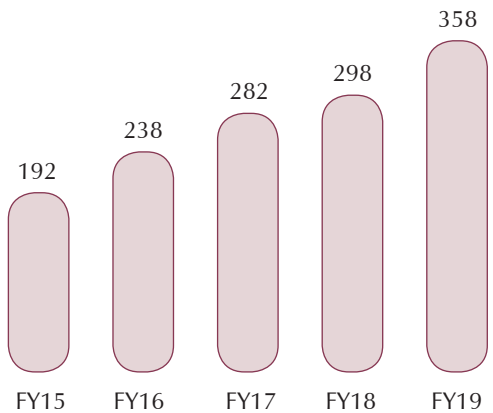
Sales (₹ Crores)



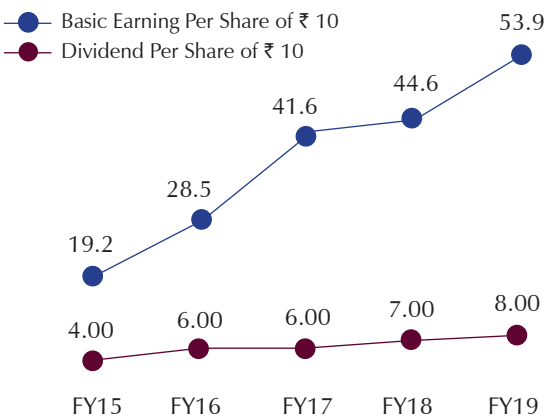
EBIT as % of Sales



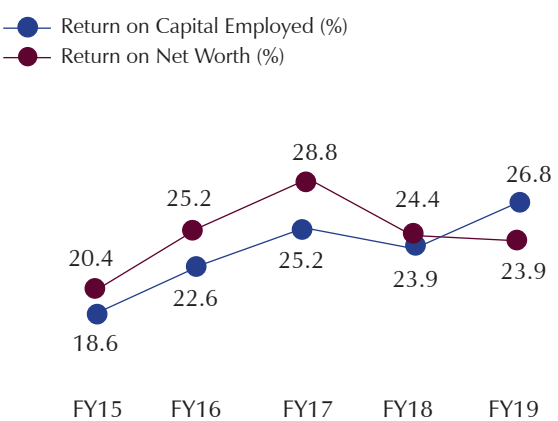
EBITDA (₹ Crores)



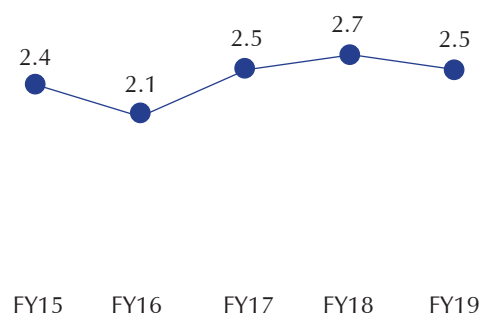
Basic Earning & Dividend Per Share (₹)



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



Gross Fixed Assets Turnover (No. of times)



A Sustainable Organization

Rooted in the ethos of sustainable growth, and driven by innovation, Galaxy Surfactants Ltd. is a leading manufacturer of Performance Surfactants and Specialty Care products, with over 200 product grades catering to a wide base of customers, globally.

A truly Indian MNC in operation since 1986, Galaxy leverages its 'Consumer to Chemistry' value proposition to address the Ingredient requirement of Home and Personal Care (HPC) industry, with its products finding applications across Mass, Mass-tige & Prestige range of customers. The distinctive portfolio of Galaxy's offerings is used in consumer-centric Home and Personal Care products like hair care, oral care, skin care, cosmetics, soap, shampoo, lotion, detergent, cleaning products etc.

A preferred supplier to leading multinational, regional and local FMCG brands, the Company has a vertically integrated business model, which steers its growth at the back of strong R&D capabilities, technical expertise, manufacturing excellence and excellent quality credentials. Its stringent adherence to the highest standards of corporate governance and transparency has lent Galaxy a global reputation, which makes it an industry leader across segments and categories.

Galaxy is listed on the Indian stock exchanges since February 2018.

Innovative product portfolio

With proven credentials in R&D, backed by breakthrough processes, Galaxy has developed an exceptional portfolio of unique products – spanning Performance Surfactants and Speciality Care – enabling its strong leadership position in the markets of its presence.

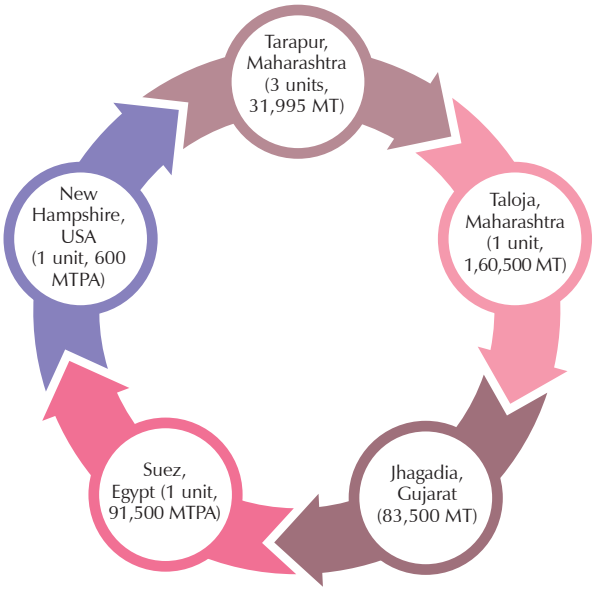
PERFORMANCE SURFACTANTS	SPECIALITY CARE PRODUCTS
Substantive Raw Material in Customer's End-Products (45 products) (63% of revenue)	**Unique Functionality to Customer's End-Products** (155+ products) (37% of revenue)
Products are functional in nature where end-consumer requires foaming & cleansing Major Consumption in rinse off formulations Form the basic ingredients of Home and Personal Care Formulations, demand for which is fairly visible and stable	Niche & Premium products Low volume consumption Oligopolistic for most products Low penetration due to their unique application

Manufacturing prowess

Galaxy's manufacturing excellence is powered by seven strategically located manufacturing facilities – five in India and one each in Egypt and US. In-house project execution capabilities, with state-of-the-art equipment and processes, ensure excellence in the manufacture of quality products to service a growing base of clientele.

Our Jhagadia and Suez plants also have environmental clearance and additional land for expansion, thus equipping us to leverage on the emerging opportunities for growth in the future.

Recently, the Company enhanced its performance surfactants capacity by 50,000 MT at its Jhagadia facility which will be operational from Q-1 FY 2019-20.



1,400+
Employees across all our facilities

Growing global footprint

Led by a robust network of sales and representative officers, we have developed a strong presence in both the developed and emerging markets of India, Africa Middle East Turkey (AMET), Asia Pacific (APAC), Americas (North and South) and Europe. It is our endeavour to grow our global footprint strategically, focusing on the most opportunity-driven markets across the world.



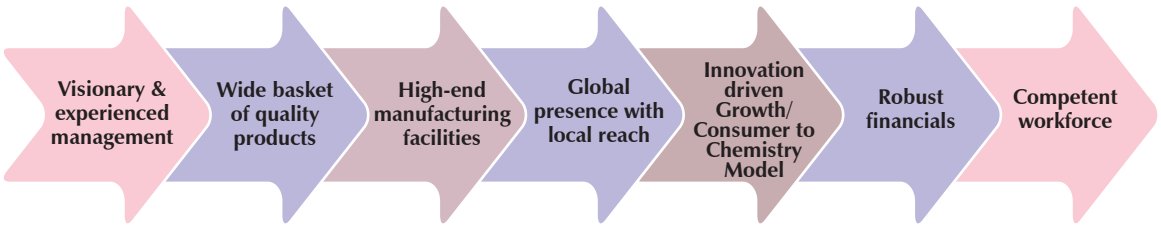
1,750+
Clients

75+
Countries

Map not to scale. For illustrative purpose only

Our defining strengths

Strengths & Competencies acquired over the years have been the key drivers of our growth, enabling consistent growth for the company and value delivery for our stakeholders, year after year.



How we are Driving Sustainable & Sustained Growth

OPERATIONAL HIGHLIGHTS

155+
Specialty Care product grades
Specialty Care Products – 37%
(Including mild surfactants, Syndet soaps, Transparent bathing bars, amphoteric surfactants, cationic surfactants, UV filters, preservatives, preservative blends and surfactant blends)

45
Performance Surfactant product grades
Performance Surfactants – 63%
(Including anionic and non-ionic surfactants)

60
Patents earned globally since 2000

26
Patent applications globally currently pending

PLANT-WISE CAPACITY

1,60,500 MTPA
Taloja (Maharashtra) plant capacity –1 unit

83,500 MTPA
Jhagadia (Gujarat) plant capacity

31,995 MTPA
Capacity of Tarapur (Maharashtra) – 3 units + 1 pilot unit

91,500 MTPA
Suez (Egypt) plant capacity

600 MTPA
New Hampshire (USA) plant capacity

FINANCIAL HIGHLIGHTS

₹ 2,763 Crores
Total Revenue
Volume Growth – 8.8%*
* adjusted volume

20.9%
PAT Growth

₹ 283 Crores
Cash Flow from Operations

26.8%
ROCE



Regional Mix

Regional Volumes Growth Rate

+12.1%
India

-4.7%
AMET

+29.2%
ROW

Board of Directors



S Ravindranath
Chairman & Non-Executive Independent Director

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



U Shekhar
Promoter & Managing Director

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



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

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



K Natarajan
Executive Director & Chief Operating Officer

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



G Ramakrishnan
Promoter, Non-Executive Director

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



Nirmal Koshti
Non-Executive Director

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



Vaijanath Kulkarni
Non-Executive Director

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



Subodh Nadkarni
Non-Executive Independent Director

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



M G Parameswaran
Non-Executive Independent Director

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



Nandita Gurjar
Non-Executive Independent Director

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



Uday K Kamat
Non-Executive Director

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



Shashikant Shanbhag
Promoter & Additional Director

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

Awards and Recognitions

Our focused strategy on driving value through innovation and sustainability continued to find validation in the various awards and recognitions we received during FY 2019.



Innovation Award – Silver at HPCI 2019, Mumbai, for Galguard NT





Innovation Award – Gold at HPCI 2018, Mumbai, for Galsoft GLI 21

Awards from External Bodies:

11 teams were felicitated under GOLD category and 10 teams were felicitated by SILVER trophy in Quality Circle

Jhagadia Plant has won the SILVER Medal as a result of their participation in the National Awards for Manufacturing Competitiveness 2017-18

Galaxy Surfactants Ltd. is selected amongst 75 for "IP Excellence in INDIA 2018" by Questel Orbit, also received recognition "IP Gems of INDIA 2018"

ICIS Innovation Award 2018 in the Best Process Innovation category for our "Green Process for the manufacture of Amino Acid Surfactants"

Award Won in 2018-19

Awards given by Customer:

"Outstanding Contribution to PARTNER TO WIN" by Unilever during ACI-2019 Conference

"Emerging Business Partner - 2018" award by Abbott


Galaxy
Global Supplier to Global Brands
Galsoft® TiLS (G)
A unique, green, oil-soluble surfactant
Innovation and Sustainability synergized
to create value
Elevating Personal Care Science
Oil-Soluble Surfactant
Galsoft® TiLS (G)
Free of toxins
Naturals>80%
Green Process
Eco-Friendly

Incosmetics Paris 2019





HPCI, Mumbai 2019





Incosmetics Asia 2018



Cosmotech Delhi 2018



STATUTORY REPORTS

Management Discussion and Analysis

GLOBAL ECONOMIC OUTLOOK

In the first half of 2018, advanced economies lost some momentum. Growth in world trade and industrial production declined; and some high-frequency indicators moderated. Core inflation remained well below objectives in the euro area and Japan; but close to target in the UK and the US. Across the emerging markets, activity continued to improve gradually in energy exporters; but softened in some importers. Inflation had generally increased in emerging markets, in part reflecting the pass-through of currency depreciations.

Global activity slowed down further in the second half of 2018, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the US. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signalled a more accommodative monetary policy stance and markets became more optimistic about a US–China trade deal, but they remain slightly more restrictive than in the fall.
(Source: WEO, IMF Oct 2018, April 2019)

INDIAN ECONOMY

The Indian Economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

The main driver for growth in India is consumption. As per the minutes of the latest RBI Monetary Policy Committee Meeting held in April, since February there are some signs of domestic investment activity weakening as reflected via the slowdown in production and imports of capital goods. Domestic economic activity decelerated for the third consecutive quarter in Q-3 2018-19 due to a slowdown in consumption, both public and private. This has continued in the fourth quarter as well.

Consumption in the fourth quarter was sputtered across a range of products including cars, two-wheelers, air travel and fast-moving consumer goods (FMCG), with volumes dropping to multi-quarter lows. The decline in demand stemmed from an income growth slump in urban and rural areas that's forced people to curb spending, reducing money supply in the economy and raising uncertainty over how customers will respond to regulatory action. Consumer price inflation is expected to touch 3.3% in second half of 2019 from 2.9% in March. A poor monsoon (due to the El-Nino) can only exacerbate the situation. Therefore, it is critical the new government, once in place, undertakes reforms which shall give a fillip to consumption through public spending in rural areas and an increase in disposable incomes of households. Robust government spending should support growth, as should looser monetary policy and greater political certainty following the elections.

GLOBAL HOME CARE MARKET

The Global Home Care market is USD 150 Billion Market today.

Home Care began to return to its more familiar "consistent performer" status in 2018 with just 10 of the leading 80 markets seeing sales contract, less than half the number of the year earlier. Growth in China, as well as a rebound in the US market helped drive growth. In terms of category growth, laundry care made up over 50% of value sales growth driven by a combination of premiumisation and income growth. **Laundry Care remains a unique proposition in the consumption space, prima facie due to the whole range of laundry solutions the category offers across all income groups globally.**

Surface Care and dishwashing together accounted for 25% of the global value growth in 2018, illustrating how reliant the industry is on its three leading categories. These are the categories your Company mainly caters to.

Sustainability – solutions that require lesser water, time and are safe as well as efficient are the latest trends shaping this industry today.

GLOBAL PERSONAL CARE MARKET

The Global Personal Care market is USD 350 Billion Market today.

Skin Care remains the largest and one of the fastest growing categories driven by innovation, personalisation, premiumisation and habit persistence.

The Personal Care Market over the past few years has undergone a significant transformation driven by increasing consumer awareness. Natural preservative free products, customised solutions, preference towards sustainable/green milder products that are biodegradable and responsibly sourced are expected to be the most influential trends that shall impact this industry going ahead.

Hair Care, the second biggest category in this segment is also witnessing a major shift. Shift towards natural ingredients based products, products with additional features such as scalp care, anti-pollution, nourishment etc. and finally products made from milder surfactants and preservatives.

INDUSTRY TRENDS

PERSONAL CARE SEGMENT

1. **'Clean Living'** - Responsible consumption is the order of the day. This is evident in the quest for cleaner formulations, sustainable sourcing, animal welfare, water-efficient solutions and reusable packaging.

2. **Premiumisation** - As consumers' emphasis is shifting from possessions to experiences, the scope to premiumise widens. Premium Beauty and Personal Care entails much more than product efficacy, price tag and status. A brand-consumer relationship is no longer transactional. Consumers expect genuine and emotional connections. The dynamic premium segment is driving inevitable premiumisation among mass brands. Premiumisation in beauty interweaves attributes from all other megatrends, which allows for different levels of reinvention at all price tiers. The scope for the "masstige" segment widens as perceptions of luxury are transformed through a new lens of consumer values and priorities.

3. **E-Commerce and Digital Platforms** - The evolution of technology and digital connectivity is causing fundamental shifts in attitudes and shopping preferences. Data is now considered one of the most important commodities. An explosion of consumer data has enabled companies to more easily forge one-on-one relationships with end-consumers, by offering tailored experiences and recommendations, with the beauty industry being no exception.

4. **Sustainable Manufacturing** – Multinational companies are laying much more emphasis today on safe, environment friendly, responsibly sourced, zero-waste and zero-discharge based manufacturing.

5. **Personalisation** – In this fast paced world, quick efficient time bound solutions which are easily procurable as well as provide the requisite solutions are the norm of the day. In an era where stress is an everyday phenomenon, selling a stress-free solution captures consumer attention. Self-love, self-actualisation and self-satisfaction are leading the conversations. This has led to abundant smaller versions of products in order to make the consumer select what's best for them. This has led to large amount of personalisation in all the categories – Skin Care, Hair Care, Sun Care, Cosmetics as well as Oral Care.

6. **Innovation & Feature based Products** – Apart from the rising trend of natural/green milder, preservative free products, feature based products are gaining traction. Example – Hair Care which only had benefits of cleaning and conditioning, today has variants of products which carry the claims of scalp care, nourishment, moisturisation, anti-pollution etc. Consumers today are willing to pay higher for natural and milder formulations.

HOME CARE

1. **Trend Migration** – Laundry Care as highlighted has products to cater to all income groups. As disposable incomes rise, the trend migration from manual washing using bar soaps, bleach to machine washing using powder detergents, liquid detergents to finally premium washing comprising of fine fabric detergents, tablets and scent boosters is clearly visible. Premium washing slowly is picking up in the developed world given that consumers today are looking for convenience as well as efficacy.

2. **Sustainable Formulations** - The threat of Day Zero in Cape Town (the day the taps would run dry) has led to companies developing a range of liquid free home care products catering to the laundry, toilet cleaning and surface cleaning segments. Multinational companies are now working on formulations which deliver the required performance under all circumstances (hot and cold) to bring down the energy consumption in laundry.

3. **Online Migration** - 15% of the total laundry sales that happened in China in 2018 was through the internet. Growing internet connectivity, e-commerce platforms, usage of voice-based platforms, emergence of private labels shall not only help improve the reach of the home care products but shall also lead to greater consumer awareness – greater demand for all categories of products – mass/masstige/prestige.

4. **Health and Hygiene** – Hygiene will remain a major driver of home care trends. The end of poverty and the promotion of sanitation are the two pillars of the UN's Millennium Development Goals. Efforts to improve sanitation in emerging markets shall drive growth for the toilet cleaning segment. In the developed markets, premiumisation shall drive growth for this category via laundry sanitisers, detergent tablets, home care wipes etc. Surface Care – which ensures hygiene around the home/work stations/ hospitals is projected to be one of the fastest growing categories in this segment.

PERFORMANCE SURFACTANTS INDUSTRY INSIGHTS

The global demand for primary surfactants [Linear Alkyl Benzene Sulphonic Acid (LABSA), Alkyl Sulphate (AS), Alkyl Ether Sulphate (AES), Alkyl Ethoxylates (AE) & Alkyl Phenol Ethoxylates (APE)] grew 2.1% in volume terms from 2017 till 2018 from 10.0 Million MT to 10.2 Million MT. LABSA makes up for 46%, AES 25%, AE 19% and AS 6% of the total demand.

AES grew the fastest at 3.1% [Y-O-Y]. The demand was prime facie driven by increasing use in the personal care products.

LABSA demand grew at 1.5%, lower than the average growth rate primarily due to declining economic conditions in the developing markets, lower prices and a greater availability of oleo based surfactants.

AS, which finds application in toothpaste and powder detergents grew at 2.3%.

Region wise: Performance Surfactants Growth Rate

Region	AES	AS	LABS	Total
North America	1.8%	2.8%	2.0%	**2.1%**
South America	1.8%	0.1%	0.7%	**0.8%**
Europe (Central & West)	1.7%	3.4%	0.3%	**1.2%**
Asia Pacific	4.3%	2.0%	2.0%	**2.7%**
East Europe & AMET	3.6%	1.9%	0.9%	**1.4%**

Source: Surfactant Developments CAHA, Dec 2018

HOME AND PERSONAL CARE IN INDIA

India's Home and Personal Care market registered double digit growth in the first three quarters of 2018-19. The last quarter on the back of a slowing rural economy (due to the agrarian stress) has been relatively slower with companies registering growth in the range of 4-7%.

India is home to two completely diverse markets, the rural and the urban. The rural market is being targeted with market penetration strategies in order to incorporate the home care products into their routines. FMCG giants have been coming up with smaller flexible packaging in order to make products affordable and push them into the shopping baskets of the rural consumer.

The trend of natural products was also seen in the Home Care segment with herbal variants being launched across a range of products (floor cleaners and dishwashing).

Premiumisation is catching up in the urban markets with customers shifting to more premium brands such as premium powder detergents, liquid detergents and dishwashing products in the home care segment and premium skin care and hair care products in the personal care segment. Products with better sensory effects are perceived as more premium, therefore a larger focus on fragrances and mildness of the product towards the users' skin can be observed in the urban markets.

In Oral Care, the trend for natural and herbal toothpaste remains in full force and seems to be benefitting all companies who have proactively introduced natural variants. The wave that a regional player has brought, has seemingly transformed the market and has forced long-term market leaders to make portfolio changes to retain their positions.

The double digit growth numbers in segments like skin care, hair care and colour cosmetics are a clear indication of the increasing consumer consciousness with respect to appearance. Premium brands are growing quickly as consumers wish to take charge of their own health. The mind-set to look and feel better using safe environment friendly products has created significant opportunity for actives based and premium mild surfactant based range of products (face wash/hair care/baby care/skin care).

Also, this consciousness is not gender specific anymore as every major FMCG company today has a men's grooming portfolio to cater to this newly found market with multiple investments being made in order to capitalise on this huge opportunity.

EMERGING CATEGORIES IN INDIA

Baby Care, Facial Care (face washes/masks), Sun Care, Colour Cosmetics, Men's grooming and Premium beauty and personal care products are the emerging categories in India today. These categories are expected to register an average CAGR of 12-13% in the next 3 years and are expected to make up for 40% (approx.) of India's beauty and personal care market by 2022.

Your Company via its wide array of Specialty Care product offerings such as Mild Surfactants, UV Filters, Non-Toxic Preservatives, Syndet and TBB (transparent bathing bars) has positioned itself to address these emerging segments. Innovation at your Company is driven by aforementioned trends and emerging categories.

INNOVATION AT GALAXY: TRENDS AT WORK

TREND: ADOPTION OF SULPHATE FREE MILDER SURFACTANTS & SUSTAINABLE ENVIRONMENT FRIENDLY PRODUCTS IN THE END FORMULATION



GLI 21

Leveraging on our Green Process employed for manufacturing the amino acid based surfactants, Galaxy has now extended this expertise to develop a unique green mild amino acid based surfactant system "Galsoft GLI 21".

Galsoft GLI 21 is a modern, ultra-mild sulfate-free cleanser that exploits the synergy of two of the mildest surfactants. Unlike conventional soap and sulphate based surfactants, Galsoft GLI 21 cleanses skin and hair without damaging them. It is a combination of mildest amino acid surfactant, Disodium Cocoyl Glutamate, and the mild moisturizing surfactant, Sodium Cocoyl Isethionate. This is based on Galaxy's patented Clean and Green Amino Acid Surfactant Technology.

Galsoft GLI 21 is manufactured by Galaxy's patented green process. It meets all the performance attributes of a mild cleanser e.g. superlative lather, gentle cleansing at skin's biological pH.

The product not only delivers a good performance but is devoid of any toxic trace level impurities and is user-friendly. GLI-21 is cold-processable, in a solid form that doesn't dust and has a very long shelf-life. Its major raw material is derived from renewable source (vegetable oils that are produced responsibly) and is readily biodegradable. It is these features that make it a completely green and sustainable offering for personal cleaning. The raw materials used are sourced from sustainable sources (RSPO Certified Palm Oil), and is manufactured using a globally recognized and patented green process, thereby having an RCI (Renewable Carbon Index) of 97%. The product finds application in all types of mild personal cleansing applications like hair care, skin care, baby care, etc. This innovation has been well recognized by the industry and Galsoft GLI 21 won the Gold Innovation Award at the HPCI 2018 held in Mumbai.



GALGUARD NT

TREND: NON-TOXIC PRESERVATION

Another domain where Galaxy has proven its mastery is in preservatives. Preservatives are added to protect the product from spoilage and inadvertent contamination in turn making the products fit for consumption. Preservatives like Parabens, DMDM Hydantoin, Isothiazolinones, etc. are the usual workhorses and their presence in all beauty care and home care products is a common phenomenon. These preservatives have been scanned for toxicity and have been implicated with serious toxicity issues ranging from irritation, allergies, neurotoxicity to carcinogenicity. They have been proven to have a bad ecological impact as well. The trend is to move towards safer, non-toxic, and non-controversial alternatives in order to cater to the preservation needs of the personal care industry. In view of this universal problem of limited arsenal of safe antimicrobials, Galaxy has strategically focused on non-toxic preservation. Your Company has come up with Galguard range of preservatives; a major platform for non-toxic preservation. The Galguard range contains **Galguard NT** and **Galguard Trident**. These are broad spectrum of products that provide a safe preservation system for personal as well as home care products. Galaxy's experience and knowledge in the field of preservation has been acknowledged by **3** international patents. This year **Galguard NT** received the Silver Innovation Award at HPCI 2019, Mumbai, recognizing its novelty and innovation.

GALSOFT TILS (G)

TREND: WATERLESS CLEANSING FORMULATIONS FREE FROM TOXIC INGREDIENTS

The Personal Care industry is constantly changing, with consumers now preferring newer, more convenient and safer products, which are free from toxic ingredients. This trend has been witnessed in an upcoming product platform which are the shower oils, also known as waterless cleansing formulations. The product is a mixture of oil-soluble surfactant, oils, emollients and actives. It is gaining prominence, especially in Europe, with major multinational manufacturers pioneering this format of cleansing. Traditionally, oil-soluble surfactants are sulfate based, namely MIPA-laureth sulfate or TIPA-laureth sulfate. They have the typical drawbacks of sulfate surfactants, and are known skin irritants. Your Company has launched a path-breaking product, Galsoft TiLS (G), at In-cosmetics 2019, Paris. Galsoft TiLS (G) is an oil-soluble sulfate-free, EO-free, dioxane-free, and PEG-free surfactant, which is one of its kind in the world. Based on the amino-acid sarcosine, this product does not lead to dryness, irritation, or harshness, unlike traditional oil-soluble surfactants. Galaxy's presentation of Galsoft TiLS (G) in In-Cos 2019 in Paris was well-received by the audiences and was even shortlisted for the Innovation award in the functional ingredient category.

LLDC

TREND: ECO FRIENDLY LIQUID LAUNDRY DETERGENT FORMULATION

Launched in FY19

Creating clean laundry, with care!

Liquid Laundry Detergent is an upcoming trend especially in the emerging markets, after liquid dish wash became urban-popular. Liquid formats are preferred as they are relatively less harsh on the skin and fabric and have a reduced impact on the environment. Its benefits include reduced deposition of tonnes of minerals and salts into oceans, reduced mining and increased life of fabric and machines. Liquid Laundry Detergents are expected to grow annually at 4% (CAGR 18-22), with major rise coming from Asian and LATAM markets.

Your Company with its expertise has developed a high performing, safe, eco-friendly surfactant concentrate that offers superior value named GalFUSION LLDC. The product offers convenience to many regional players for the preparation of quality liquid laundry detergents easily with dilution at room temperature in very less time and is versatile to prepare customised formulations as per customer preferences and fabric laundry needs.

GalFUSION LLDC based formulations are very effective for removal of multiple stains like coffee, chocolate, wine, blood, etc. from fabrics, and is very easy to rinse off. Hence one can have their laundry done in relatively lesser quantities than many leading market products. Our product has shown to have reduced rinsing cycles. More from less!

Regular detergents have high contents of builders and petrochemical based ingredients. These builders tend to accumulate and cause nutrient pollution in oceans. GalFUSION LLDC is free from solvents, builders including phosphates and have ingredients predominantly from Oleo chemical source. Thus laundry detergents based on our product will not leave residues on fabric and machines, and not reduce their life. Liquid Laundry Detergents are therefore more eco-friendly than the regular detergents.

Other Product Launches

A range of consumer convenience products were launched in 2018-19 that have helped our customers to launch products that are in-line with the current trends and remain competitive in the market.

GalShield UV Care Plus – A Benzophenone free synergistic concoction of UV filters to deliver broad Spectrum UV Protection with non sticky –non tacky sensorial benefit.

Galaxy Syndet Additive: A multifunctional mix of isethionates, & fatty acids, for preparation of High Quality and High Moisturizing Soaps and 'Value for Money' Combi Bars, Crème Bars. The product can be easily mixed with conventional soap noodles and helps to leverage to your soap formula providing multiple benefits of acyl isethionates such as skin hydration, luxurious foam, etc.

PATENTS

Since 2000, a total of 60 patents have been granted to Galaxy. Your Company is maintaining a total of 33 patents out of which, 12 patents are in USA, 2 patents each in China and Japan, 3 patents in Russia, 4 in the European Union and 10 patents are in India. We have applied for an aggregate of 26 patents globally, of which 12 applications have been made in India, and an aggregate of 14 applications have been made for patent in Brazil, China, the European Union, USA and under the PCT.

In FY19, a total of 12 patents have been granted to Galaxy of which 9 were granted in India, 2 in Europe and 1 in USA.

BUSINESS POSITIONING

Your Company serves the Home and Personal Care Industry with its wide range of performance and specialty chemicals. 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 estimated at USD 62 Billion in 2018. The Home and Personal Care segments constituted for 33-35% of the total FMCG pie.

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

1. Resilient Performance exhibited by the domestic (India) market which has recorded a 12.1 % volume growth (Y-O-Y) on the back of an improving Home and Personal care demand

2. Outperformance exhibited by the Rest of the World (ROW – Americas, Europe and Asia Pacific) which grew at 29.2% volume growth (Y-O-Y) on the back of our specialty care products gaining traction

3. Broad slowdown exhibited by the Africa Middle East and Turkey markets which recorded a decline of 4.7 % in volume terms (Y-O-Y) on the back of a broad slowdown in Egypt. Demand in Egypt saw a significant decline on the back of slowing local demand and down trading by customers. Egypt for the year under review has recorded a decline of 30.6% in volume terms (Y-O-Y). While Egypt reported a decline, the other markets barring Egypt grew 17.4% in volume terms despite the overall AMET market growing in the 1-2% zone as far as performance surfactants are concerned

Specialty Care as a segment witnessed a significant jump reporting a 18.8% growth in volume terms prima facie driven by our preservative and mild surfactant range of products. This growth has come on the back of a 6% volumes CAGR recorded in the last 3 years (FY 16 – FY 18) substantiating the fact that, while the gestation period remains fairly high for this segment, developments in line with the trends once approved and incorporated in the end formulation; can not only result in significant outperformance but also sustainable growth. We expect this momentum to continue in the coming years.

During the year, your Company moved forward with the expansion of its capacities in both the performance surfactants and specialty care products at all its locations involving a total outlay of about ₹ 169 Crores. Of this nearly ₹ 100 Crores of assets have been added to the Gross Block and operationalized. The overall capacity utilization increased to 72% during the year.

During the year the total capacity installed has increased from 3,63,480 MTPA to 3,68,095 MTPA.

Your Company is expanding its Research and Development facility at TTC Navi Mumbai by building new infrastructure which involves an outlay of ₹ 8 Crores. Besides this, a multipurpose plant is being built at Tarapur to support the scale-up of new products that have been recently developed.

Regional Business Performance

Volumes in MT	2018-19	2017-18	Y-O-Y Growth
India	**77,619**	69,261	+12.1%
Africa Middle East Turkey	**80,290**	84,213	- 4.7%
Rest of the World	**56,802**	43,955	+29.2%

Business Measurement and Performance Analysis

Your Company evaluates its performance basis the following business metrics:

Parameter	2018-19	2017-18	Y-O-Y Growth
Volumes[@]	**214,711**	197,429	+8.8%
EBITDA	**358.05**	297.85	+20.2%
Profit after Tax	**190.98**	158.03	+20.9%
ROCE	**26.8%**	23.9%	+2.9%
RONW	**23.9%**	24.4%	-0.5%
Net Current Assets (as % of Sales)	**22.0%**	25.7%	-3.7%
Cash Flow from Operations	**282.93**	145.39	+94.6%
Interest Coverage ratio*	**10.23**	8.16	+25.3%
Debt Equity ratio[#]	**0.34**	0.48	-29.8%
Debt to EBITDA	**0.83**	1.17	-28.8%
Fixed Assets Turnover	**2.5**	2.7	-7.4%
Capacity Utilisation	**72%**	65%	+7%

[@]Adjusted
*On account of higher EBIT
[#]On account of lower debt and increase in net worth

THE GLOBAL MANTRA: SUSTAINABILITY

The recent developments in China have disrupted supplies globally, thus opening up opportunities for countries like India, underscoring the importance of compliance. 100% compliance to environment, safety and health standards is the way forward for sustainable growth. The cost of non-compliance is significantly high due to the losses that occur due to supply chain disruption and damage to one's brand equity. Customers, therefore, prefer partnering with companies that are compliant with all the environment, regulatory and safety standards. This shall not only ensure uninterrupted supplies for them; but shall also ensure sustainable growth and development.

Your Company is committed to promote a cleaner and safer environment which is aligned to its business strategy. Combining power of science and technology with passion to innovate, the Company aims to advance sustainable development by collaborating with its stakeholders. Your Company aims to mark a positive impact through its sustainability initiatives. Your Company focuses on improving energy efficiency, increasing renewable energy consumption, reducing waste generation, reducing water consumption, climate change mitigation projects and life cycle assessment.

Your Company continuously engages with its supply chain partners to improve operational efficiency and integrate sustainability considerations into the value chain. The focus in this year was to increase the strategic engagement with our global suppliers on sustainability agenda and develop sustainability

awareness among the local suppliers. Your Company conducts periodical site assessment as well as reviews the performance of non-financial indicators of its suppliers. Your Company has initiated interaction with its suppliers for mutual value creation on the sustainability front. Its manufacturing sites in India and Egypt are RSPO certified, which reflects our Company's commitment to a sustainable palm oil supply chain.

For your Company, Product Stewardship means understanding and effectively reducing the risk related to safety, health and environment throughout the life cycle of product and to enhance value delivery to customers. Your Company has taken up LCA (Life Cycle Assessment) study with cradle to gate approach for measuring the environmental impact of the product throughout life cycle of product using GaBi tool.

The Sustainability Cell at your Company is a three-tier structure with the Steering Committee at the apex comprising of the Board of Directors. Members of Sustainability Cell meet regularly to review performance on environmental and social indicators and are guided by sustainability policy. Your Company has adopted Global Reporting Initiative – GRI Standards for reporting Company's performance on non-financial indicators. Last year, your Company's 7th Sustainability Report was prepared in accordance with the GRI Standards.

Your Company is committed towards low carbon growth. This is done by measuring and tracking its energy consumption and greenhouse gas (GHG) emissions. Continuous efforts are being taken towards lowering emissions through implementation of energy conservation projects. Your Company regularly undergoes CDP - Climate Change and Water assessment as a part of Supply Chain module in response to request from its key customers. Your Company is pleased to share Galaxy Group's consistent progress in Carbon Disclosure Project (CDP) 2018.

Galaxy Group CDP Score for 2018

- Climate Change: Management Level, B
- Water: Management Level, B-

Scoring Pattern Legend:

Leadership (A/A-): Implementing current best practices

Management (B/B-): Taking coordinated action on climate change/ water issues

Awareness (C/C-): Knowledge of impacts on, and of, climate change/ water issues

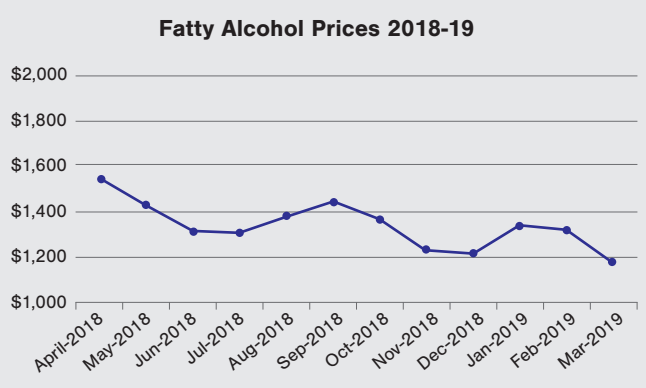
Disclosure (D/D-): Transparent about climate change/ water issues

F: Failure to provide sufficient information to CDP to be evaluated for this purpose

Responsible Care® is the chemical industry's unique global initiative that drives continuous improvement in health, safety and environmental (HSE) performance, together with open and transparent communication with stakeholders. Since 2013, your Company has strived to work in line with the principles of Responsible Care® and received permission for using the Responsible Care® Logo for a period of 3 years - January 2018 to December 2020 for its manufacturing sites in India

RAW MATERIALS SCENARIO

Fatty Alcohol is our key raw material for the performance surfactants. It constitutes nearly half of our total material cost. Fatty Alcohol is a palm kernel oil derivative and is sourced from South East Asia. The oleo alcohol feedstocks retreated in 2018-19 as the pricing of palm kernel oil steadily fell over the year (explained below). Use of certified sustainable raw materials for oleo derivatives has increased and this has increased the traceability of the raw materials during 2018.



During the year under review, Fatty Alcohol prices remained in a downward trend with the range being from USD 1544 per MT in April (average monthly rate) – USD 1180 per MT in March 2019.

Through its comprehensive risk management model, your Company has been able to safeguard its margins despite the periodical volatility.

Crude Petroleum Derivatives

Your Company also consumes certain crude petroleum derivatives. The major ones are Ethylene Oxide, Phenol and Linear Alkyl Benzene. These make up for close to 22-25% of Company's total purchases. Strong risk management practices, competitive pricing models and a diverse customer base ensures and enables us to manage the volatility in a superior manner. US Sanctions on Iran, Venezuela crisis, OPEC supply agreement ensured Brent remained above the USD 60 per barrel mark for major part of the year. Volatility remained high especially from September till December, 2018 when it touched a high of USD 86 per barrel in October, 2018 and a low of USD 51 per barrel in December, 2018.

RISK ASSESSMENT



Demand Risk: Egypt experienced a significant decline in demand on account of a slowing economy and down trading by customers. While we expect the decline to stop, recovery shall be gradual. Consumption in India is expected to be resilient despite the hiccups seen in the last quarter of the year under review. Rest of the World demand visibility is fairly high and we expect the momentum to continue.

Climate Risk: Monsoons shall have a significant impact on the rural economy and demand. A below average monsoon shall have an adverse impact on the domestic demand. This remains a key risk for us.

Geo-Political Risks: Your Company today supplies to atleast 75 countries. 64% of the volumes come from the International market. Any adverse geo-political impact can not only have an adverse impact on the volumes of the country affected; but can also impact the overall volumes of the region in case the instability/impact spreads

Operational Risks: These include risks that arise on account of raw materials, exchange volatility and risks on account of people. While your Company has a comprehensive risk management framework in place to guard against the raw material volatility, given the oligopolistic nature of the fatty alcohol market, dependence on one supplier for ethylene oxide, unavailability of the raw materials can have an adverse impact on the performance. Your Company remains naturally hedged, despite that significant movement in a short span of time can have an adverse/positive impact on the company's performance. Risk of key management personnel leaving exists. To guard against the same your Company has a competitive remuneration policy combined with appropriate rewards and recognition plan.

Trade War: If the trade war spreads to countries like India, it can have an adverse impact on the business in USA. The removal of GSP in this regard is one of the risks that has materialised in the current year. Your Company through its strong customer relationships, demand visibility and cost efficiency is proactively mitigating the impact of the same.

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

BUSINESS STRENGTHS AND OPPORTUNITIES

STRENGTHS

1. Operates in Personal Care and Home care industries, part of FMCG sector, 4th largest sector in India and one of the largest globally which can weather recession better than most other industries due to their inelastic demands
2. Significant share in the performance surfactants business in the local markets of India and Africa Middle East Turkey.
3. Cutting edge innovation in line with the trends to cater to the emerging categories in the Home and Personal Care industry as well as guard against any disruptions. Existing specialty products such as Non-Toxic Preservative blends & ingredients and Mild Surfactants already have a strong demand base and share in the global markets
4. Diverse customer base with decades old relationship with major multinational customers demonstrates our capabilities in managing a robust global supply chain
5. Robust Financials with steady growth in revenues, EBITDA, PAT, OCF and High Return ratios
6. Human resources are integral to the success of Galaxy Surfactants in Chemical Manufacturing industry and the company has taken up and will continue to take up initiatives to manage talent and develop skills of its employees

OPPORTUNITIES

1. The trend today is sulphate free, preservative free and environment friendly green products. Your Company through its range of mild surfactants, non-toxic preservatives and sustainable solutions in the home care space is ready to address this new emerging trends with its products being globally recognised.
2. Rising disposable incomes along with a growing population, demand for safer environment friendly products, emerging categories such as baby care, men's grooming, innovations in home care, hair care and skin care offer significant opportunities for our new and innovative products
3. Penetration driven by technology and e-commerce platforms results in consumer awareness and consequently leads to demand creation
4. Ideas are the currency of the day and e-commerce has made it very easy for these ideas and innovations to reach its consumers. Your Company actively engages with the start-ups in the home and personal care market in order to capitalise on emerging markets
5. The home and personal care market is witnessing entering of new consumers in the mass products segments and upgradation of existing customers from mass to masstige and from masstige to prestige products. In all cases demand for our products will only increase
6. Hygiene as a platform today is a key driver for demand in toilet care, surface care and laundry care demand. With

rising consumer awareness, this trend will translate into significant demand for the home care products which in turn will be beneficial for your Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has spent a total of ₹ 3.02 Crores in CSR initiatives. The Company makes sure that with the available amount it can touch as many lives as possible in the most productive manner. The Company's CSR activities are spread across a variety of sectors which are as follows:

HEALTH & HYGIENE (AROGYA VARDHEENI)

HEALTH, HYGIENE & PREVENTIVE HEALTHCARE –

Primary healthcare through diagnosis and treatments and promoting preventive healthcare by conducting awareness programs and several camps. Your Company has also provided infrastructural help in order to make pure drinking water accessible.

SANITATION

Your Company helps build awareness on sanitation, construction of toilets for girls and boys in school and provides financial support for construction of community household toilets

EDUCATION (GYAAN SANJEEVANI)

EDUCATION SECTOR

The company is active in providing e-learning aid, infrastructure improvements in schools, funding of stationary and books for libraries and also provides scholarships and other assistance to enhance careers of the underprivileged students

ENHANCING VOCATIONAL SKILLS FOR DIFFERENTLY ABLED

Providing financial support for Divyang people & specially challenged children, providing school bus, special benches & tables, food supply, sports equipment for institutes working for Divyang & specially challenged children

COMMUNITY DEVELOPMENT (SAMAJEEK UTTHAAN)

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 ; rain water harvesting, water percolation pond, setting up public libraries, 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, cultural activities for jail inmates and residents of old-age homes

WOMEN EMPOWERMENT (STREE UNNATI)

EMPOWERING WOMEN –

Girl child & women education & development including awareness about menstrual hygiene, income generation through vocational training & distribution of sewing machines for girls and women, knowledge about relevant statutes, self-defense training, celebrating international women day with destitute and trafficked girls and women, providing food to the poor destitute women

ENVIRONMENT PROTECTION (VATAVARAN SURAKSHA)

ENSURING ENVIRONMENT PROTECTION & ECOLOGICAL BALANCE

Tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting, solid waste reduction & proper disposal by segregation & composting, promoting solar and other non-conventional energy projects, reverse rain water harvesting

CALAMITY RELIEF (AAPDA RAHAT)

CALAMITY RELIEF

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

HUMAN RESOURCES

Galaxy is committed towards building a high performance learning culture in which its employees feel challenged and rewarded, and have comprehensive opportunity to demonstrate their skills and abilities. The Core Culture (Motto, Mission, Vision, 4 Cs and Values) along with the Identified 6 Leadership Pillars, known as the Galaxy Way of Leading is one of our key levers for creating an engaging environment for our Employees.

Your Company's Credo has always been in increasing Organisational Performance through Agile Learning and Collaboration. Your Company has a laser sharp focus on building and helping employees expand their behavioural as well as functional capabilities and also developing talent at each level. Your Company's internal talent pool has enabled us to timely drive interventions and growth in new markets and business verticals.

In line with our People Strategy, providing a structured Career Development Plan (CDP) is part of Galaxy's commitment to recognize, coach and invest in our employees' current and future developmental needs. CDPs are a key component of Leadership and Talent Building Program, which is devoted to improving organizational and individual performance. All employees are encouraged to create and follow CDPs to promote

and build skills and behaviours needed for performance and success in their current roles and professional development at Galaxy.

Apart from Capability Building, your Company drives strategic agendas on employee health and wellness to ensure creating a sustainable workforce. Through its Health Index, your Company has been able to spread awareness about the importance of the health index amongst its employees thus enhancing their productivity and overall well-being.

BUSINESS OUTLOOK: FUTURE AT GALAXY

Innovation forms the bedrock at Galaxy. Path breaking innovations in line with the consumer trends have been a key growth driver for your Company. Our innovations have not only been recognised at multiple events and exhibitions but the same have been acknowledged by our customers through various on-going projects.

The ground work for the same began 5 years ago. The soiling has been done, seeds have been sown. Green shoots are visible and we remain optimistic that these shall transform and start bearing fruits in the coming years, thus driving the next leg of growth for your Company. Investments to enhance our R&D capabilities, new products scalability shall only fasten the process.

With a diverse customer base, product portfolio, committed & experienced team, we at Galaxy are confident in enhancing our stakeholders' value sustainably and consistently.

Directors' Report

TO THE MEMBERS

Your Directors have great pleasure in presenting the Thirty Third Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2019.

1. FINANCIAL RESULTS

(₹ Crores)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
REVENUE & PROFITS				
Total Revenue from operations	**1996.36**	1712.76	**2762.99**	2462.51
Profit before Interest, Tax & Depreciation	**303.51**	212.47	**358.05**	297.85
Less : Interest & Finance Charges	**20.44**	20.59	**30.00**	30.55
Less : Depreciation	**28.70**	27.51	**51.20**	48.53
Profit for the year before Tax	**254.37**	164.37	**276.85**	218.77
Less : Provision for Taxation				
- Current	**73.58**	47.52	**82.55**	57.06
- Deferred	**12.34**	4.44	**3.32**	3.68
Net Profit after Tax	**168.45**	112.41	**190.98**	158.03
RETAINED EARNINGS				
Opening Balance of Retained Earnings	**603.78**	504.85	**658.65**	514.10
Add: Profit for the year	**168.45**	112.41	**190.98**	158.03
Add: Other comprehensive income	**(0.52)**	(0.67)	**(0.52)**	(0.67)
Less: Appropriations: Dividend				
- Interim Dividend	**17.73**	0	**17.73**	0
- Special Dividend/Final Dividend	**24.82**	10.64	**24.82**	10.64
Total Dividend on Equity Shares	**42.55**	10.64	**42.55**	10.64
Provision for Corporate Dividend Tax on Dividend	**8.74**	2.17	**8.74**	2.17
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	**0.06**		**0.06**	
Balance as at end of the Year	**720.48**	603.78	**797.88**	658.65

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	₹ Crores		USD 000's	
	2018-19	2017-18	2018-19	2017-18
REVENUE & PROFITS				
Total Revenue from operations	**323.89**	294.63	**46410**	45749
Profit before Interest, Tax & Depreciation	**42.56**	35.24	**6098**	5472
Less : Interest & Finance Charges	**0.08**	0.07	**12**	10
Less : Depreciation	**4.19**	4.45	**601**	691
Profit for the year before Tax	**38.29**	30.72	**5485**	4771
Less : Provision for Taxation				
- Current	**8.88**	9.45	**1272**	1468
- Deferred	**(0.57)**	0.20	**(82)**	32
Net Profit after Tax	**29.98**	21.07	**4295**	3271
RETAINED EARNINGS				
Opening Balance of Retained Earnings	**93.69**	72.62	**14209**	10938
Add: Profit for the year	**29.98**	21.07	**4295**	3271
Balance as at end of the Year	**123.67**	93.69	**18504**	14209

Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	₹ Crores		USD 000's	
	2018-19	2017-18	2018-19	2017-18
REVENUE & PROFITS				
Total Revenue from operations	**718.14**	679.07	**102900**	105445
Profit before Interest, Tax & Depreciation	**51.10**	56.01	**7322**	8696
Less : Interest & Finance Charges	**13.06**	13.93	**1872**	2162
Less : Depreciation	**18.39**	16.63	**2634**	2582
Profit for the year before Tax	**19.65**	25.45	**2816**	3952
Net Profit after Tax	**19.65**	25.45	**2816**	3952
RETAINED EARNINGS				
Opening Balance of Retained Earnings	**(11.74)**	(37.19)	**(7004)**	(10956)
Add: Profit for the year	**19.65**	25.45	**2816**	3952
Balance as at end of the Year	**7.91**	(11.74)	**(4188)**	(7004)

2. DIVIDEND

The Board in its meeting held on 29th March 2019 has declared an interim dividend of ₹ 5/- per equity share i.e. 50% of nominal value of ₹ 10/- each for the financial year 2018-19. The Board in its meeting held on 28th May 2019 has recommended a final dividend of ₹ 3/- per equity share i.e. 30% of nominal value of ₹ 10/- each for the financial year ended 31st March 2019. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. Accordingly, total dividend (including interim dividend) for the financial year 2018-19 is ₹ 8 per equity share and will result in an outlay of ₹ 34.19 Crores (including Dividend Distribution Tax of ₹ 5.83 Crores).

3. BUSINESS & FINANCIAL PERFORMANCE

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

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
EBITDA (% to Revenue from Operations)	**15.2%**	12.4%	**13.0%**	12.1%
PAT (% to Revenue from Operations)	**8.4%**	6.6%	**6.9%**	6.4%
ROCE (%)	**29.0%**	21.1%	**26.8%**	23.9%
RONW (%)	**23.3%**	18.2%	**23.9%**	24.4%
Debt : Equity Ratio	**0.20**	0.33	**0.34**	0.48
Earnings per Share (₹)	**47.51**	31.71	**53.87**	44.57
Cash Earnings per Share (₹)	**55.61**	39.46	**68.31**	58.26
Book Value per Share (₹)	**220.71**	187.81	**247.28**	202.73

BUSINESS PERFORMANCE

2018-19 proved to be a tough year for the whole industry which required quick response to challenging conditions affecting the business. Your Company took mitigating actions to achieve its stated objective of growing the business and improve business performance.

- Prices of Crude and one of the key raw material Lauryl Alcohol displayed high volatility during the year under review. However, your Company's robust sourcing processes and finance functions managed efficiently the market risk, quality and delivery of raw materials including the performance of suppliers.

- During the year under review, the world currency markets showed considerable movements. It led to strengthening of the USD index as a reflection of Fed rate increase and US economy showing growth. With customers in more than 80 countries, your Company is exposed to currency fluctuations. Furthermore, the global geo-political situation remains unpredictable. The tariff-wars and trade embargos came unanticipated. Your Company controlled these external risks well with appropriate internal processes and monitoring techniques.

- During the year your Company initiated enhancement of capacities in both the performance surfactants and special care ingredients at all its locations involving a total outlay of ₹ 250 Crores. Of this, over ₹ 100 Crores of assets have been added to the Gross Block and operationalized.

- Your Company was awarded **ICIS Innovation Award 2018** in the **Best Process Innovation Category**

for "Green Process for the manufacture of Amino Acid Surfactants". It was also conferred with **Silver Innovation Award** for **Best Ingredient** at **HPCI 2019, Mumbai** for its product Galguard NT.

- Among its new ingredients, "GLI 21", "Galguard NT" and "Galsoft TILS (G)" have been acknowledged as superior in consumer benefits in various trade forums.

- Your Company is expanding its Research and Development facility at TTC Navi Mumbai. Furthermore, a multipurpose pilot plant is also being set up at Tarapur to support the scale up of new products from the innovation funnel. In line with the consumer and customer trends, your Company focuses its innovation efforts on Sulphate free ingredients, Non-toxic preservatives, mildness and sustainability.

- During the year, your Company obtained REACH registration for 5 additional products. Considering the uncertainties and potential impact on the supply chain of the European customers arising from Brexit, your Company has taken anticipatory steps to transfer REACH registration from UK to other EU countries.

- During the year under review, 12 patents were awarded to your Company in India, USA and Europe. This takes our operational patent strength to 33.

FINANCIAL PERFORMANCE

- Your Company has posted excellent financial performance during the current year. Against the consolidated volume growth (adjusted) of 8.8%, the EBITDA and PAT grew by 20.2% and 20.9% respectively. This has been achieved against the volatility in the crude & currency markets, and international trade issues.

- PBT for the year increased by 26.5% to ₹ 276.85 Crores. However, higher effective tax rate arising from the change in composition of the profits in favour of higher tax jurisdictions moderated the PAT growth.

- Capital outlay to the tune of ₹ 168.94 Crores was met without any increase in the debt equity ratio. Consolidated debt equity ratio improved from 0.48 to 0.34.

- Standalone results include a gain of ₹ 33.41 Crores on revaluation of the preference share instrument used to fund the operating subsidiaries, which gets eliminated in the consolidated results. This gain is reflecting as other income in the Standalone Financial Statements of GSL India. At the Consolidated level, the translation impact of ₹ 18.79 Crores arising due to depreciation of INR from the translation of subsidiary accounts gets reflected in the other comprehensive income in the Profit & Loss and Net Worth in the Balance Sheet.

- The book value of the share shows a growth of 22.0% after paying an interim dividend of ₹ 5 per share. It has increased from ₹ 202.73 to ₹ 247.28 (after interim dividend). The pre-tax ROCE and RONW on average capital employed and net-worth is 26.8% and 23.9% respectively on a consolidated basis.

- Consolidated EPS of the Company has grown from ₹ 44.57 in 2017-18 to ₹ 53.87 in 2018-19; a growth of 20.9%. The final dividend of ₹ 3/- per share has been recommended by the Board of your Company.

4. PEOPLE ENERGY

Your Company is committed to build a high performance learning culture in which the employees feel challenged and rewarded, and have comprehensive opportunity to demonstrate their skills and abilities. The Core Culture along with the identified 6 Leadership Pillars which is known as "Galaxy Way of Leading" is one of the key levers for creating an engaging environment for the employees.

In line with People Strategy, providing a structured Career Development Plan (CDP) is part of Galaxy's commitment to recognize, coach and invest in our employees' current and future developmental needs. CDP's are a key component of Leadership and Talent Building Programme, which is devoted to improving organizational and individual performance.

5. QUALITY

Your Company is committed to deliver high quality and high performing products and services to its customers. Your company has won **Silver Medal** in the **National Awards for Manufacturing Competitiveness 2017-18** for the Jhagadia site. World class practices such as **TPM** is adopted at our manufacturing sites while internal benchmarking programmes such as Galaxy Manufacturing Excellence Award (GMEA) are conducted annually.

This year your Company participated in **Quality Circle Competitions**, wherein **11** teams were felicitated under **Gold** category and **10** teams were felicitated by Silver trophy at 32nd Annual Chapter Convention on Quality Concepts (Mumbai Chapter), whereas 2 Silver and 3 Bronze awards received at Ankleshwar Chapter Convention Further, your Company also received **14 awards** in different categories in National Convention of Quality Concepts (NCQC 2018) which was held at Gwalior. This year, focus on Product Stewardship has been one of the core thrusts of your Company. Your Company focuses relentlessly on continuous quality improvement in all domains and adheres to international and current management system

certifications such as **ISO 9001** (Quality), ISO **14001** (Environment), **OHSAS 18001** (Health and Safety), **ISO 22716** (Cosmetic GMP) and Social Compliances such as **EcoVadis** and **SMETA 4-pillar**.

6. 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 extended Sustainability Goals 2020 to its manufacturing unit at Egypt with aspirational targets in aspects of Water, Energy, Greenhouse Gases and Waste. The performance of these goals is shared in our website and also in the Sustainability Report of your Company. Your Company has reviewed its Sustainability Policy and included implementation guideline in the revised policy.

Your Company received permission for using of Responsible Care® Logo for a period of 3 years (January 2018- December 2020) for manufacturing units in India. This signifies major improvements undertaken in areas of safety, health, environment and sustainability.

Your Company is working towards incorporating sustainability across its supply chain by engaging with 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.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Your Company has also formulated a CSR Policy and the same is available on your Company's website at 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 ₹ 3.19 Crores that were required to be spent on CSR activities under Schedule VII, your Company has disbursed ₹ 3.02 Crores and reasons for unspent amount are mentioned in "**Annexure C**" to this report.

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

During the year, Company undertook the following CSR initiatives:

Sr. no.	Name of CSR Initiative	Description
1.	Samajeek Utthan	Construction of check dam with capacity of 1.15 Crores litre in Kharonda Village of District Palghar and also de-silting of 5 old check dams in Mokhada region of District Palghar.
2.	Stree Unnati	To empower young women staying in slums by providing them skill based trainings like beautician and para nursing courses. During the year, 23 girls have now secured jobs after receiving training and are contributing to their family.
3.	Vatavaran Suraksha	Planted more than 927 trees during the year and cumulative around 43,000 trees during last 5 years.
4.	Arogya Vardheeni	Blood donation of 615 units in 7 blood donation drives and two eye camps in Turbhe slum area in Navi Mumbai.

8. 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 2019, your Company had no unclaimed deposits (unclaimed deposits as on 31st March 2018 were ₹ 55,000).

9. SUBSIDIARY COMPANIES

As of 31st March 2019, 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 subsidiary Companies are uploaded on the website of your Company i.e. www.galaxysurfactants.com and shall also be available for inspection on all working days during business hours at the registered office of your Company.

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

10. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION

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

In terms of the provisions of Section 197(12) of the 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 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 your 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.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year, Mr. Sudhir D Patil, Promoter and Non-Executive and Non-Independent Director ceased to be a director due his demise on 14th July 2018. Your Board would like to place on record its deep acknowledgements of the contributions made by Late Mr. Sudhir Patil to the growth of your Company.

Mr. Uday K. Kamat (DIN 00226886) was appointed as an additional director w.e.f. 1st April 2018 till the conclusion of 32nd Annual General Meeting and in the same meeting of your Company, he was appointed as a Non-Executive Director.

Your Board, based on the recommendation of Nomination and Remuneration Committee, has co-opted Mr. Shashikant Shanbhag (DIN 00265103) as an Additional Director of your Company (Non-Executive) w.e.f. 10th August 2018, who shall hold the office till the conclusion of the ensuing Annual General Meeting of your Company.

Your Board has recommended the appointment of Mr. Shashikant Shanbhag 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 2019, your Company has 4 Independent Directors on its Board.

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

Three of the Independent Directors viz., Mr. S. Ravindranath, Mr. Subodh Nadkarni and Mr. M. G. Parameswaran are completing their first term on the conclusion of 33rd AGM. Under the Companies Act 2013, they are eligible to be appointed for a second fixed term of 5 years by a special resolution passed by the shareholders. Your Company has greatly benefited from their illustrious experience in large reputed corporates. Accordingly, your Board considers it appropriate to recommend their reappointment for a further fixed term of 5 years ending on 12th August 2024 except Mr. S Ravindranath who would be reaching 75 years of age on 20th April 2022. Hence his term of reappointment is restricted to such date. Their reappointment is covered in resolution nos. 15 to 17 of the AGM notice as Special Businesses.

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. Vaijanath Kulkarni	Non-Executive; Non-Independent	07626842
Mr. K. Natarajan	Executive Director & COO	07626680

Your Board recommends reappointment of Mr. Vaijanath Kulkarni and Mr. K. Natarajan. These appointments are covered in Item Nos. 3 and 4 of the AGM notice as Ordinary Businesses.

iv. Key Managerial Personnel

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

12. NOMINATION AND REMUNERATION POLICY

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

13. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

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

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

14. BOARD COMMITTEES

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

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

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

15. MEETINGS OF THE BOARD AND COMMITTEES

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

Secretarial Standards

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

16. DIRECTORS RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the Annual Accounts for the year ended 31st March 2019, 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 2019 and of the profit and loss of the Company for that period;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors had prepared the Annual Accounts on a going concern basis;

(v) that the Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. AUDITORS

Statutory Auditors

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

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

Cost Auditors

Your Board of Directors based on recommendation of the Audit Committee has appointed M/s. Nawal Barde

Devdhe & Associates, Cost Accountants in practice, to audit the cost accounts of the Company for the Financial Year 2019-20. In term of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 5 of the AGM Notice as Special Business.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor for Financial Year 2018-19 is appended as "**Annexure F**" to this Board's Report.

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

18. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS

The Company has formulated and implemented a framework on risk management to identify and manage the risks involved in all the activities of your Company, to maximize the opportunities and minimize adversity. This 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 your 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.

19. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

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

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

20. CORPORATE GOVERNANCE

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

21. 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.

22. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to IEPF

As required under Section 124 of the Act, the unclaimed dividend amount aggregating to ₹ 92,100/- and ₹ 593/- unclaimed interest on fixed deposits lying with your Company for a period of seven years were transferred during the financial year 2018-19 to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF

As required under Section 124 of the Act, 28,400 equity shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by your Company to the Investor Education and Protection

Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as your Company.

23. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of your Company for the Financial year 2018-19 forms part of this Annual Report as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

24. DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013

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

a. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under section 134(3)(m) of the 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 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 the details forming part of the extract of the Annual Return in form MGT-9 is appended as "**Annexure B**" to this Board's Report and it is also available on the website at http://www.galaxysurfactants.com/CommonCMS/InvestorRelation

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.

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

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

(₹ Crores)

Particulars	Name of Subsidiary/firm	Maximum amount of loans / advances / investments outstanding during the year ended 31st March 2019	Amount outstanding at the end of the year i.e. 31st March 2019
Investments- Equity Shares	Galaxy Chemicals Inc.	0.46	0.46
Investments- Equity Shares	Galaxy Holdings (Mauritius) Ltd.	2.37	2.37
Investments- Preference shares (at fair value)	Galaxy Holdings (Mauritius) Ltd.	253.63	253.63
Advances	Galaxy Chemicals (Egypt) SAE	0.85	0.34
Advances	TRI-K Industries, Inc.	0.45	0.45

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 your 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 your Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

g. Transfer to Reserves

Your Company proposes not to transfer any amount to the General Reserve for the Financial Year 2018-19.

h. Significant and Material Orders Passed by the Regulators or Courts

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

i. Reporting of frauds

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

j. Maintenance of Cost Records

Your Company has made and maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

25. CAUTIONARY STATEMENT

Statements in the Directors' Report describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

26. APPRECIATION AND ACKNOWLEDGEMENT

Your Company is grateful to the Government of India, the Governments 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

Navi Mumbai
28th May 2019

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 2018-19 in different facilities of the Company:

a. Optimization through variable frequency drives and waste heat recovery through condensate utilization

b. Opted for application of IOT to monitor efficiencies of subsystem and equipment's in real time

c. Employees were motivated to become energy managers by clearing BEE certification exams

ii. The steps taken for utilising alternate sources of energy

The Company has completed installation of Roof Top solar panels at TTC office and Taloja plant which has capacity of 235 KWp. The process of additional installation of Roof Top solar panels at plants located at Jhagadia and Taloja having renewal power capacity of 600 KWp. Overall power generation from these solar panels was 2.96 Lacs KWH which are targeted to reach 10 Lacs KWH in 2019-20.

B. TECHNOLOGY ABSORPTION

Your Company's Innovation Process is focused on providing value-added and 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 many of the major personal care products manufacturers, both locally and globally. The product categories that the Innovation Process pursues to innovate are UV absorbers, macromolecules, preservatives, surfactants for gentle cleansing and blends. 'Sustainability' is always at core of our efforts in both research and technology development.

Some of significant achievements during the year are given below:

- Commercialized Galsoft GLI 21, an ultra-mild sulfate-free cleanser made by using our patented technology. The technology developed in-house makes it sustainable and user-friendly in addition to its excellent functional benefits.
- Commercialized Galsoft SLGL for a global major customer for body wash application. It is one of the mildest anionic surfactant and manufactured exploiting our patented 'Green Technology.'
- Commercialized Galguard LipoG from nature derived raw materials as a non-toxic ingredient for "Antidandruff shampoo".
- Launched GalFUSION LLDC, a high performing, safe, ecofriendly, value for money premium surfactant concentrate specially designed for Fabric care.
- Commercialized Galaxy SN 937 PLUS, a crystal clear transparent bathing bar base, with improved foaming power & hardness to design aesthetically versatile premium bathing bars.
- Launched GalShield UV Care Plus, a Benzophenone free synergistic composition of UV filters to deliver broad spectrum UV protection with non- sticky and tacky sensorial benefit.
- Galaxy won prestigious ICIS Innovation Award in London fending off stiff competition from global majors. This award was given for commercialization of environment friendly and sustainable process for the production of range of N-acylaminoacid surfactants.
- HPCI award committee recognized our unique and non-toxic preservative blend Galguard NT with 2nd prize in Innovation category. It is a synergistic preservative blend which is available in easy to incorporate form.

Your Company has filed four new patent applications in five geographies. The inventions titled "Highly substantive water soluble UV absorbers and process for preparation thereof", "N-acyl sarcosines as antimicrobials for preservation of home and personal care products" and "Transparent personal cleansing composition" strengthens our specialty product lines, whereas, fourth inventions of "Free flowing N- acyl glycinate compositions at sub-zero temperature" seeks to address challenges of delivery of surfactants into cold countries. During financial year, 12 patents were granted for 11 inventions and 'notice of allowance' is received for another two inventions.

Expenditure incurred on Research and Development are given below in table

(₹ Crores)

Particulars	2018-19	2017-18
R & D Expenses	14.18	13.62
Capital Expenditure	1.32	2.07

C. FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ Crores)

Particulars	2018-19	2017-18
Foreign Exchange Inflow	986.65	821.68
Foreign Exchange outflow	860.45	917.86

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
28th May 2019

ANNEXURE B
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

CIN	L39877MH1986PLC039877
Registration Date	20th May 1986
Name of the Company	Galaxy Surfactants Limited
Category / Sub-Category of the Company	Public Limited Company having Share Capital
Address of the Registered Office and Contact Details	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai-400 703. Ph: 91-22-3306 3700 / 91-22-2761 6666 Fax: 91-22-2761 5883/ 91-22-2761 5886 E-mail: investorservices@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 24/7 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083 Ph: 91-22-49186000 Fax: 91-22-49186060

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 detergent and similar washing agents excluding soaps	20233	77
Manufacture of organic and inorganic chemical compounds n.e.c.	20119	23

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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	16849914	0	16849914	47.53	16851784	0	16851784	47.53	**0**
b. Central Govt./State Govt. (s)	0	0	0	0	0	0	0	0	**0**
c. Bodies Corp.	543000	0	543000	1.53	543000	0	543000	1.53	**0**
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	**0**
e. Any other	7752850	0	7752850	21.86	7752850	0	7752850	21.87	**0**
Sub-total (A) (1)	**25145764**	**0**	**25145764**	**70.92**	**25147634**	**0**	**25147634**	**70.93**	**0**
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)	**25145764**	**0**	**25145764**	**70.92**	**25147634**	**0**	**25147634**	**70.93**	**0**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	**2700513**	**0**	**2700513**	**7.62**	3112055	0	3112055	8.78	**1.16**
b) Banks/Financial Institution	43992	0	43992	0.12	4515	0	4515	0.01	**(0.11)**
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	126570	0	126570	0.36	170199	0	170199	0.48	**0.12**
Foreign Portfolio Investors	981918	0	981918	2.77	1083631	0	1083631	3.06	**0.29**
Sub-total (B)(1)	**3852993**	**0**	**3852993**	**10.87**	**4370400**	**0**	**4370400**	**12.33**	**1.46**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1725236	9900	1735136	4.89	1124900	8500	1133400	3.19	**(1.70)**
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	1792991	690141	2483132	7.00	1977988	477961	2455949	6.93	**(0.07)**
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	968149	63000	1031149	2.91	1020916	18000	1038916	2.93	**0.02**
c. Others									
1. Trust	255	0	255	0.00	955	0	955	0.00	**0.00**
2. Hindu Undivided family	104109	1000	105109	0.30	106183	200	106383	0.30	**0.00**
3. Non Resident Indians	193525	558532	752057	2.12	211248	558532	769780	2.17	**0.05**
4. Other Directors	71456	0	71456	0.20	104456	0	104456	0.29	**0.09**
5. Independent Directors	90000	0	90000	0.25	90000	0	90000	0.25	**0.00**

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
6. Office Bearers	5885	146048	151933	0.43	6119	138048	144167	0.40	**(0.03)**
7. Clearing Member	35768	0	35768	0.10	9940	0	9940	0.02	**(0.08)**
8. NBFC Registered with RBI	0	0	0	0	54,372	0	54,372	0.15	**0.15**
9. IEPF	0	0	0	0	28,400	0	28,400	0.08	**0.08**
Sub-total (B)(2)	**4987374**	**1468621**	**6455995**	**18.21**	**4735477**	**1201241**	**5936718**	**16.74**	**(1.45)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**8840367**	**1468621**	**10308988**	**29.08**	**9105877**	**1201241**	**10307118**	**29.07**	**(0.01)**
C. Shares held by custodian for GDRs & ADRs	0	0	0		0	0	0	0	0
Grand Total (A+B+C)	**33986131**	**1468621**	**35454752**	**100.00**	**34253511**	**1201241**	**35454752**	**100.00**	**0**

(ii) Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	
1	U. Shekhar	4226740	11.92	0	4226740	11.92	0	0
2	Sudhir D Patil/ Sandhya Patil	4106040	11.58	0	4106040	11.58	0	0
3	Shashikant R. Shanbhag	4097684	11.56	0	4097684	11.56	0	0
4	G. Ramakrishnan	2362758	6.66	0	2362758	6.66	0	0
5	Jayashree Ramakrishnan	1842972	5.20	0	1842972	5.20	0	0
6.	Lakshmy Shekhar	127400	0.36	0	127400	0.36	0	0
7.	Sridhar Unnathan[#]	49320	0.14	0	50820	0.14	0	0
8.	Anuradha Dayanand Prabhu	12000	0.03	0	12000	0.03	0	0
9.	Vandana Shashikant Shanbhag	10000	0.03	0	10000	0.03	0	0
10.	Gajanan N Amonker	6000	0.02	0	6000	0.02	0	0
11.	Saraswathy Natarajan K.S.[%]	3000	0.01	0	3370	0.01	0	0
12.	Sumathi Gopal	3000	0.01	0	3000	0.01	0	0
13.	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sandhya Sudhir Patil as Partners of M/s. Galaxy Chemicals	7752850	21.87	0	7752850	21.87	0	0
14.	Galaxy Emulsifiers Pvt. Ltd.	543000	1.53	0	543000	1.53	0	0
15.	Bhooma Shyam Gopal	0	0	0	0	0	0	0
16.	Karthik Shekhar	0	0	0	0	0	0	0
17.	Nandini Shekhar	0	0	0	0	0	0	0
18.	Shanthi Laxminarasimhan	0	0	0	0	0	0	0
19.	Vaidyanathan Unnathan	0	0	0	0	0	0	0
20.	C.S. Anandaram	0	0	0	0	0	0	0
21.	Galaxy Investments	0	0	0	0	0	0	0
22.	Galaxy Estates & Holdings	0	0	0	0	0	0	0
23.	Shubh Estates & Properties	0	0	0	0	0	0	0
24.	Osmania Traders Pvt. Ltd.	0	0	0	0	0	0	0
25.	Galaxy Finsec Pvt. Ltd.	0	0	0	0	0	0	0
26.	Hema Suryanarayanan	0	0	0	0	0	0	0
27.	Amit Ramakrishnan	0	0	0	0	0	0	0
28.	Akaash Ramakrishnan	0	0	0	0	0	0	0
29.	Janaki Seshan	0	0	0	0	0	0	0

(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	
30.	K.S. Natarajan	0	0	0	0	0	0	0
31.	Pradeep Patil	0	0	0	0	0	0	0
32.	Anil Patil	0	0	0	0	0	0	0
33.	Suchitra Chindarkar	0	0	0	0	0	0	0
34.	Sugandha Sawant	0	0	0	0	0	0	0
35.	Siddharth Patil	0	0	0	0	0	0	0
36.	Yash Patil	0	0	0	0	0	0	0
37.	Vibhavari Ramesh Mande	0	0	0	0	0	0	0
38.	Sumedha Sawant	0	0	0	0	0	0	0
39.	Aeon Chemicals Pvt. Ltd.	0	0	0	0	0	0	0
40.	Datta-Suman Farms and Resorts Pvt. Ltd.	0	0	0	0	0	0	0
41.	Vanita Hiren Kerkar	3000	0.01	0	3000	0.01	0	0
42.	Shreekant Shanbhag	0	0	0	0	0	0	0
43.	Lata Nayak	0	0	0	0	0	0	0
44.	Pranav Shanbhag	0	0	0	0	0	0	0
45.	Sneha Shanbhag	0	0	0	0	0	0	0
46.	Vallabh Amonkar	0	0	0	0	0	0	0
47.	Vivek Amonkar	0	0	0	0	0	0	0
48.	Nilkant Gangadhar Amonker	0	0	0	0	0	0	0
49.	Maragatham Anandaram	0	0	0	0	0	0	0
	Total	**25145764**	**70.92**	**0**	**25147634**	**70.93**	**0**	**0.01**

Note:

*During the year above mentioned equity shares of Mr. Sudhir Patil were transmitted to his wife and joint holder Mrs. Sandhya Sudhir Patil.

Purchased 1500 Equity shares during the year

% Purchased 370 Equity shares during the year

(iii) Change In Promoter Groups' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	25145764	70.92	25145764	70.92
2.	Increase (+) / Decrease (-) during the year	1870	0.00	25147634	70.93
3.	At the End of the year			25147634	70.93

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SBI MUTUAL FUND				
	i. At the beginning of the year	1945677	5.49	1945677	5.49
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 6th April 2018	5602	0.02	1951279	5.50
	2. 25th May 2018	-16693	-0.05	1934586	5.46
	3. 1st June 2018	-3007	-0.01	1931579	5.45
	4. 30th June 2018	49732	0.14	1981311	5.59
	5. 6th July 2018	20000	0.06	2001311	5.64
	6. 20th July 2018	20268	0.06	2021579	5.70
	7. 3rd August 2018	-3300	-0.01	2018279	5.69
	8. 10th August 2018	100000	0.28	2118279	5.97

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
	9. 31st August 2018	36552	0.10	2154831	6.08
	10. 7th September 2018	91756	0.26	2246587	6.34
	11. 5th October 2018	56000	0.16	2302587	6.49
	12. 22nd February 2019	110000	0.31	2412587	6.80
	iii. At the end of the year	2412587	6.80	2412587	6.80
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	354744	1.00	354744	1.00
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 8th June 2018	-329	0.00	354415	1.00
	2. 6th July 2018	-20000	-0.06	334415	0.94
	3. 7th September 2018	-150122	-0.42	184293	0.52
	4. 16th November 2018	84200	0.24	268493	0.76
	5. 23rd November 2018	956	0.00	269449	0.76
	6. 30th November 2018	4942	0.01	274391	0.77
	7. 7th December 2018	21194	0.06	295585	0.83
	8. 14th December 2018	40000	0.11	335585	0.95
	iii. At the end of the year	335585	0.95	335585	0.95
4.	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF00125/06/04LIFEGROWTH104 - GROWTH FUND				
	i. At the beginning of the year	344529	0.97	344529	0.97
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 6th April 2018	23400	0.07	367929	1.04
	2. 25th May 2018	-2293	-0.01	365636	1.03
	3. 8th June 2018	-427	0.00	365209	1.03
	4. 15th June 2018	-66978	-0.19	298231	0.84
	5. 22nd June 2018	-30007	-0.08	268224	0.76
	6. 30th June 2018	-93109	-0.26	175115	0.49
	7. 6th July 2018	-11827	-0.03	163288	0.46
	8. 20th July 2018	-19831	-0.06	143457	0.40
	9. 27th July 2018	-13039	-0.04	130418	0.37
	10. 10th August 2018	-52418	-0.15	78000	0.22
	11. 17th August 2018	-12037	-0.03	65963	0.19
	12. 24th August 2018	-65963	-0.19	0	0
	iii. At the end of the year	0	0	0	0
5.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED				
	i. At the beginning of the year	282550	0.80	282550	0.80
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 6th April 2018	1161	0.00	283711	0.80
	2. 13th April 2018	9947	0.03	293658	0.83
	3. 27th April 2018	659	0.00	294317	0.83
	4. 4th May 2018	413	0.00	294730	0.83
	5. 11th May 2018	97914	0.28	392644	1.11
	6. 18th May 2018	123933	0.35	516577	1.46
	7. 25th May 2018	21666	0.06	538243	1.52
	8. 1st June 2018	23134	0.07	561377	1.58
	9. 15th June 2018	3904	0.01	565281	1.59
	10. 22nd June 2018	1655	0.00	566936	1.60
	11. 30th June 2018	4050	0.01	570986	1.61
	12. 6th July 2018	7437	0.02	578423	1.63
	13. 13th July 2018	2447	0.01	580870	1.64

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
	14. 20th July 2018	1949	0.01	582819	1.64
	15. 27th July 2018	477	0.00	583296	1.65
	16. 3rd August 2018	2293	0.01	585589	1.65
	17. 24th August 2018	805	0.00	586394	1.65
	18. 31st August 2018	2371	0.01	588765	1.66
	19. 5th October 2018	-2107	-0.01	586658	1.65
	20. 2nd November 2018	-593	0.00	586065	1.65
	21. 9th November 2018	1244	0.00	587309	1.66
	22. 7th December 2018	-10626	-0.03	576683	1.63
	23. 21st December 2018	-699	0.00	575984	1.62
	24. 28th December 2018	1033	0.00	577017	1.63
	25. 31st December 2018	1244	0.00	578261	1.63
	26. 11th January 2019	20	0.00	578281	1.63
	27. 1st February 2019	-1858	-0.01	576423	1.63
	28. 8th February 2019	-1288	0.00	575135	1.62
	29. 22nd February 2019	-100439	-0.28	474696	1.34
	30. 1st March 2019	166	0.00	474862	1.34
	31. 8th March 2019	-1056	0.00	473806	1.34
	32. 15th March 2019	-13457	-0.04	460349	1.30
	33. 22nd March 2019	-1959	-0.01	458390	1.29
	iii. At the end of the year	458390	1.29	458390	1.29
6.	KOTAK MUTUAL FUND				
	i. At the beginning of the year	251004	0.71	251004	0.71
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 6th April 2018	10000	0.03	261004	0.74
	2. 13th April 2018	18207	0.05	279211	0.79
	3. 20th April 2018	10443	0.03	289654	0.82
	4. 27th April 2018	-4905	-0.01	284749	0.80
	5. 4th May 2018	-1979	-0.01	282770	0.80
	6. 25th May 2018	-23102	-0.07	259668	0.73
	7. 1st June 2018	5000	0.01	264668	0.75
	8. 8th June 2018	5000	0.01	269668	0.76
	9. 27th July 2018	-8021	-0.02	261647	0.74
	10. 5th October 2018	-7	0.00	261640	0.74
	11. 12th October 2018	2714	0.01	264354	0.75
	12. 19th October 2018	20000	0.06	284354	0.80
	13. 26th October 2018	1633	0.00	285987	0.81
	14. 2nd November 2018	11618	0.03	297605	0.84
	15. 4th January 2019	3366	0.01	300971	0.85
	16. 11th January 2019	1828	0.01	302799	0.85
	17. 18th January 2019	5000	0.01	307799	0.87
	18. 25th January 2019	9234	0.03	317033	0.89
	19. 1st February 2019	14539	0.04	331572	0.94
	20. 15th February 2019	20714	0.06	352286	0.99
	21. 22nd February 2019	10000	0.03	362286	1.02
	22. 1st March 2019	8000	0.02	370286	1.04
	23. 15th March 2019	9306	0.03	379592	1.07
	24. 29th March 2019	21000	0.06	400592	1.13
	iii. At the end of the year	400592	1.13	400592	1.13
7.	PADMANABH B SHANBHAG				
	i. At the beginning of the year	119400	0.34	119400	0.34
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	119400	0.34	119400	0.34

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
8.	WILFRED D'SILVA				
	i. At the beginning of the year	100000	0.28	100000	0.28
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	100000	0.28	100000	0.28
9.	SUJATA ABHAY KELKAR				
	i. At the beginning of the year	18000	0.05	18000	0.05
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	18000	0.05	18000	0.05
10.	ABU DHABI INVESTMENT AUTHORITY - BEHAVE				
	i. At the beginning of the year	100000	0.28	100000	0.28
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 30th June 2018	186058	0.52	286058	0.81
	2. 6th July 2018	13539	0.04	299597	0.85
	3. 7th September 2018	160403	0.45	460000	1.30
	4. 14th December 2018	101982	0.29	561982	1.59
	iii. At the end of the year	561982	1.59	561982	1.59
11.	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
12.	ADARSH NAYYAR				
	i. At the beginning of the year	4040	0.01	4040	0.01
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	4040	0.01	4040	0.01
13.	ARJUN RAJENDRAN				
	i. At the beginning of the year	65900	0.19	65900	0.19
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year	65900	0.19	65900	0.19
14.	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	237771	0.67	237771	0.67
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 15th June 2018	-4668	-0.01	233103	0.66
	2. 30th June 2018	-49650	-0.14	183453	0.52
	3. 7th September 2018	-5472	-0.02	177981	0.50
	4. 1st March 2019	-30767	-0.09	147214	0.42
	5. 8th March 2019	-18300	-0.05	128914	0.36
	6. 29th March 2019	-40378	-0.11	88536	0.25
	iii. At the end of the year	88536	0.25	88536	0.25
15.	COUPLAND CARDIFF FUNDS PLC-CC ASIAN EVOLUTION FUND				
	i. At the beginning of the year	137221	0.39	137221	0.39
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 6th April 2018	15000	0.04	152221	0.43
	2. 20th April 2018	9006	0.03	161227	0.45
	3. 12th October 2018	1250	0.00	162477	0.46
	4. 2nd November 2018	-10200	-0.03	152277	0.43
	5. 9th November 2018	-4800	-0.01	147477	0.42
	6. 16th November 2018	-3500	-0.01	143977	0.41
	iii. At the end of the year	143977	0.41	143977	0.41

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
16.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.				
	i. At the beginning of the year	65000	0.18	65000	0.18
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 17th August 2018	50000	0.14	115000	0.32
	2. 24th August 2018	50000	0.14	165000	0.47
	3. 31st August 2018	10000	0.03	175000	0.49
	4. 7th December 2018	7000	0.02	182000	0.51
	5. 14th December 2018	-200	0.00	181800	0.51
	6. 25th January 2019	-17000	-0.05	164800	0.46
	7. 1st February 2019	-24000	-0.07	140800	0.40
	8. 22nd February 2019	-10000	-0.03	130800	0.37
	iii. At the end of the year	130800	0.37	130800	0.37

*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.	Shashikant R. Shanbhag - Non-Executive Director				
	At the beginning of the year	4097684	11.56	4097684	11.56
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	4097684	11.56	4097684	11.56
4.	Uday K. Kamat- Non Executive Director				
	At the beginning of the year	33000	0.09	33000	0.09
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	33000	0.09	33000	0.09
5.	K. Ganesh Kamath- Executive Director (Finance) and C.F.O.				
	At the beginning of the year	20000	0.05	20000	0.05
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	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

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
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	15856	0.04	15856	0.04
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	15856	0.04	15856	0.04
11.	K. Natarajan– Executive Director and C.O.O.				
	At the beginning of the year	9600	0.03	9600	0.03
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	9600	0.03	9600	0.03
12.	Vaijanath Kulkarni - Non-Executive Director				
	At the beginning of the year	26000	0.07	26000	0.07
	Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	At the end of the year	26000	0.07	26000	0.07
13.	Niranjan Ketkar- Company Secretary				
	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

V. INDEBTEDNESS

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

(₹ Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year- (01.04.2018)				
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**
Change in Indebtedness during the financial year				
Addition	60.00	0	0	60.00
Reduction	119.25	0.78	0.03	120.06
Net Change	(59.25)	(0.78)	(0.03)	(60.06)
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	157.03	0.63	0.00	157.66
ii) Interest due but not paid	0	0	0.00	0.00
iii) Interest accrued but not due	1.19	0	0.00*	1.19
Total (i+ii+iii)	**158.22**	**0.63**	**0.00**	**158.85**

* Figure less than ₹ 50,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors

(₹ Crores)

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole-time-Directors			Total Amount
		U. Shekhar (Managing Director)	K. Ganesh Kamath (Executive Director and CFO)	K. Natarajan (Executive Director & COO)	
1.	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.44	1.58	1.50	4.52
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.00*	0.00*	0.00*	0.01
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
2.	**Stock Options**	-	-	-	-
3.	**Sweat Equity**	-	-	-	-
4.	**Commission**				
	- as % of profit	0.84	0.84	0.84	2.52
	- others, specify				
5.	**Others (Includes retirement benefits and variable pay)**				
	Total (A)	**2.28**	**2.42**	**2.34**	**7.04**
	Ceiling as per the Act				**25.34**

* Figures less than ₹ 50,000

B. Remuneration to other Directors

(₹ 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	0.09	0.08	0.08	0.06	0.31
2.	Commission	0.10	0.12	0.10	0.10	0.42
3.	Other					
	Total (1)	**0.19**	**0.20**	**0.18**	**0.16**	**0.73**

2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Name of Director						Total Amount
		Sudhir Dattaram Patil (Till 14th July 2019)	Nirmal Koshti	Vaijanath Kulkarni	Shashikant Shanbhag	Uday K. Kamat	G. Ramakrishnan	
1.	Fee for attending Board / Committee Meetings	0.00	0.00	0.00	0.01	0.03	0.05	**0.09**
2.	Commission	0.03	0.00	0.00	0.06	0.10	0.10	**0.29**
3.	Other	0.00	0.00	0.00	0.00	0.50	0.50	**1.00**
	Total (2)	**0.03**	**0.00**	**0.00**	**0.07**	**0.63**	**0.65**	**1.38**
	Total (B)=(1+2)							**2.11**
	Total Managerial Remuneration (A+B)							**9.13**
	Overall Ceiling as per the Act							**25.34**

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

(₹ Crores)

Sr. No.	Particulars of Remuneration	Niranjan Ketkar Company Secretary
1.	**Gross Salary**	
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.19
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	-
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-
2.	**Stock Option**	-
3.	**Sweat Equity**	-
4.	**Commission**	-
	- as % of profit	-
	- others, specify	-
5.	**Others (Includes retirement benefits and variable pay)**	-
	Total	**0.19**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (UNDER THE COMPANIES ACT)

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

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
28th May 2019

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/ menstrual hygiene, constructing handwashing stations, supporting dialysis & rehabilitation centers, medical camps, eye camps & gyneac camps with medicine/ spectacles distribution & blood donation drives, providing additional nutrition to poor marginalized children and women, installation of borewells, providing water filters for potable drinking water, spreading awareness about ill-effects of tobacco, supporting thalassemia affected children, providing mobile eye clinic van for community outreach and hospital equipment, cochlear implant to deaf children, construction of aanganwadi, construction of kitchen for poor tribal boy's hostel, construction of water tank.
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	Contributing to improve and facilitate the literacy levels including e-learning in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to developing infrastructure like Arts, Computer, Math & Science Lab, Construction of rooms, school building repairs & painting, furniture & benches including blackboard, ceiling fans & electrical fittings, pathways, computers for schools/educational centers, distribution of school bags, notebooks & books for libraries and also conducting educational programs like coaching, safety sessions, career guidance seminars (through calibre inteligence quotient test), etc. for the underprivileged students, also livelihood enhancement projects, vocational skills & Schlolarship for Divyang people and students.
b.2	Enhancing Vocational Skills for Differently Abled	Providing financial support for Divyang people & specially challenged children, providing school bus, special benches & tables, food supply, sports equipment for institutes working for Divyang & specially challenged children

c) Community Development (Samajeek Utthaan):

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 (new construction & de-silting of old check dams, ponds & wells), water percolation pond, setting up public libraries, safe drinking water, promoting sports through community connect mahotsav, providing hand washing stations, bore-wells, cement chairs at public places in villages including livelihood and income generation opportunities, under animal welfare supporting goshalas for cow protection, cultural activities for jail inmates and residents of old-age homes

d) Women Empowerment (Stree Unnati):

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

e) Environment Protection (Vatavaran Suraksha)

e.1	Ensuring Environment Protection & Ecological Balance	Tree plantation, cleanliness drives, awareness for energy/ water conservation and harvesting, solid waste reduction & proper disposal by segregation & composting, promoting solar and other non-conventional energy projects, reverse rain water harvesting

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

g) CSR Capacity Building & Personnel Cost: Capacity building cost of own personnel or those of implementation agencies will qualify as a CSR expenditure within the permissible limits allowed by the Companies Act 2013 or Rules made there under.

2. The Composition of the CSR Committee

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

Sr. No.	Names	CSR Committee
1.	Mr. U. Shekhar (Managing Director)	Chairperson
2.	Mr. Ganesh Kamath (Executive Director (Finance) & CFO)	Member
3.	Mr. M. G. Parameswaran (Non Executive Director)	Member

3. Average net profit of the company for last three Financial Years (₹ Crores)

Financial Years	Profit Before Tax	
2017-18	157.20	
2016-17	157.60	
2015-16	163.30	
Sum of 3 Year's PBT		478.10
Simple Average of 3 Year's PBT		159.37

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)**:** ₹ 3.19 Crores

5. Details of CSR Spent: (₹ Crores)

a)	Total amount to be spent (budget) for the financial year	₹ 3.19
b)	Actual amount spent during the year	₹ 3.02
c)	Unspent amount during the year	₹ 0.17

CSR EXPENSES - MANNER OF EXPENSES - 2018-19

(₹ Crores)

1	2	3	4	5	6		7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector in which the project is covered (refer section CSR Projects & Scope)**	**Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken *****	**Amount outlay (budget) project or program wise (in ₹)**	**Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads**		**Cumulative expenditure up to the reporting period ***	**Amount Spent: Direct or through implementing agency**
1	Arogya Vardheeni	a.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai	0.70	Direct	0.44	1.72	Site Steering Councils**
			DT: Raigad, Palghar, Mumbai, Thane & Bharuch					
			ST: Maharashtra & Gujarat					
2	Arogya Vardheeni	a.1 (Execution through NGO Partners)	LA: Thane, Jhagadia, Bamhani, Shivtarai, & Smeariya	0.22	Direct	0.49	1.78	NGOs: a) Triumph Foundation, b) Anway De-addiction Center c) Nav Dhrushti Seva Sanstha d) Sewa Rural e) Matoshri Himmatlal Shah Charitable Trust f) Mangalam Foundation g) Jan Swasthya Sahayog
			DT: Thane,Bharuch, Bilaspur, Mungeli, Mumbai					
			ST: Maharashtra, Gujarat, & Chattissgarh					
3	Gyan Sanjivani	b.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai	0.49	Direct	0.40	1.88	Site Steering Councils
			DT: Raigad, Palghar, Mumbai, Thane & Bharuch					
			ST: Maharashtra & Gujarat					
4	Gyan Sanjivani	b.1 & b.2 (Execution through NGO Partners)	LA: Kalyan, Turbhe & Thane	0.12	Direct	0.13	0.61	NGOs: a) Room to Read, b) Stree Mukti Sanghatana, c) Navneet Foundation d) Asmita Special School e) Shri Krishna Education Society f) Indian Development Foundation
			DT: Thane, Raigad, Navi Mumbai, Mumbai, Palghar					
			ST: Maharashtra					
5	Samajeek Utthaan	c.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai	0.57	Direct	0.17	1.08	Site Steering Councils
			DT: Raigad, Palghar, Mumbai, Thane & Bharuch					
			ST: Maharashtra & Gujarat					

(₹ Crores)

1	2	3	4	5	6		7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector in which the project is covered (refer section CSR Projects & Scope)**	**Projects or Programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken *****	**Amount outlay (budget) project or program wise (in ₹)**	**Amount Spent on the projects or programs sub heads (1) Direct on projects or programs (2) Overheads**		**Cumulative expenditure up to the reporting period ***	**Amount Spent: Direct or through implementing agency**
6	Samajeek Utthaan	c.1 (Execution through NGO Partners)	LA: Boisar, Badlapur, Ayikudy, Muthoor, Kumkakonam, Mokhada & Utthukotai	0.43	Direct	0.92	1.47	NGOs: a) Swami Bhramanand Pratishthan b) Kurulkar Shikshan Sanstha c) Adhar, The Association of Parents of Mentally Retarded Children d) Rural Communes e) Lions Club of Tarapur f) Yuwa Mitra g) Shri Amrutham Public Charitable Trust h) Sri Panduranga Charities i) DRZYA j) Amar Seva Sangam
			DT: Palghar, Thane, Erode, Tanjore, Tirunelveli & Teruvallore					
			ST: Maharashtra & Tamil Nadu					
7	Stree Unnati	d.1 (in-house execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai	0.02	Direct	0.00#	0.12	Site Steering Councils
			DT: Raigad, Palghar, Mumbai, Thane & Bharuch					
			ST: Maharashtra & Gujarat					
8	Stree Unnati	d.1 (Execution through NGO Partners)	LA: Ambernath, Turbhe, Panvel & Jhagadia	0.19	Direct	0.19	0.55	NGOs: a) Community Outreach Programme b) Save the Children India c) Sharda Mahila Vikas Society
			DT: Thane, Navi Mumbai, & Raigad					
			ST: Maharashtra & Gujarat					
9	Vatavaran Suraksha	e.1 (In-house Execution)	LA: Taloja, Tarapur, Jhagadia, Navi Mumbai	0.11	Direct	0.04	0.08	Site Steering Councils
			DT: Raigad, Palghar, Mumbai, Thane & Bharuch					
			ST: Maharashtra & Gujarat					
10	Vatavaran Suraksha	e.1 (Execution through NGO Partners)	LA: Boisar, Jawahar, Rabale	0.11	Direct	0.05	0.12	District Disaster Response Fund, Raigad
			DT: Palghar & Navi Mumbai					
			ST: Maharashtra					
11	Aapda Rahat	f.1 (In-house Execution)	LA: Navi Mumbai	0.08	Direct	0.05	0.28	Site Steering Councils
			DT: Mumbai					
			ST: Maharashtra					
12	-	g	CSR Capacity Building & Personnel Cost	0.15	Overheads	0.14	0.38	-
Grand Total				**3.19**	**-**	**3.02**	**10.06**	

* Cumulative amount from 1st April 2014

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

*** LA = Local Areas DT= District ST = State

Figure less than ₹ 50,000

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

(₹ Crores)

Sr. No.	Projects	Reasons for Unspent Amount for 2018-19			
		Budget Amount	Spent Amount	Unspent Amount	Reasons for Unspent
1	Arogya Vardheeni	0.92	0.93	-0.01	-
2	Gyan Sanjeevani	0.61	0.53	0.08	Project under Progress - Construction will get completed in 2019-20
3	Samajeek Utthaan	1.00	1.09	-0.09	-
4	Vatavaran Suraksha	0.22	0.04	0.18	Appropriate sites and implementation NGO partners for Tree Plantation could not be identified
5	Stree Unnati	0.21	0.19	0.02	Marginal
6	Aapda Rahat	0.08	0.10	-0.02	Relief Material Distribution Body did not revert back
7	Capacity Building	0.15	0.14	0.01	Marginal
	Total	**3.19**	**3.02**	**0.17**	

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

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

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
28th May 2019

ANNEXURE D
NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

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

2. DEFINITIONS

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

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

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

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

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

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

"Key Managerial Personnel" means:

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

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

"**Senior Management**" means:

Officers[1] /Personnel of the Company who are members of core management team excluding Board of Directors and comprising of all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer[2].

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

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

3. OBJECTIVES

The objective of the policy is to ensure that

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;

b) relationship between remuneration and performance is clear and is based on appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. NOMINATION AND REMUNERATION COMMITTEE

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

5. ROLE OF THE COMMITTEE

The functional role of the committee is as follows:

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

b) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;

c) devising a policy on board diversity;

d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;

e) deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f) recommend to the board, all remuneration, in whatever form, payable to senior management[3]; and

g) perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

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

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age limit fixed for retirement under the Company's policy. However, appointment or continuation of appointment of any person or extension of his term beyond the age of seventy years shall be subject to the provisions of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

A. Remuneration to Managing Director / Whole-time Directors

a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The remuneration shall be based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters.

c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

d) The approval of the Shareholders / Central Government shall be sought if required, for payment of remuneration to Managing / Whole-time Directors to comply with statutory provisions.

B. Remuneration to Non- Executive / Independent Directors

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

the Nomination and Remuneration Committee and approved by the Board.

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

C. Remuneration to Key Managerial Personnel and Other employees:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and variable pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c) The variable pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

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

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

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

9. REMOVAL

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

10. RETIREMENT

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

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

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

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

ANNEXURE E
FORM NO. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto for FY 2018-19

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Sr. No.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Justification for entering into such contracts or arrangements or transactions**	**Date(s) of approval by the Board**	**Amount paid as advances, if any**	**Date on which the special resolution was passed in General Meeting as required under first proviso to section 188**
There are no contracts or arrangements or transactions entered during the year ended 31st March 2019, which were not at arm's length basis								

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

	(a)	(b)	(c)	(d)	(e)	(f)
Sr. No.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date(s) of approval by the Board, if any**	**Amount paid as advances, if any.**
1	Amit Ramakrishnan, son of Mr. G Ramakrishanan, Promoter and Director	Appointment of Mr. Amit Ramakrishnan as Technical Sales Executive and System Process Analyst in TRI-K Industries Inc., wholly owned subsidiary	3 years from 1st February 2019	As per resolution no. 8 approved in the 32nd AGM of the Company	29th May 2018	NIL
2	Mr. G Ramakrishnan, Promoter and Director	Appointment as strategic advisor of the company	Upto two years from 1st June 2018	As per resolution no. 11 approved in the 32nd AGM of the Company	29th May 2018	NIL
3	Mr. Uday K Kamat, Director	Appointment as strategic advisor of the company	Upto two years from 1st June 2018	As per resolution no. 12 approved in the 32nd AGM of the Company	29th May 2018	NIL
4	Mr. Vaijanath Kulkarni, Director	Continuation as Managing Director in Galaxy Chemicals (Egypt) SAE, wholly owned subsidiary	3 years from 1st October 2016	As per resolution no. 15 approved in the 31st AGM of the Company	23rd June 2017	NIL
5	Dr. Nirmal Koshti, Director	Continuation of employment in TRI-K Industries Inc., wholly owned subsidiary	3 years from 1st October 2016	As per resolution no. 18 approved in the 31st AGM of the Company	23rd June 2017	NIL

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

	(a)	(b)	(c)	(d)	(e)	(f)
Sr. No.	**Name(s) of the related party and nature of relationship**	**Nature of contracts/ arrangements/transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date(s) of approval by the Board, if any**	**Amount paid as advances, if any.**
6	Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, Director	Appointment of Ms. Renuka Koshti as Senior Chemist in TRI-K Industries Inc., wholly owned subsidiary	3 years from 1st October 2016	As per resolution no. 19 approved in the 31st AGM of the Company	23rd June 2017	NIL
7	Mr. Siddharth Patil, son of Late Mr. Sudhir Patil, Director*	Continuation of employment in TRI-K Industries Inc., wholly owned subsidiary	3 years from 1st October 2017	As per resolution no. 14 approved in the 31st AGM of the Company	23rd June 2017	NIL
8	Aeon Chemicals Private Limited, Late Mr. Sudhir Patil was common director *	Agreement between Galaxy Surfactants Limited and Aeon Chemicals Private Limited for technology for specialty surfactants blends	10 years from 1st October 2014	As per resolution no. 15 approved in the 28th AGM of the Company	26th July 2014	NIL

* Mr. Siddharth Patil and Aeon Chemicals Private Limited were related parties at the time of taking approval. Subsequent to demise of Mr. Sudhir Patil on 14th July 2018, they ceased to be related party.

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
28th May 2019

ANNEXURE F
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[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: L39877MH1986PLC039877
C-49/2, TTC, Industrial Area, Pawne,
Navi Mumbai – 400703.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March 2019**, 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 2019 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 (upto 10th November 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November 2018)- **Not Applicable as there was no reportable event during the period under review**;

   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;**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018) - **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 identified the following laws/rules as specifically applicable to the Company:

   1. The Drugs and Cosmetics Act,1940;

   2. The Arms Act,1959;

   3. The Explosives Act, 1884;

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

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Listing agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors - Non-Executive Directors including 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/Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of directors was received for receipt of notice and circulation of the Agenda and notes on Agenda at a shorter notice. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meetings were carried unanimously.

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

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

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

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

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

Aparna Gadgil
Partner
ACS: 14713
C P No. 8430

Thane
17th May 2019

ANNEXURE A

Annexure to Secretarial Audit Report

To,

The Members,
Galaxy Surfactants Limited
CIN: L39877MH1986PLC039877
C-49/2, TTC, Industrial Area, Pawne,
Navi Mumbai – 400703.

Our Secretarial Audit Report of even date for the Financial Year 2018-19 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

Aparna Gadgil
Partner
ACS: 14713
C P No. 8430

Thane
17th May 2019

ANNEXURE G

Particulars of Employees pursuant to section 197(12) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Particulars		
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;*	Mr. S. Ravindranath	5.14
		Mr. U. Shekhar	54.32
		Mr. K. Ganesh Kamath	54.32
		Mr. K. Natarajan	54.32
		Mr. G. Ramakrishnan	16.84
		Mr. Uday K. Kamat	16.20
		Mr. Sudhir Patil (till 14th July 2018)	0.87
		Dr. Nirmal Koshti	0.00
		Mr. Vaijanath Kulkarni	0.00
		Mr. Subodh Nadkarni	4.63
		Mr. M. G. Parameswaran	5.01
		Ms. Nandita Gurjar	4.11
		Mr. Shashikant Shanbhag	2.03
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**	Mr. U. Shekhar	4.98%
		Mr. K. Ganesh Kamath	4.98%
		Mr. K. Natarajan	4.98%
		Mr. Niranjan Ketkar, CS@	0.00%
(iii)	The percentage increase in the median remuneration of employees in the financial year;		-2.81%
(iv)	The number of permanent employees on the rolls of company;$		1187
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;%	Average percentile increase in salaries of employees other than managerial personnel	7.29%
		Percentile increase in salaries of managerial personnel^	4.98%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per the remuneration policy of the company.	

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

**Given only for Executive Directors and Company Secretary

$As on 31st March 2019

^Whole time Directors

%Calculated on the basis of Annual CTC of common employees in the two years.

@Mr. Niranjan Ketkar joined the Company with effect from 31st October 2017

For and on behalf of the Board

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

Navi Mumbai
28th May 2019

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

This report is in compliance with Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as given herein below.

2. BOARD OF DIRECTORS

The Board of Directors is constituted in compliance with the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (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 2019, the Board consisted of 12 (Twelve) Directors, comprising 4 (four) Independent Directors (including one woman director), 3 (three) Executive Directors, 4 (four) Non-Executive Directors and 1 (one) additional director.

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

The Management of your Company have made disclosures to the Board confirming that there is no material, financial and commercial transactions between them and the Company which could have potential conflict of interest with Company at large.

None of the Directors is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 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 a member of more than 10 committees and Chairman of more than 5 committees as specified in Regulation 26 of SEBI (LODR) Regulations.

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

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

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

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 2019, 6 (Six) meetings of Board of Directors were held on 29th May 2018, 10th August 2018, 13th November 2018, 1st February 2019, 28th March 2019 and 29th March 2019. Details of the directors and their attendance at the above mentioned Board meetings and last Annual General Meeting held on 9th August 2018 are given below:

Name	Category of Director Executive Director (ED), Non-Executive Director (NED), Independent Director (ID)	Total Board Meetings held during the year	No. of Board Meetings attended during the year	Attendance of last AGM held on 9th August 2018	No. of Directorships in other public limited companies	No of committee positions held in other public limited companies		Names of the listed entities where the person is a director and the category of directorship
						Chairman	Membership*	
Mr. S. Ravindranath	NED and ID	6	6	Yes	NIL	NIL	NIL	NIL
Mr. U. Shekhar	Promoter/ ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Ganesh Kamath	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Natarajan	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. G. Ramakrishnan	Promoter/ NED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Sudhir Patil#	Promoter/ NED	6	1	NA	NA	NA	NA	NA
Dr. Nirmal Koshti	NED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Vaijanath Kulkarni	NED	6	5	Yes	NIL	NIL	NIL	NIL
Mr. Subodh Nadkarni	NED and ID	6	6	Yes	NIL	NIL	NIL	NIL
Mr. M. G. Parameswaran	NED and ID	6	6	Yes	NIL	NIL	NIL	NIL
Ms. Nandita Gurjar	NED and ID	6	6	Yes	2	NIL	1	Birlasoft Limited (ID)
Mr. Uday Kamat	NED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Shashikant Shanbhag&	Promoter/ NED	6	3&	NA	NIL	NIL	NIL	NIL

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

#Mr. Sudhir Patil ceased to be the Promoter/ NED as on 14th July 2018, subsequent to his demise.

&Mr. Shashikant Shanbhag was appointed as an additional director w. e. f. 10th August 2018.

Meeting of Independent Directors was held on 29th March 2019.

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 2019 are as under:

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

#Mr. Shashikant Shanbhag and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director and Ms. Sandhya Patil (wife of Promoter, late Mr. Sudhir Patil) are partners in the partnership firm namely M/s Galaxy Chemicals. The said partnership firm is holding 77,52,850 equity shares of the Company.
(Mrs. Sandhya Patil passed away on 25th April 2019 and the shares held by her are in the process of transmission to her legal heirs)

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

Familiarisation programmes imparted to Independent Directors

A policy on familiarisation of independent directors is formed 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.

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

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

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

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

There is no change in Independent Directors during the year.

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 i.e. Mr. Subodh Nadkarni (Chairman), 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.

During the financial year ended 31st March 2019, 4 (four) meetings of the Audit Committee were held on 29th May 2018, 10th August 2018, 13th November 2018 and 1st February 2019.

Attendance at Audit Committee Meetings

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

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

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. reviewing the financial statements with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
   a. matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgement by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions; and
   g. modified opinion(s) in the draft audit report.
6. reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval of any subsequent modification of transactions of the company with related parties;
10. scrutiny of inter-corporate loans, investments and guarantees;

11. valuation of undertakings or assets of the company, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. discussion with internal auditors of any significant findings and follow up there on;

16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;

17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. reviewing the functioning of the whistle blower mechanism;

20. overseeing the vigil mechanism established by the Company, with the chairman;

21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. review of utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;

23. review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively; and

24. carrying out any other function as is mentioned in the terms of the Audit Committee.

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

The Chairman of the Audit Committee Mr. Subodh Nadkarni was present at the last Annual General Meeting of the Company held on 9th August 2018 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 2019, 5 (five) meetings of the NRC were held on 29th May 2018, 10th August 2018, 13th November 2018, 1st February 2019 and 29th March 2019.

Attendance at NRC meetings

Name of the Members	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	5
Mr. Subodh Nadkarni	5
Mr. S. Ravindranath	5
Ms. Nandita Gurjar	5

The terms of reference of the NRC are as under:

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

2. formulation of criteria for evaluation of Independent Directors and the Board of Directors;

3. devising a policy on board diversity;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;

5. deciding whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

6. recommend to the Board, all remuneration in whatever form, payable to senior management; and

7. perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on 9th August 2018 to answer queries of the Shareholders.

Performance evaluation criteria for Independent Directors

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

5. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors for the financial year 2018-19 (₹ Crores)

Name of Director	Salary	Commission	Contribution to Funds	Perquisites	Total
U. Shekhar	1.32	0.84	0.12	0.00	2.28
K. Natarajan	1.38	0.84	0.12	0.00	2.34
K. Ganesh Kamath	1.46	0.84	0.12	0.00	2.42

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 2018-19

(₹ Crores)

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	0.09	0.10	0.19
Ms. Nandita Gurjar	0.06	0.10	0.16
Mr. G. Ramakrishnan	0.05	0.10	0.15
Mr. Uday K. Kamat	0.03	0.10	0.13
Mr. Sudhir Patil*	0.00	0.03	0.03
Mr. Shashikant Shanbhag	0.01	0.06	0.07

*Figure less than ₹ 50,00

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

Mr. G Ramakrishna and Mr. Uday K Kamat have been appointed as a Strategic Advisors to the Company w.e.f. 1st June 2018 pursuant to approval of the members in 32nd AGM held on 9th August 2018 and have been paid fees of ₹ 50,00,000/- each during the financial year 2018-19.

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 2018-19.

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 i.e. Mr. M. G. Parameswaran (Chairman), Mr. G. Ramakrishnan and Mr. K. Ganesh Kamath.

During the financial year ended 31st March 2019, 1 (one) meeting of SRC was held on 13th November 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:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

Particulars of Complaints	Complaints Nos.
Complaints as on 1st April 2018	Nil
Complaints received during the FY 2018-19	2
Complaints disposed during the FY 2018-19	2
Complaints remaining unsolved as on 31st March 2019	Nil
Complaints not solved to the satisfaction of shareholder	Nil

Mr. Niranjan 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 viz. Mr. U. Shekhar, Managing Director (Chairman), Mr. M. G. Parameswaran and Mr. K. Ganesh Kamath.

During the financial year ended 31st March 2019, 1 (one) meeting of CSRC was held on 29th May 2018.

Attendance at CSRC Meetings

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

The terms of reference of CSRC are as under:

1. 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;

2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

3. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

4. 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. GENERAL BODY MEETINGS

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

Meeting	Day, Date	Time	Venue
30th AGM	Monday, 26th September 2016	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703
31st AGM	Thursday, 17th August 2017	2.00 p.m.	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703
32nd AGM	Thursday, 9th August 2018	3.00 p.m.	CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703

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

Date of AGM	Details of Special Resolution
30th AGM	• NIL
31st 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
32nd AGM	• NIL

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

9. MEANS OF COMMUNICATION

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

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

33rd Annual General Meeting will be held on Tuesday, 13th August 2019 at CIDCO Convention Centre Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate – Opp Joyalukkas Jewellers, Vashi, Navi Mumbai – 400 703 at 3.00 p.m.

b) Financial Year

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

c) Dividend Payment Date

Credit/ dispatch of dividend warrants will be made between 14th August 2019 and 13th September 2019

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-

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

Annual Listing Fees for the year 2019-20 have been paid to stock exchanges.

e) Stock Code

National Stock Exchange of India Ltd. : GALAXYSURF

BSE Ltd. : 540935

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

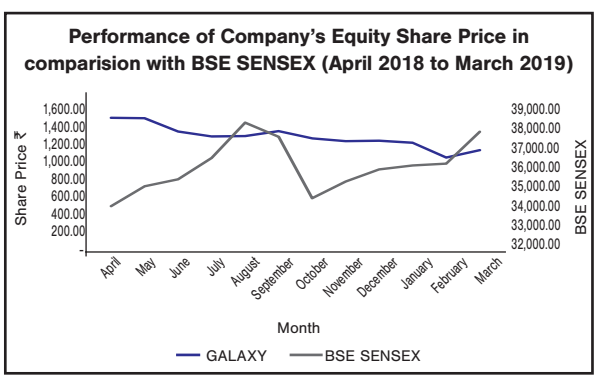
Month Wise Stock Market Data

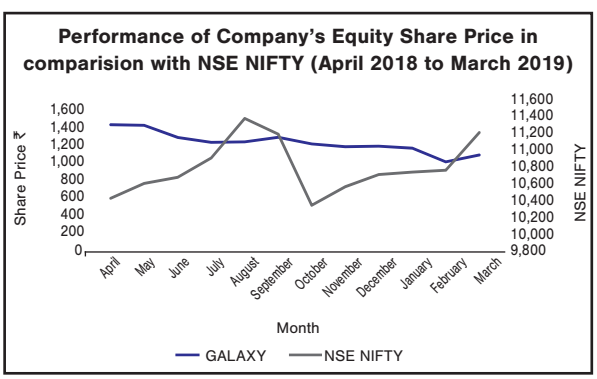
National Stock Exchange of India Limited				BSE Limited			
Month	High Price (₹)	Low Price (₹)	Volume (Nos.)	Month	High Price (₹)	Low Price (₹)	Volume (Nos.)
April-18	1525.00	1346.30	5,27,532	Apr-18	1521.15	1343.15	49,040
May-18	1520.00	1360.00	4,77,045	May-18	1520.00	1366.15	17,145
June-18	1385.00	1231.50	4,14,717	June-18	1383.70	1240.00	97,562
July-18	1335.00	1150.00	1,45,871	July-18	1335.00	1121.00	11,849
Aug-18	1321.70	1174.00	5,69,636	Aug-18	1326.00	1167.95	1,69,951
Sep-18	1409.95	1202.00	2,66,934	Sep-18	1405.00	1200.00	53,334
Oct-18	1302.95	1144.95	2,72,060	Oct-18	1299.00	1134.50	12,506

National Stock Exchange of India Limited				BSE Limited			
Month	High Price (₹)	Low Price (₹)	Volume (Nos.)	Month	High Price (₹)	Low Price (₹)	Volume (Nos.)
Nov-18	1225.00	1153.25	2,33,429	Nov-18	1218.10	1159.75	9,289
Dec-18	1269.00	1135.30	1,98,513	Dec-18	1243.50	1135.00	7,822
Jan-19	1238.00	1076.45	2,77,301	Jan-19	1230.70	1077.30	4,293
Feb-19	1140.00	871.80	3,59,010	Feb-19	1121.30	885.00	50,159
Mar-19	1140.00	980.00	2,80,210	Mar-19	1197.00	984.75	14,179

Source: NSE and BSE Websites

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





h) Details of unpaid dividend

Year of the Declaration	Date of declaration of dividend	Date of transfer to IEPF	Amount (In ₹)
Fin Div 11-12	03-08-2012	08-10-2019	3,94,000
Fin Div 12-13	06-09-2013	12-11-2020	1,42,250
Fin Div 13-14	19-09-2014	25-11-2021	5,27,000
Fin Div 14-15	28-09-2015	02-12-2022	6,40,200
Int Div 15-16	04-06-2016	10-08-2023	7,79,000
Spl Div 15-16	26-09-2016	01-12-2023	2,29,400
Int Div 16-17	04-03-2017	09-05-2024	8,34,585
Fin Div 16-17	17-08-2017	23-10-2024	6,28,185
Fin Div 17-18	09-08-2018	15-10-2025	20,77,999

i) Share Transfer Agents

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

j) 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 per the requirement, the Company obtains half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and file a copy of the said certificate with Stock Exchanges.

The Company files certificates pertaining to maintenance of share transfer agency Regulation 7(3), statement of pending complaints Regulation 13(2) with stock exchanges.

k) Distribution of shareholding

Shareholding Pattern as on 31st March 2019

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1.	Promoter and Promoter Group	2,51,47,634	70.93
2.	Public Shareholding	1,03,07,118	29.07
	Total	**3,54,54,752**	**100.00**

Distribution of Shareholding (Shares)

Sr. No.	Shareholding of Shares			Shareholder (Folios)	Percentage of Total	Total shares	Percentage of Total
1	1	to	500	46,427	98.11	9,56,454	2.70
2	501	to	1000	302	0.64	2,27,264	0.64
3	1001	to	2000	172	0.36	2,61,619	0.74
4	2001	to	3000	184	0.39	5,30,772	1.50
5	3001	to	4000	33	0.07	1,15,693	0.33
6	4001	to	5000	28	0.06	1,28,173	0.36
7	5001	to	10000	78	0.16	5,55,309	1.57
8	10001		and above	96	0.20	3,26,79,468	92.17
Total				**47,320**	**100.00**	**3,54,54,752**	**100.00**

l) Dematerialization of shares and liquidity

Status of dematerialisation of shares and liquidity as on 31st March 2019 is as under:

Mode of holding	No. of shares	% of total shareholding
Dematerialised	3,42,53,511	96.61
Physical	12,01,241	3.39
Total	**3,54,54,752**	**100.00**

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

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

n) 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.

o) Plant locations

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

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

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

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

p) Address for correspondence

Address of the Company	Address of the Registrar and Transfer Agent
Mr. Niranjan Ketkar Company Secretary Galaxy Surfactants Limited Rupa Solitaire, Ground Floor, Unit No. 8, Millennium Business Park, Mahape Navi Mumbai – 400710 Tel: +91-22-33063700 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. There are no non-compliances during the period from listing of shares in relation to capital markets.

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

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

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

The positions of Chairman of the Board of Directors and Managing Director are separate on the Board of the Company and therefore, the Company has complied with discretionary requirements of part E of Schedule II of SEBI (LODR) Regulation, 2015.

(e) 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

(f) During the year under review, no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

(g) The Company has received certificate from Secretarial Auditor confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

(h) During the year, recommendations made to the Board by the Committees were accepted by the Board.

(i) Total fees paid by the Company and its subsidiaries to statutory auditors is ₹ 1.32 Crores towards statutory audit fees and other services.

(j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Number
(a) Number of complaints filed during the financial year	Nil
(b) Number of complaints disposed of during the financial year	Nil
(c) Number of complaints pending as on end of the financial year	Nil

(k) The Company has formulated Code of Conduct (Insider Trading) to Regulate, Monitor and Report Trading by Insider based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at http://www.galaxysurfactants.com/CommonCMS/InvestorRelation

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

*During the year under review the Constitution of Risk Management Committee was not mandatory for the Company. However, the Company has constituted the said committee in the Board meeting held on 29th March 2019.

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 2019, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Navi Mumbai
28th May 2019

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 ended 31st March 2019 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee

(1) significant changes in the internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Galaxy Surfactants Limited**

U. Shekhar
Managing Director
(DIN 00265017)

K. Ganesh Kamath
Chief Financial Officer
(DIN 07767220)

Navi Mumbai
28th May 2019

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 of
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 September 2018.

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 2019, 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 2019.

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 Raje
Partner
(Membership No. 102637)

Navi Mumbai
28th May 2019

UDIN: 19102637AAAAAG7803

Business Responsibility Report for Financial Year 2018-19

OVERVIEW

Galaxy Surfactants Limited (referred further in this document as Galaxy or we) is one of India's leading manufacturers of surfactants and other specialty ingredients for the home and personal 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. Since our incorporation in the year 1986, we have significantly expanded and diversified our product profile, client base and geographical footprint. Our customers include some of the leading multinational, regional and local players in the home and personal care industries.

From inception, Galaxy's sustainable success is drawn from its vision and commitment to cleaner and safer environment. It has been a cornerstone of how we conduct business. The fundamental aspect of Galaxy's culture is imbibing our values and driving ourselves to remain committed to stakeholders.

In keeping with Galaxy's commitment to responsibility and accountability towards all its stakeholders, Galaxy is pleased to present its first Business Responsibility Report in line with Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In line with SEBI's proposed structure for the Business Responsibility Report and the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business', this report delineates Galaxy's efforts to conduct Business with responsibility. The Business Responsibility Report is a summary of Galaxy's sustainability initiatives and more detailed performance is published separately in Sustainability Report.

Galaxy continues to publish its Sustainability Report, in conformity to the Global Reporting Initiative (GRI) standards. Our sustainability reports, including the 7th Sustainability Report for FY 2017-18 are available at our website[1].

GENERAL INFORMATION

1	Corporate Identity Number (CIN) of the Company	L39877MH1986PLC039877
2	Name of the Company	Galaxy Surfactants Limited
3	Registered Office Address	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra – 400703
4	Website	www.galaxysurfactants.com
5	Email	investorservices@galaxysurfactants.com
6	Financial Year of Reported	2018 – 19
7	Sectors that the company is engaged in (Industrial Activity Code wise)	Chemicals NIC Code Product Description 20233 Manufacture of detergent and similar washing agents excluding soaps 20119 Manufacture of organic and inorganic chemical compounds n.e.c.
8	List three key products that company manufactures/ provides	Performance Surfactants Specialty Care Products
9	Total number of locations where business activity is undertaken by the Company	
	i) International Locations	Manufacturing units (Subsidiaries) 1) Suez, Egypt 2) New Hampshire, USA
	ii) National Locations	Manufacturing units in India 1) 3 sites in Tarapur, Maharashtra 2) 1 site in Taloja Maharashtra, and 3) 1 site in Jhagadia, Gujarat
10	Markets served by the company – Local/ State/ National/International	All We serve across the continents covering 75+ countries.

[1] http://sustainability.galaxysurfactants.com/

FINANCIAL DETAILS

1	Paid up capital (INR)	35,45,47,520
2	Total turnover (INR)	1996.36 Crores
3	Total profit after taxes (INR)	168.45 Crores
4	Total spending on corporate social responsibility (CSR) as % of average profit for last 3 financial years	1.90% of average net profit for the previous 3 financial years (standalone).

5 Activities under which expenditure in 4 above has been incurred include

The CSR initiatives are implemented through following projects

a) Aarogya Vardheeni – Healthcare & Preventive Healthcare
b) Gyan Sanjeevani – Education
c) Samajeek Utthaan – Rural Development
d) Stree Unnati – Women Empowerment
e) Vatavaran Suraksha – Environment Protection &
f) Aapda Rahat – Calamity Relief

OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	As on 31st March 2019, the Galaxy has five wholly owned subsidiaries
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Galaxy encourages its Subsidiary Companies to participate in BR initiatives.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with / participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (less than 30%, 30-60%, more than 60%).	As part of Sustainability Policy, Galaxy is committed to integrate sustainability considerations into value chain by engaging and creating awareness among stakeholders including suppliers. Currently, more than 60% of suppliers participate in the BR initiatives.

BUSINESS RESPONSIBILITY FRAMEWORK

BR INFORMATION

1. Details of Director/Directors responsible for BR

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

BR Head

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

BR Policies

At Galaxy, Business Responsibility is guided by India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' which articulates nine principles as below:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

(a) Details of compliance to BR Policies

Sr No		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Availability of Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Policy formulated in consultation with relevant stakeholders? (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Conformity of policy to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Policy approved by the Board#	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Policy signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Specified committee of the Board / Director / Official appointed to oversee the implementation of the policy#	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y **	Y *	Y *	Y *	Y *	Y *	Y **	Y *	Y *
7	Policy communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Existence of an in-house structure within the Company to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Availability of a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Assessment by an internal/external agency of the working of this policy	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y - Yes

N - No

NA - Not Applicable

\# Few Policies are adopted under the authority given by the Board

** Policies available on internal portal which is accessible only to employees

* Policies available on the Company's website – http://www.galaxysurfactants.com/CommonCMS/InvestorRelation#corporate; http://sustainability.galaxysurfactants.com/

Note 1. While there may not be a formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

NVG Principle	Applicable policies
P1 - Conduct and govern themselves with Ethics, Transparency and Accountability	Code of conduct (CoC) for Board and senior managers, CoC for employees, Whistle Blower Policy
P2 - Provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability Policy, Quality Policy, SHE Policy, Corporate Social Responsibility Policy, Sourcing Policy, GMP Policy
P3 - Promote the well-being of all employees	SHE Policy, Human Rights Policy, Sexual Harassment at Workplace Policy
P4 - Respect the interests of, and be responsive towards all stakeholders, specially disadvantaged, vulnerable and marginalized	CoC, Sourcing Policy, Corporate Social Responsibility Policy
P5 - Respect and promote human rights	CoC, Human Rights Policy
P6 - Respect, protect, and make efforts to restore the environment	CoC, Sustainability Policy, SHE Policy, Quality Policy, Sourcing Policy

NVG Principle	Applicable policies
P7 - Influencing public and regulatory policy in a responsible manner	CoC
P8 - Support inclusive growth and equitable development	Corporate Social Responsibility Policy
P9 - Engage with and provide value to their customers and consumers in a responsible manner	CoC, Quality Policy, SHE Policy, GMP Policy

2b) If answer to S. No. 2(a) against any principle, is 'No', please explain why: (Tick up to 2 options)

Not Applicable

3) Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of Boards or CEO to assess the BR performance of the Company.

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

(b) Does the company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Galaxy has published seven sustainability reports so far (7th being for 2017-18). These reports are available on GRI database and the company website[1].

PRINCIPLE-WISE PERFORMANCE

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

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

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

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

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

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

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Galaxy has an Internal Complaints Committee (ICC) to redress complaints received with respect to sexual harassment. No complaint was received in 2018-19 by ICC. Under the Whistle Blower Policy, there were 2 complaints received in 2018-19. On further inquiry, both the complaints were addressed as per the process.

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

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

Galaxy ensures that all the market wise product labelling requirements are fully met, as well as physical and chemical properties are communicated to the customers.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   One of our Sustainability Goals 2020 is to conduct Life Cycle Assessment of 40 products. Galaxy plans to assess majority of its product range for their total environment impacts, moving beyond basics like energy and water intensity of products. This approach provides Galaxy with a framework for ascertaining the relative sustainability of products, identifying opportunities for environment impact mitigation, and promoting greener products. Galaxy took up Life Cycle Assessment based on ISO 14040/14044 as a part of assessing total impact of product through its lifecycle and completed LCA for 12 identified products with the help of GaBi tool, as part of the initiative. This enabled Galaxy to determine their environment impacts and opportunities for improvement in the same.

   a) **Green Process:**
   This innovative Galaxy Process is applicable to **entire class of N-acyl amino acid surfactant family** (including, Glycinates, Sarcosinates, Taurates and Glutamates). This **patented process**[2] has been globally recognized as one of the major inventions.

   Galaxy process of amino acid surfactant manufacture meets all twelve principles of **'Green Chemistry'**. This breakthrough innovation by Galaxy has significantly enabled Galaxy and also its Customers to have a very high quality and safe product which in turn would benefit the end consumers as well of the personal care products sold by our customers.

   b) **Galsoft GLI 21:**
   Galsoft GLI 21 is one such Innovative product, designed with breakthrough technology of combining Amino Acid Surfactant and Acyl Isethionate with a Patented Process[3] of manufacture.

   c) Our Sodium Lauryl Sulfate range of products has ECOCERT attestation. It is a voluntary certification which ensures that the product is natural and environmental friendly throughout its life cycle and also it ensures that the product is satisfying the minimum threshold of natural and organic ingredients.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   i. **If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.***
   Galaxy has defined internal procedures for sustainable sourcing. Galaxy evaluates vendors on environment, social, safety and quality parameters prior to registration of a vendor. The suppliers are asked to endorse Supplier Code of Conduct containing the organization approach on quality, environment, and occupational health and safety management systems. Galaxy is an ordinary member of Roundtable on Sustainable Palm Oil (RSPO) that facilitates sustainability in palm oil supply chain. 90% of major raw material inputs (by value) are sourced from suppliers who follow sustainable practices like RSPO, Environment management system.

   Galaxy is signatory to Responsible Care Global Charter (RCGC) and is permitted to use Responsible Care® logo for manufacturing units in India till December 2020. Galaxy adheres to the requirements of "Distribution Code and Product Stewardship Code" of the framework to ensure safe and sustainable transportation.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Galaxy has developed vendors that are local and promotes local producers. Galaxy has helped few vendors in improving their capacity, setting up new facility, and improving their productivity.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Galaxy focuses on waste elimination, recycling and optimum utilization of resources. We are continually improving our waste monitoring mechanism. Galaxy has implemented projects that have reduced waste over the years and recycling by-products/waste for internal consumption. Hazardous waste is sent to authorized waste management agencies and Non-Hazardous waste is sent to authorized recyclers for further recycling.

   With Galaxy's focus on effective recycling of water, all the manufacturing facilities in India are "Zero Liquid Discharge".

[2] **US 9,187,407, EP 2888226, CN 104640839, JP 6087438, RU 2624026, IN 301842 also filed in Brazil.** Title: METHOD TO PRODUCE N-ACYL AMINO ACID SURFACTANTS USING N-ACYL AMINO ACID SURFACTANTS OR THE CORRESPONDING ANHYDRIDES AS CATALYSTS

[3] **US 9,308,156, EP2882410, CN104837477, JP 6033970, RU 2606113 and IN 301815, also filed in Brazil.**

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

The growth of an organisation is determined by the pace of growth of its people. We believe in nurturing and empowering our talent so that they can exercise their potential to the fullest. We believe our people are the endless source of energy who help us in generating resources for our business. Hence, our Human Resource Process is called People Energy Process.

Galaxy constantly strives to address the issue of work life balance and encourages their employees to maintain the same. Employee health is critical for Galaxy's sustainable growth and in keeping with this, annual health checkup and wellness programmes are conducted for employees across the organization followed by necessary corrective and preventive action.

Our motto and value systems are well imbibed by our workforce and they are trained on this right from their induction, which leads to harmony in working. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We offer our employees performance-linked incentives and benefits and conduct employee engagement programmes from time-to-time.

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

There were no complaints received relating to child labour, forced labour, involuntary labour or sexual harassment in the last financial year and pending, as on the end of Financial Year 2018-19.

1. **Please indicate the Total number of employees:** 1,187

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 464

3. **Please indicate the Number of permanent women employees:** 89

4. **Please indicate the Number of permanent employees with disabilities:** 1

5. **Do you have an employee association that is recognized by management:** No

6. **What percentage of your permanent employees is members of this recognized employee association?** N.A.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

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

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
We have ensured 100% safety induction training for company and contractor employees at all manufacturing sites. Also, we provide specific safety training for contractor employees with coverage of about 70% (average, considering all the manufacturing sites).

Employee category	Number of Employees	% Trained on Safety	% Trained for Skill Up-gradation
Permanent	1,187	70%	92%
Permanent Female	89	66%	97%
Temporary/Contractual	464	70%	70%
Disabled Employees	1	100%	100%

Occupational Health & Safety

Galaxy provides safe workplace environment and imparts training to all its employees on regular basis. We regularly provide training to company and contractor employees on topics like behavioural safety, Fire Safety, SCBA, defensive driving etc.

Collective Bargaining and Employee Engagement

Employee Welfare Council is constituted in manufacturing units as a platform for employees to voice their concerns and grievances to the management on a monthly basis. Employees are encouraged to provide their feedback and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances.

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

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

4.1 Has the company mapped its internal and external stakeholders? Yes/No

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

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

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

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

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

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

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Galaxy has established a human rights policy that is communicated to every employee. We also ensure that forced or child labour is not practised at our work premises and strict compliance audits are conducted to ensure the same. Employees are encouraged to provide their feedback under the Whistle Blower policy and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no stakeholder complaints related to human rights violations during 2018-19.

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

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

Galaxy has published Sustainability and SHE Policies that are signed by the Managing Director and available on the Company's website[4].

With Sustainability - a way of life at Galaxy, we have embarked on a journey of sustainable growth across all geographies of our operations. Galaxy is committed to integrate sustainability into business. Galaxy continues

[4] Sustainability Policy and SHE Policy can be accessed at http://sustainability.galaxysurfactants.com

to improve sustainable performance and practices by adopting globally applicable management systems. Galaxy strives to minimize environmental impact by setting long term sustainability goals. Over the past several years, we have made substantial progress on Environmental management and sustainability goals.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   We have established Sustainability Goals 2020 for India with aspirational targets in categories like water, energy, greenhouse gases, packaging waste, tree plantation, renewable energy and Life Cycle Assessment. The performance on these goals and initiatives related to climate change, renewable energy are shared on website[5] and in our Sustainability Report. We are regularly reporting our performance related to Climate Change and Water through platform of Carbon Disclosure Project-CDP under the Supply Chain module. In 2018, we have received score of Management Level 'B' in CDP- Climate Change compared to supply chain average of 'D' and Management Level 'B-', in CDP-Water compared to supply chain average of 'C'.

3. **Does the company identify and assess potential environmental risks? Y/N**

   We identify and monitor environmental risks in line with ISO 14001:2015-Environment Management System. Aspect – Impact analysis is captured in Aspect- Impact register which is reviewed and updated regularly. Programmes/ controls are identified and implemented based on this register in order to reduce operational environmental risks. We have integrated these with our Enterprise Risk Register. Also, we have initiated Life Cycle Assessment for selected major products to estimate environmental impacts over the life cycle of these products.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

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

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   We are committed to contributing towards low carbon growth by measuring and tracking our energy consumption and GHG emission. Members of Energy Cell and Sustainability Cell meet regularly to review energy performance and are guided by energy policy. Galaxy with its commitment to increase the share of clean energy, Galaxy commissioned installation of Roof Top solar panels and completed overall around 235 kWp solar installations at its corporate office and manufacturing sites at Taloja and Jhagadia. We have plans to increase and add more renewable power in line with our Sustainability Goals 2020. Galaxy accounts its Greenhouse Gas (GHG) emissions using ISO 14064-1:2006 standards and published emission factors from IPCC.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emissions / wastes generated are well within limits prescribed under consents and approvals of SPCB. These are also reported to SPCB as per the process prescribed by them every year.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year**

   At the end of financial year, no show cause notice from the pollution control board was pending.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**:

   Galaxy is a member of several industry and trade bodies and regularly participates in industry events and stakeholder consultation/ dialogue leading to policy formulation by various regulatory bodies. Some of key associations of which the company is an active member include:

   - Indian Chemical Council (ICC)
   - Bombay Chamber of Commerce and Industry (BCCI)
   - CHEMEXCIL - Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council
   - Indian Specialty Chemical Manufacturers' Association (ISCMA)
   - CII TPM Club

[5] Weblink: Sustainability Goals: http://sustainability.galaxysurfactants.com/ ; Climate Change: http://sustainability.galaxysurfactants.com/climate-change/

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Galaxy participates in policy advocacy and discussions on issues relevant to its industry sector. The Senior Leadership Team interacts with various professional bodies and organizations on issues related to governance, economic reforms, water and sustainable business principles.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

At Galaxy, we believe that business growth is impactful only when it is inclusive of the communities and environment that are associated with the corporate. Corporate Social Responsibility is the main pillar of our sustainability initiatives and is driven by our CSR policy. Thus the basic objective of our CSR is to maximize the company's impact on the society and stakeholders while considering environment and overall sustainability.

CSR Motto:

- Galaxy shall be a good corporate and community citizen
- Galaxy Shall encourage a culture of Volunteering
- Galaxy shall endeavour to enhance human excellence and improving quality of life

CSR Vision: "Minimize resource constraints of underprivileged people preferably around our operating centres for their well-being & improved quality of life."

CSR Mission: "To be a catalyst for a healthy society through specific educational initiatives in personal hygiene, environment cleanliness and infrastructure support for community development".

Galaxy has adopted a Corporate Social Responsibility policy and a CSR committee of the Board guides policy implementation, monitoring and reporting. The CSR policy is available on the website of the Company. The CSR programmes are undertaken through employee volunteering led by an internal team and a few external NGOs. The CSR Report has been dealt with more exhaustively in the annexure to the Board's Report for FY 2018-19.

8.1 Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The CSR initiatives are implemented through following projects:

a) Aarogya Vardheeni – Healthcare & Preventive Healthcare

b) Gyan Sanjeevani – Education

c) Samajeek Utthaan – Rural Development

d) Stree Unnati – Women Empowerment

e) Vatavaran Suraksha – Environment Protection &

f) Aapda Rahat – Calamity Relief

8.2 Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

CSR initiatives have been primarily conceptualised or driven by our in-house CSR team which are called Site Steering Councils. However, some of the initiatives/ projects are also run in collaboration with external NGOs, Government organisations as well. Galaxy acts as a good corporate citizen by encouraging employees to engage in volunteering activities.

8.3 Has the Company done any impact assessment of its initiatives?

Every project and initiative is monitored and reviewed by the Site CSR Steering Council for its effective implementation, quantitatively and qualitatively through personal visits at regular interval.

8.4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Total Expenditure reported is ₹ 3.02 Crores and for the detailed financial summary project wise, refer Annexure C of Board Report.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Galaxy adopts a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying CSR projects. Partial beneficiary contribution is sought, for project deployment/asset creation, maintenance for them to have greater ownership of the projects - which the Galaxy believes is crucial for sustainability of its initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt & carry forward these initiatives is done from time to time.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

With customers being central to our business philosophy, our focus during the year has been to strengthen our relationships with our existing customers while adding new customers across markets and regions.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   As on 31st March 2019, we have ~3% customer complaints remain unresolved exceeding the defined closure timeline of 30 days maximum.

   We follow the 8D (eight-disciplines) methodology which is a rigorous and structured tool for responding to customer complaints and preventing its recurrence. Devising an interim containment plan, Identifying and verifying root cause, implementing a long-term solution to prevent recurring of the problems, and Customer centricity approach are the key elements of our complaint management process.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   We display product information like product trade name, gross wt., tare wt. etc. on regular product labels. In addition, in case of specific countries/customers, we share information with respect to product hazard as per the GHS (Globally Harmonised System of Classification and Labelling of Chemicals) /CLP (Classification, Labelling and Packaging) regulation. While transporting dangerous goods, we ensure use of UN certified packing material and affixation of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association).

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Galaxy has a dedicated team which conducts customer satisfaction survey once in every two years to understand levels of customer satisfaction with products and services provided by the Company.

Independent Auditor's Report

To The Members of Galaxy Surfactants Ltd

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Galaxy Surfactants Ltd** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Fair valuation of financial instruments-Investment in Preference shares in subsidiary company (Refer Note 4, sub note (p), (t) of Note 1(B), Note 51 and note 53 to Standalone financial statements of the Company)** The Company's investment in preference shares in the Subsidiary Company amounting to ₹ 253.63 Crores is considered as a financial asset and is measured at fair value through Profit & loss in accordance with Ind AS 109. In terms of Ind AS 113, Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management has determined the fair values with the assistance of an external expert (management expert) The fair value was determined based on the discounted cash flow model. The result of the fair value measurement depends to a large extent on the management's assessment of future cash inflows and the discount rate used, and is therefore subject to significant judgement. Due to the estimation uncertainty of the valuation and due to the fact that changes in assumptions could affect the fair value of the financial assets, this matter was of particular significance in the context of our audit.	Principal audit procedures performed: • We assessed the appropriateness of the valuation techniques used by the management for valuation of these financial instruments. • We tested the design and operative effectiveness of the controls over valuation of investments including controls over assumptions used by the management's expert. • We obtained the fair valuation report of management's expert. • We assessed the objectivity and competence of the management's expert. • We evaluated the reasonableness of the future cash flows considered by the management in respect of the preference shares. • We tested the assumptions used by the management's expert to determine whether these were reasonable and consistently applied. We involved our valuation specialists to assist in our assessment of the fair value of the preference shares.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Property, plant and equipment (including works in progress) and determination of useful lives (Refer Note 2 and sub note (d) of note 1 (B) to Standalone financial statements of the Company)** The carrying value of the property, plant and equipment (including capital work in progress) of ₹ 394.34 Crores, includes ₹ 105.93 Crores Capitalised during the year. We identified the recognition and measurement of the cost capitalised and the determination of useful lives of property, plant and equipment as a key audit matter as both these require management to exercise significant judgement in determining: • the cost incurred to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it including allocating amounts initially recognised in respect of an item of property, plant and equipment to its significant parts; • residual values; • eligible borrowing costs that may be included as a component of the carrying amount of an item of property, plant and equipment; and • estimating the useful lives of the asset including for the separately identifiable components considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life of the assets and therefore impact the depreciation charge for the year.	Principal audit procedures performed: • We tested the design and operating effectiveness of controls over additions including items recorded as capital work in progress, disposals and computation of depreciation and classification of items of property, plant and equipment into appropriate classes. • We obtained an understanding an understanding of management's identification of the costs that can be capitalised and for a sample, checked the accuracy of these costs to supporting documents. We reviewed operating expenses to evaluate whether any costs that require to be capitalised have been charged to the statement of profit and loss. • We obtained a technical evaluation from the Project Incharge for the date of capitalisation. • We reviewed the classification of items of property, plant and equipment into appropriate classes. • We evaluated whether the borrowing costs capitalised were directly attributable to the acquisition or construction of an asset and assessed whether such costs ceased to be capitalised when substantially all the activities necessary to prepare the qualifying asset for its intended use were complete. We tested the arithmetical accuracy of the borrowing costs capitalised. • For a sample selected, we physically verified the existence of capital work in progress and other items of property, plant and equipment. • We evaluated whether the estimated useful lives and residual values of items of property, plant and equipment appear reasonable based on the Company's technical evaluation of the same and by comparing these with the rates specified in Schedule II to the Companies Act, 2013. • For a sample selected, we calculated the depreciation charge for the year.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and

changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law

or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements -;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 28th May 2019

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 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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)

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 28th May 2019

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 2019)

(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, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at 31st March 2019 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 31st March 2019 on account of disputes are given below:

Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ Crores)
The Central Excise Act, 1944	Excise Duty	Appellate Tribunal	2006-15	2.81
		High Court	2011-13	0.09
The Finance Act, 1994	Service Tax	Commissioner (Appeals)	2015-18	0.69
Income Tax Act,1961	Income Tax	Commissioner (Appeals)	2010-11	0.97
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner	2012-14	3.43
The Custom Act,1962	Custom Duty	Commissioner (Appeals)	2012-13	3.14

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. Company did not have dues to financial institutions, government and to debenture holders.

(ix) The Company did not raise moneys by way of Initial Public Offer or further public offer (including debt instruments). According to the information and explanations given to us, the term loans raised have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 28th May 2019

Balance Sheet

as at 31st March 2019

₹ Crores

Particulars	Note	As at 31st March 2019	As at 31st March 2018
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	354.16	277.88
(b) Capital Work-in-Progress		40.18	18.54
(c) Other Intangible Assets	3	4.98	3.22
(d) Financial Assets			
(i) Investments	4	256.46	223.12
(ii) Loans	5	5.26	4.14
(iii) Other Financial Assets	6	1.30	0.67
(e) Income Tax Assets (Net)		8.01	7.15
(f) Other Non-Current Assets	7	45.46	43.77
Total Non-Current Assets		**715.81**	**578.49**
Current Assets			
(a) Inventories	8	209.65	222.53
(b) Financial Assets			
(i) Trade Receivables	9	306.48	330.10
(ii) Cash and Cash Equivalents	10	3.92	1.91
(iii) Bank Balances other than Cash and Cash Equivalents	10	0.66	0.50
(iv) Loans	5	3.46	3.42
(v) Other Financial Assets	6	3.82	5.49
(c) Other Current Assets	7	62.86	95.43
Total Current Assets		**590.85**	**659.38**
Total Assets		**1,306.66**	**1,237.87**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11A	35.45	35.45
(b) Other Equity	11B	747.06	630.42
Total Equity		**782.51**	**665.87**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	89.23	67.87
(ii) Other Financial Liabilities	13	0.27	0.25
(b) Provisions	14	9.99	6.12
(c) Deferred Tax Liabilities (Net)	15	41.29	29.22
(d) Other Non-current Liabilities	16	0.46	0.48
Total Non-Current Liabilities		**141.24**	**103.94**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	28.45	102.67
(ii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	18	8.58	3.71
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	18	265.72	295.73
(iii) Other Financial Liabilities	13	66.17	50.94
(b) Provisions	14	3.65	4.04
(c) Current Tax Liabilities (Net)		4.39	-
(d) Other Current Liabilities	16	5.95	10.97
Total Current Liabilities		**382.91**	**468.06**
Total Equity And Liabilities		**1,306.66**	**1,237.87**

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

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

Statement of Profit and Loss

for the year ended 31st March 2019

₹ Crores

Particulars	Note	Year Ended 31st March 2019	Year Ended 31st March 2018
Revenue from operations	19	1,996.36	1,712.76
Other Income	20	35.91	12.97
Total Income		**2,032.27**	**1,725.73**
Expenses			
Cost of materials consumed	21	1,422.22	1,230.90
Purchases of Stock-in-trade	22	11.14	13.95
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(0.63)	(7.80)
Excise duty		-	28.60
Employee benefits expense	24	87.31	75.37
Finance costs	25	20.44	20.59
Depreciation and amortisation expenses	26	28.70	27.51
Other expenses	27	208.72	172.24
Total Expenses		**1,777.90**	**1,561.36**
Profit before exceptional items and tax		**254.37**	**164.37**
Exceptional Items		-	-
Profit before tax		**254.37**	**164.37**
Tax Expense			
Current Tax	28	73.58	47.52
Deferred Tax	28	12.34	4.44
Total Tax Expenses		**85.92**	**51.96**
Profit for the year		**168.45**	**112.41**
Other Comprehensive Income/(Loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(0.79)	(1.03)
(b) Equity instruments through other comprehensive income		-*	(0.04)
(ii) Income tax relating to items that will not be reclassified to profit or loss	29	0.27	0.36
B. (i) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income / (Loss)		**(0.52)**	**(0.71)**
Total Comprehensive Income for the year		**167.93**	**111.70**
Earnings per equity share :			
(Face value ₹10 per share)			
Basic (₹)	30	**47.51**	**31.71**
Diluted (₹)	30	**47.51**	**31.71**

*Figures less than ₹ 50,000

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Company Secretary

Statement of Changes in Equity

for the year ended 31st March 2019

A) Equity Share Capital

₹ Crores

Particulars	2019	2018
Issued and Subscribed :		
Balance as at the beginning of the year	35.45	35.45
Balance as at the end of the year	**35.45**	**35.45**

B) Other Equity

₹ Crores

Particulars	Reserves and Surplus			Items of other comprehensive income	Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	
Balance as at 1st April 2017	**0.20**	**26.38**	**504.85**	**0.10**	**531.53**
Profit for the year	-	-	112.41	-	112.41
Other Comprehensive Income / (Loss) (Net of tax Expenses)	-	-	(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**
Profit for the year	-	-	168.45	-	168.45
Other Comprehensive Income / (Loss) (Net of tax Expenses)	-	-	(0.52)	-*	(0.52)
Total Comprehensive Income for the year	**-**	**-**	**167.93**	**-***	**167.93**
Dividend paid on Equity Shares	-	-	24.82	-	24.82
Dividend Distribution Tax	-	-	5.10	-	5.10
Interim Dividend payable	-	-	17.73	-	17.73
Interim Dividend Distribution Tax payable	-	-	3.64	-	3.64
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	-	-	0.06	(0.06)	-
Balance as at 31st March 2019	**0.20**	**26.38**	**720.48**	**-**	**747.06**

*Figures less than ₹ 50,000

Details of Dividend proposed :

₹ Crores

Particulars	2019	2018
Dividend per share (In ₹)	3	7
Dividend proposed on Equity Shares	10.64	24.82
Dividend Distribution Tax	2.19	5.10
Total Dividend proposed including Dividend Distribution Tax	**12.83**	**29.92**

The accompanying notes 1 to 54 are an integral part of the Financial Statements

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Cash Flow Statement

for the year ended 31st March 2019

₹ Crores

Particulars		2018-19	2017-18
A.	**Cash Flow from Operating Activities :**		
	Profit After Tax	**168.45**	**112.41**
	Adjustments for :		
	Income tax expense	85.92	51.96
	Finance costs	20.44	20.59
	Interest Subvention income	(1.98)	(2.00)
	Interest income	(1.33)	(2.74)
	Deferred income from Export Promotion Capital Goods Scheme (EPCG)	(0.02)	-
	Net foreign exchange (gain)/loss	0.18	0.19
	Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	1.31	(0.01)
	Depreciation and amortisation expenses	28.70	27.51
	Net gain/(loss) arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	(33.41)	(7.16)
	Allowance for doubtful debts and advances	0.47	0.17
	Liabilities no longer required written back	(0.92)	-
		99.36	**88.51**
	Operating Profit before Working Capital changes	**267.81**	**200.92**
	Changes in :		
	Trade receivables & Other Assets	50.46	(88.91)
	Inventories	12.88	(25.09)
	Trade payables & Other Liabilities	(23.19)	62.70
	Total	**40.15**	**(51.30)**
	Cash generated from operations	**307.96**	**149.62**
	Income Taxes paid (net of refunds)	(70.05)	(46.96)
	Net Cashflows from Operating Activities	**237.91**	**102.66**
B.	**Cash Flow from Investing Activities :**		
	Interest received	1.34	2.76
	Payments for Property Plant Equipment and intangible assets	(128.06)	(44.70)
	Proceeds from disposal of Property Plant Equipment	0.95	0.72
	(Increase)/ Decrease in Earmarked balances with banks (net)	(0.16)	(0.14)
	Net Cashflows used in Investing Activities	**(125.93)**	**(41.36)**
C.	**Cash Flow from Financing Activities :**		
	Repayment of long term borrowings	(49.17)	(39.51)
	Proceeds from long term borrowings	60.00	-
	Proceeds from/(Repayment of) short term borrowings (net)	(73.51)	6.44
	Final dividend paid on equity shares	(29.75)	(12.69)
	Interest paid	(17.53)	(18.31)
	Net Cashflow used in Financing Activities	**(109.96)**	**(64.07)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**2.02**	**(2.77)**
	Opening Cash and Cash Equivalents	**1.91**	**4.60**
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.01)	0.08
	Closing Cash and Cash Equivalents	**3.92**	**1.91**

Note-

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

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

For and on behalf of the Board

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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 2019

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 Equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE"), the BSE Limited ("BSE") in India.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

The financial statements of the Company for the year ended 31st March 2019 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 28th May 2019.

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 from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

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

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

d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any.

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

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

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

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

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

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

e) Intangible Assets

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

Software

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

Technical Know-how

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding Ten years commencing from the date of acquisition.

Research & Development

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

f) Inventories

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

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

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. 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 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 and 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 and Loss in the period in which they arise.

j) Employee Benefits

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

Defined contribution plans

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

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the statement of Profit and Loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss.

Short term employee benefits

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

Long term Compensated absences

The employees of the 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 and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

m) Impairment of Assets

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

n) Provisions and Contingent Liabilities

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

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

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

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

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through Profit 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 and Loss.

Classification and subsequent measurement

Financial Assets

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

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

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

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

All financial 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 and Loss. Any gain and loss on derecognition is recognised in Profit and Loss.

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

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are

measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the 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 and Loss. Dividend income received on such equity investments are recognised in Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Profit and Loss.

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

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

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

Compound instruments

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

Derecognition of financial assets

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

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

Offsetting

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

Financial guarantee contracts and loan commitments

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or
- 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 months 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 months 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 and Loss.

q) Dividend Distribution

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

r) Derivative contracts

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

s) Use of Estimates and judgement

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

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

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is

determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

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

Actuarial Valuation

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

t) Fair value measurement

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in 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

₹ Crores

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) Cost						
Balance as at 1st April 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**
Additions during the year	22.62	78.64	0.59	0.57	3.51	**105.93**
Disposals during the year	-	9.76	0.38	0.72	1.33	**12.19**
Balance as at 31st March 2019	**147.35**	**469.28**	**18.40**	**5.79**	**21.31**	**662.13**
(II) Accumulated depreciation						
Balance as at 1st April 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**
Depreciation expense for the year	4.82	18.59	1.60	0.60	1.78	**27.39**
Disposals during the year	-	7.91	0.34	0.57	1.11	**9.93**
Balance as at 31st March 2019	**43.37**	**233.23**	**13.29**	**2.42**	**15.66**	**307.97**
Net Carrying amount(I-II)						
Balance as at 31st March 2018	86.18	177.85	6.16	3.55	4.14	**277.88**
Balance as at 31st March 2019	**103.98**	**236.05**	**5.11**	**3.37**	**5.65**	**354.16**

Notes:

2.1 Buildings includes shares being the value of shares in Co-operative housing Society of ₹ -* (2017-18 ₹ -*)

2.2 The amount of borrowing costs incurred during the year and capitalised is ₹ 2.12 Crores (2017-18 ₹ Nil)

₹ Crores

Particulars	2019 Amount	2018 Amount
Buildings	0.53	Nil
Plant & Machinery	1.59	Nil

2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 3.04 Crores (2017-18 ₹ Nil) out of which ₹ 2.95 Crores (2017-18 ₹ Nil) 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

*Figures less than ₹ 50,000

3. OTHER INTANGIBLE ASSETS

₹ Crores

Particulars	Computer Software	Technical Know How	Total
(I) Cost			
Balance as at 1st April 2017	**10.04**	**0.30**	**10.34**
Additions during the year	1.01	-	**1.01**
Deductions during the year	4.55	-	**4.55**
Balance as at 31st March 2018	**6.50**	**0.30**	**6.80**
Additions during the year	3.07	-	**3.07**
Deductions during the year	-	-	**-**
Balance as at 31st March 2019	**9.57**	**0.30**	**9.87**
(II) Accumulated amortisation			
Balance as at 1st April 2017	**6.84**	**0.08**	**6.92**
Amortisation expense for the year	1.16	0.03	**1.19**
Deductions during the year	4.53	-	**4.53**
Balance as at 31st March 2018	**3.47**	**0.11**	**3.58**
Amortisation expense for the year	1.28	0.03	**1.31**
Deductions during the year	-	-	**-**
Balance as at 31st March 2019	**4.75**	**0.14**	**4.89**
Net Carrying amount(I-II)			
Balance as at 31st March 2018	3.03	0.19	**3.22**
Balance as at 31st March 2019	**4.82**	**0.16**	**4.98**

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	2019 Number	2019 ₹ Crores	2018 Number	2018 ₹ 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
			-		**0.07**
Unquoted (all fully paid unless otherwise specified)					
(A) At Cost					
(i) In Subsidiary Companies					
Equity shares					
Galaxy Chemicals Inc.	US $ 0.01	12,000	0.46	12,000	0.46
Galaxy Holdings (Mauritius) Ltd.	US $ 1	5,00,000	2.37	5,00,000	2.37
			2.83		**2.83**

Particulars	Face Value Per Unit	2019 Number	2019 ₹ Crores	2018 Number	2018 ₹ Crores
Investments in Equity Instruments (Total)			**2.83**		**2.90**
Investments in Preference Shares:					
Unquoted (all fully paid unless otherwise specified)					
(A) Designated and Carried at Fair Value Through Profit & Loss (FVTPL)					
(i) In Subsidiary Companies					
Preference shares					
10% Non Cumulative Reedemable Preference Shares					
Galaxy Holdings (Mauritius) Ltd.	US $ 1	3,94,00,000	253.63	3,94,00,000	220.22
Investments in Preference Shares (Total)			**253.63**		**220.22**
Total Non Current Investments (Net)			**256.46**		**223.12**
Other Disclosures					
Aggregate Book Value of quoted investments			-		0.07
Aggregate Market Value of quoted investments			-		0.07
Aggregate amount of unquoted investments			256.46		223.05

5. LOANS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Financial assets at amortised cost :				
Security Deposits				
- Unsecured, considered good	3.13	5.01	3.09	3.90
Other Loans (Employees)				
- Unsecured, considered good	0.33	0.25	0.33	0.24
- Loans Receivables which have significant increase in Credit Risk	-	-	-	-
- Loans Receivables-credit impaired	-	-	-	-
Total	**3.46**	**5.26**	**3.42**	**4.14**

Note:

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

6. OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Financial assets at amortised cost: (Considered Good, unless otherwise stated)				
Dues from Related Parties (Refer Note 38)	0.78		0.48	
Advances				
- Considered Good	1.81	-	0.98	-
- Considered Doubtful	0.39	-	-	-
Interest accrued	0.20	-	0.21	-
Other financial assets (Refer Note 6.1)	-	0.02	2.40	0.02
	3.18	**0.02**	**4.07**	**0.02**
Less: Allowance for Doubtful Advances	0.39	-	-	-
	2.79	**0.02**	**4.07**	**0.02**
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss				
Derivative financial instruments	1.03	1.28	1.42	0.65
Total	**3.82**	**1.30**	**5.49**	**0.67**

Note:

6.1 Other Financial assets (Current) as at 31st March 2018 represents amounts recoverable in respect of expenses incurred on intial public offering (Offer for sale) of equity shares of the company.

7. OTHERS ASSETS (NON FINANCIAL)

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Capital Advance	-	4.64	-	4.66
Advances other than capital advances				
Balance with government authorities	40.66	25.19	61.65	23.23
Prepaid Expenses	4.55	15.63	3.94	15.88
Other Advances (Refer Note 7.1)				
- Considered Good	2.52	-	7.23	-
- Considered Doubtful	0.12	-	0.69	-
	47.85	**40.82**	**73.51**	**39.11**
Less: Allowance for Doubtful Advances	0.12	-	0.69	-
	47.73	**40.82**	**72.82**	**39.11**
Export Incentives receivable	15.13	-	22.61	-
Total	**62.86**	**45.46**	**95.43**	**43.77**

Notes:

7.1 Other advances mainly include Advances to suppliers, etc.

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

₹ Crores

Particulars	2019	2018
Raw Materials [Including in transit of ₹ 19.94 Crores. (2017-18 : ₹ 33.69 Crores)]	71.47	87.55
Packing Material [Including in transit of ₹ 0.38 Crores (2017-18 : ₹ 0.32 Crores)]	5.79	5.02
Work-in-Progress	43.54	47.55
Finished Products	68.85	61.71
Stock-in-Trade [Including in transit of ₹ 0.25 Crores (2017-18 : ₹ 2.74 Crores)]	7.95	10.45
Consumables, Stores and Spares [Including in transit of ₹ Nil (2017-18: ₹ 0.04 Crores)]	12.05	10.25
Total	**209.65**	**222.53**

Notes:

8.1 The cost of Inventories recognised as an expense during the year was ₹ 1,599.08 Crores (2017-18 : ₹ 1,382.20 Crores)

8.2 The cost of Inventories recognised as an expense includes ₹ 0.85 Crores (2017-18 : ₹ 0.30 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 0.23 Crores (2017-18 : ₹ 0.08 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption.

8.3 The Company has availed credit facilities from banks which are secured interalia by hypothication of inventories

8.4 The mode of valuation of inventories is stated in subnote (f) of Note 1B.

9. TRADE RECEIVABLES

₹ Crores

Particulars	2019	2018
Unsecured, considered good (Refer Note 9.1)	306.48	330.10
Unsecured, considered doubtful (Refer Note 9.2)	-	0.92
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-credit impaired	-	-
	306.48	**331.02**
Less : Allowance for expected credit loss (Refer Note 9.2)	-	0.92
Total	**306.48**	**330.10**

Notes:

9.1 Includes ₹ 39.73 Crores (2017-18 ₹ 48.12 Crores) receivable from subsidiaries. (Refer Note. 38)

9.2 Also refer note no. 45 for disclosure related to Credit risk, Impairement of trade receivable under Expected Credit Loss and related disclosures

9.3 The company has availed credit facilities from banks which are secured by hypothication of Trade Receivables

10. CASH AND BANK BALANCES

₹ Crores

Particulars	2019	2018
Cash and cash equivalents		
Balances with banks		
- Current Accounts	3.72	1.67
Cash on hand	0.20	0.24
Total Cash and cash equivalents	**3.92**	**1.91**
Bank balances other than cash and cash equivalent		
Earmarked balances with banks (Refer Note 10.1)	0.66	0.50
Total	**0.66**	**0.50**

Note:

10.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

11A. EQUITY SHARE CAPITAL

₹ Crores

Particulars	2019	2018
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)		
	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
(Previous Year : 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)		
Total	**35.45**	**35.45**

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

Particulars	2019 No. of Shares	2019 ₹ Crores	2018 No. of Shares	2018 ₹ Crores
Issued and Subscribed :				
Balance as at the beginning of the year	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**

B. Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

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

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

Name of the Shareholder	2019 No. of Shares	2019 %Share holding	2018 No. of Shares	2018 %Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil** as Partners of M/s Galaxy Chemicals	77,52,850	21.87	77,52,850	21.87
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92
Late Sandhya Patil **	41,06,040	11.58	-	-
Late Sudhir Patil *	-	-	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	23,62,758	6.66
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20
SBI Mutual Fund	24,12,587	6.80	19,45,677	5.49
	2,68,01,631	**75.59**	**2,63,34,721**	**74.28**

*Mr. Sudhir Patil expired on 14th July 2018. The shares held by him as well as registered in his name as a partner of Galaxy Chemicals were transmitted by operation of law to Mrs. Sandhya Patil during the year 2018-19

**Mrs. Sandhya Patil expired on 25th April 2019. The shares held by her as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

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

11B. OTHER EQUITY

₹ Crores

Particulars	2019	2018
Securities Premium	0.20	0.20
General Reserve	26.38	26.38
Retained Earnings	720.48	603.78
Other Comprehensive Income	-	0.06
Total	**747.06**	**630.42**

Description of the nature and purpose of reserves in statement of changes in equity

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

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

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

12. NON-CURRENT BORROWINGS

₹ Crores

Particulars	2019	2018
Carried at amortised Cost :		
Secured :		
Term Loan From Banks (refer note no. 12.1 and 12.2)	88.95	67.24
Total Secured Borrowings	**88.95**	**67.24**
Unsecured:		
Deferral Sales Tax Liability (refer note no. 12.3)	0.28	0.63
Total Unsecured Borrowings	**0.28**	**0.63**
Total	**89.23**	**67.87**

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

₹ Crores

Particulars	2019	2018
Term Loan From Banks	39.63	46.42
Deferral Sales Tax Liability	0.35	0.78
	39.98	**47.20**

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 & 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 I & II amounting to ₹ Nil (2018: ₹ 13.22 Crores)	PLR - 5.25% for both I & II	I - 12 Quarterly instalments of ₹ 1.67 Crores each commenced from April 2016. II - 12 Quarterly instalments of ₹ 1.67 Crores each commenced from May 2016.
Term Loan ₹ 5.33 Crores (2018: ₹ 9.55 Crores)	9.20%	20 Quarterly instalments of ₹ 1.07 Crores each with moratorium of 18 months commencing from April 2017
Term Loan ₹ 19.91 Crores (2018: ₹ 29.82 Crores)	PLR - 5.25%	12 Quarterly instalments of ₹ 2.5 Crores each with a moratorium of 8 quarters from the date of first disbursement commencing from 30th June 2018
Term Loan ₹ 35 Crores (2018: ₹ Nil)	PLR - 5.25%	12 Quartelry instalments of ₹ 2.92 Crores starting from November 2020
Term Loan ₹ 23.75 Crores (2018: ₹ Nil)	9.20%	20 Quartelry instalments of ₹ 1.25 Crores starting from March 2019 till December 2023
Foreign Currency Loan		
Term Loan ₹ 44.59 Crores (2018: ₹ 61.08 Crores)	3M LIBOR +1.90%	10% each at the end of every 6 months from the date of disbursement & 20% at the end of 60 months commenced from June 2016

*PLR - Prime Lending Rate

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

13. OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Carried at Amortised Cost:				
Current maturities of long-term borrowings (Refer Note 12.1 & 12.2)	39.63	-	46.42	-
Current maturities of Deferral Sales Tax Liability (Refer Note 12.3)	0.35	-	0.78	-
Interest accrued on borrowings	1.19	-	1.14	-
Unclaimed dividends (Refer Note 13.2)	0.63	-	0.46	-
Unclaimed matured deposits and interest accrued thereon	-*	-	0.03	-
Security Deposits	-	0.27	-	0.25
Interim Dividend and Dividend Tax Payable (Refer Note 13.3)	21.37	-	-	-
Other liabilities (Refer Note 13.1)	3.00	-	2.05	-
	66.17	**0.27**	**50.88**	**0.25**
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss				
Derivative financial instruments	-	-	0.06	-
	-	**-**	**0.06**	**-**
Total	**66.17**	**0.27**	**50.94**	**0.25**

*Figures less than ₹ 50,000

Notes:

13.1 Other liabilities mainly include creditors for capital goods.

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

13.3 During the year ended 31st March 2019, the Board of Directors at its meeting held on 29th March 2019 has approved interim dividend of ₹ 5 per share (50% of face value) amounting to ₹ 21.37 Crores including dividend distribution tax.

14. PROVISIONS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Provision for Employee Benefits				
Compensated absences	1.09	7.80	1.30	4.77
Gratuity	2.56	2.19	2.74	1.35
Total	**3.65**	**9.99**	**4.04**	**6.12**

15. DEFERRED TAX LIABILITIES (NET)

₹ Crores

Particulars	Deferred tax liabilities/ (assets) As at 1st April 2017	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to OCI	Deferred tax liabilities/ (assets) As at 31st March 2018	Charge/ (credit) to Statement of Profit and Loss	Charge/ (credit) to OCI	Deferred tax liabilities/ (assets) As at 31st March 2019
On Fiscal allowances on fixed assets	**30.60**	3.33	-	**33.93**	5.69		**39.62**
On Provision for employee benefits	**(3.64)**	(0.24)	(0.36)	**(4.24)**	(1.85)	(0.27)	**(6.36)**
On Allowances for credit losses	**-**		-	**-**			**-**
On Others	**(1.82)**	1.35	-	**(0.47)**	8.50		**8.03**
Total	**25.14**	**4.44**	**(0.36)**	**29.22**	**12.34**	**(0.27)**	**41.29**

16. OTHER LIABILITIES

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Advances received from customers	2.34	-	5.14	-
Others (Refer note no 16.1)	3.58	-	5.80	-
Deferred revenue income (Refer note no 16.2)	0.03	0.46	0.03	0.48
Total	**5.95**	**0.46**	**10.97**	**0.48**

Notes:

16.1 Others mainly include government dues and 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 ₹ NIL (2017-18 ₹ 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 it is 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. CURRENT BORROWINGS

₹ Crores

Particulars	2019	2018
Secured (Carried at amortised Cost) :		
Loans and Advances on packing credit account from banks (Refer Note.17.1 & 17.2)	28.45	102.67
Total	**28.45**	**102.67**

Notes:

Secured Borrowings :

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 3.50% p.a. to 5.50% p.a.

18. TRADE PAYABLES

₹ Crores

Particulars	2019	2018
Carried at amortised Cost		
Total outstanding dues of Micro and Small Enterprises (Refer Note 18.1)	8.58	3.71
Total outstanding dues of creditors other than Micro and Small Enterprises (Refer Note 18.2)	265.72	295.73
Total	**274.30**	**299.44**

Notes:

18.1 The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2019.

18.2 Trade payable - Other than micro and small enterprises includes payable to subsidiary company ₹ 2.96 Crores (2017-18 ₹ 3.32 Crores). (Refer Note. 38)

19. REVENUE FROM OPERATIONS

₹ Crores

Particulars	2018-19	2017-18
Revenue from contracts with customers		
Sale of products (including Excise Duty of ₹ NIL (2017-18 ₹ 28.60 Crores))	1,966.95	1,692.77
Other operating revenue		
(a) Scrap Sales	1.59	1.43
(b) Government Grant and Incentives (including export benefits)	27.82	18.56
Total	**1,996.36**	**1,712.76**

Notes:

19.1 Refer note 33 for geography wise revenue from contracts with customers

19.2 The Company is engaged in manufacturing of surfactants and other speciality ingredients for the personal care and home care industries. Effective 1st April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of 1st April 2018. In terms of Ind AS 115, the company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the company recognises revenue at a point in time.

The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.

20. OTHER INCOME

₹ Crores

Particulars	2018-19	2017-18
(a) Interest Income		
- On Financial Assets at Amortised Cost (Refer Note No.20.1)	0.99	1.10
- On Non Financial assets	0.34	1.64
(b) Other Non - Operating Income		
Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.31)	0.01
Liabilities no longer required written back	0.92	-
Foreign exchange differences (Net)	(2.21)	0.06
Commission received (Refer Note No.20.2)	0.29	0.83
Others (Refer Note No.20.3)	3.48	2.17
(c) Other gains and losses		
Net gain/(loss) arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	33.41	7.16
Total	**35.91**	**12.97**

Notes:

20.1 Includes ₹ 0.94 Crores (2017-18 ₹ 1.07 Crores) interest on overdue receivable from step down subsidiaries.(Refer Note 38)

20.2 Includes ₹ 0.29 Crores (2017-18 ₹ 0.83 Crores) guarantee commission received from step down subsidiaries.(Refer Note 38)

20.3 Others includes interest subvention, refund received, etc.

21. COST OF MATERIALS CONSUMED

₹ Crores

Particulars	2018-19	2017-18
(a) Raw materials	1,363.77	1,182.29
(b) Packing materials	58.45	48.61
Total	**1,422.22**	**1,230.90**

22. PURCHASE OF STOCK-IN-TRADE

₹ Crores

Particulars	2018-19	2017-18
(a) Purchase of Stock-in-trade	11.14	13.95
Total	**11.14**	**13.95**

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

₹ Crores

Particulars	2018-19	2017-18
Opening Stock :		
Finished goods	61.71	60.83
Work-in-process	47.55	45.42
Stock-in-trade	10.45	5.66
	119.71	**111.91**
Less: Closing Stock :		
Finished goods	68.85	61.71
Work-in-process	43.54	47.55
Stock-in-trade	7.95	10.45
	120.34	**119.71**
Net (increase) / decrease in inventory	**(0.63)**	**(7.80)**

24. EMPLOYEE BENEFITS EXPENSE

₹ Crores

Particulars	2018-19	2017-18
(a) Salaries and wages, including bonus	75.54	65.28
(b) Contribution to provident and other funds	5.47	5.06
(c) Workmen and staff welfare expenses	6.30	5.03
Total	**87.31**	**75.37**

25. FINANCE COST

₹ Crores

Particulars	2018-19	2017-18
(a) Interest expense for financial liabilities at amortised cost	19.79	20.45
(b) Other borrowing cost	0.65	0.14
Total	**20.44**	**20.59**

Note:

25.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 9.17% (2017-2018: Nil)

26. DEPRECIATION AND AMORTISATION EXPENSE

₹ Crores

Particulars	2018-19	2017-18
(a) Depreciation on Property, Plant and Equipment	27.39	26.32
(b) Amortisation of Intangible Assets	1.31	1.19
Total	**28.70**	**27.51**

27. OTHER EXPENSES

₹ Crores

Particulars	2018-19	2017-18
Power and fuel	44.66	36.97
Water charges	0.96	0.89
Repairs and maintenance	11.78	12.26
Consumption of stores, spares & consumables	9.97	9.47
Rates and taxes	1.78	2.00
Insurance	4.52	4.07
Freight and forwarding	76.24	55.18
Travelling and conveyance	9.40	9.02
Discount and commission on sales	0.57	0.92
Royalty	0.15	0.07
"REACH" registration expenses (Net)	0.91	1.31
CSR expenditure (Refer Note 35)	3.02	2.56
Donations	-*	0.01
Directors' sitting fees	0.42	0.38
Commission to non-executive directors	0.71	0.62
Rent (including storage charges)	3.80	2.35
Legal and professional fees (Refer Notes below)	12.62	12.77
Allowance for doubtful advances	0.47	0.16
Miscellaneous expenses	26.74	21.23
Total	**208.72**	**172.24**

Notes:

27.1 Legal & Professional fees expenses include:

(a) Amounts paid/payable to Statutory Auditors:

₹ Crores

Particulars	2018-19	2017-18
Audit fees	0.57	0.57
Other services	0.27	0.39
Out of pocket expenses	0.03	-
Total	**0.87**	**0.96**

(b) Amounts paid/payable to Cost Auditors:

₹ Crores

Particulars	2018-19	2017-18
Audit fees	0.05	0.04
Other services	-	-
Out of pocket expenses	-*	-*
Total	**0.05**	**0.04**

*Figures less than ₹ 50,000

28. INCOME TAX RECOGNISED IN PROFIT OR LOSS

₹ Crores

Particulars	2018-19	2017-18
Current Tax:		
In respect of current year	74.40	53.10
In respect of prior years	(0.82)	(5.58)
	73.58	**47.52**
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	11.58	3.20
Adjustments due to changes in tax rates	-	0.29
In respect of prior years	0.76	0.95
	12.34	**4.44**
Total	**85.92**	**51.96**

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

₹ Crores

Particulars	2018-19	2017-18
Deferred tax related to items recognised in Other Comprehensive Income during the year:		
Remeasurement of defined benefit obligaitons	(0.27)	(0.36)
Total	**(0.27)**	**(0.36)**
Classification of income tax recognised in Other Comprehensive Income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.27)	(0.36)
Total	**(0.27)**	**(0.36)**

30. EARNING PER SHARE (EPS)

Particulars	2018-19	2017-18
Profit for the year (₹ Crores)	168.45	112.41
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)	47.51	31.71

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:

₹ Crores

Particulars	2018-19	2017-18
Profit before tax	254.37	164.37
Applicable Income tax rate	34.94%	34.61%
Expected income tax expense	88.89	56.89
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of expenses/provision not deductible in determining taxable profit	0.74	0.58
Impact on account of Prior Years Taxation	(0.07)	(4.63)
Impact on account of Change in Tax Rate	0.21	0.29
Other Permanent Differences	(3.85)	(1.17)
Reported income tax expense	**85.92**	**51.96**

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

₹ Crores

Assessment Year	As at 31st March 2019	As at 31st March 2018	Available Up to A.Y.
2016-17	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 segments 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

₹ Crores

Particulars	2019 India	2019 Overseas	2019 Total	2018 India	2018 Overseas	2018 Total
Revenue From External Customers	971.93	995.02	1,966.95	863.40	829.37	1,692.77
Non Current Assets*	452.79	-	452.79	350.56	-	350.56

* 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 2019 and 31st March 2018 respectively, 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 ₹ 14.18 Crores (2017-18 ₹ 13.62 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:

₹ Crores

Particulars	In Cash	Yet to be Paid	Total
I. Gross amount required to be spent by the Company during the year	-	-	3.19
II. Amount spent during the year on:			
a. Construction/acquisition of any asset	-	-	-
b. On purpose other than above	3.02	-	3.02

36. CONTINGENT LIABILITY AND COMMITMENTS

A. Contingent liability

₹ Crores

Particulars	2019	2018
(a) Corporate guarantees given to bank in connection with borrowings by subsidiary company	5.07	106.63
(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	3.96	5.76
– Income tax	0.97	-*
– Sales tax	5.30	2.67
– Custom duty	8.14	8.16
(c) Customer claim (Refer Note 36.1)	Nil	3.64

*Figures less than ₹ 50,000

Note:

36.1 During the earlier years the Company had received a claim of 4,50,000 Euros made by one of the overseas customer on account of quality issues in respect of third party trading material supplied by the company against which the company had made a provision of 1,41,225 USD for the amount due from the said customer from the subsequent supplies made to them. The said claim has been settled by the company during the year and an additional charge of ₹ 0.56 Crores (net of insurance claim) is debited to statement of profit and loss account.

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 ₹ 26.74 Crores (2017-18 ₹ 24.67 Crores).

Estimated amount of contracts remaining to be executed of Intangible assets (net of advances) and not provided for ₹ 2.02 Crores (2017-18- ₹ 0.29 Crores).

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

a. Investments made

The same are classified under respective heads. Refer Note 4.

b. Guarantees/Securities given

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

c. Loans given

There are no inter corporate loans given.

38. RELATED PARTY DISCLOSURES:

(a) Related parties where control exists :

Subsidiaries :

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

(b) Other parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife Son Daughter	Mrs. Lakshmy Shekhar Mr. Karthik Shekhar Ms. Nandini Shekhar
2	Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife Daughter Daughter	Mrs.Parvathy Natarajan Ms. Pavithra Natarajan Ms. Namrata Natarajan
3	Mr. G. Kamath Executive Director (Finance) & Chief Financial Officer		
4	Mr. R. Venkateswar (Till 9th June 2017) Executive Director		

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

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

(c) The related party transactions are as under :

₹ Crores

Sr. No.	Nature of Transactions	Subsidiary Company		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	**PURCHASES :**								
	Goods								
	Galaxy Chemicals (Egypt) S.A.E.	25.10	3.48						
	TRI-K Industries Inc.	1.47	5.00						
2	**SALES :**								
	Goods								
	Galaxy Chemicals (Egypt) S.A.E.	116.50	109.89						
	TRI-K Industries Inc.	105.56	73.35						
	Fixed Assets								
	Galaxy Chemicals (Egypt) S.A.E.	-*	0.07						
3	**MANAGERIAL REMUNERATION (Refer Note 38.1) :**								
	U. Shekhar								
	Short-term employee benefits					2.28	2.09		
	K Natarajan								
	Short-term employee benefits					2.34	2.11		
	G. Kamath								
	Short-term employee benefits					2.42	2.10		
	R. Venkateswar								
	Short-term employee benefits					-	0.25		
	Other long term benefit					-	0.06		
4	**FINANCE :**								
	Interest Income								
	Galaxy Chemicals (Egypt) S.A.E.	0.86	1.07						
	TRI-K Industries Inc.	0.08	-						
5	**DIVIDENDS DISTRIBUTED :**								
	Galaxy Chemicals			5.43	2.75				
	Galaxy Emulsifiers Pvt. Ltd.			0.38	0.16				
	Galaxy Surfactants Limited - Employees' Welfare Trust			-	0.09				
	U. Shekhar					2.96	1.27		
	K Natarajan					0.01	0.01		
	G. Kamath					0.01	0.01		
	Lakshmi Shekhar							0.09	-*
	Karthik Shekhar							-	0.03
6	**OTHER TRANSACTIONS :**								
	Guarantee Commission (Other Income)								
	Galaxy Chemicals (Egypt) S.A.E.	0.29	0.83						
	Other Expenses								
	TRI-K Industries Inc.	0.16	0.02						
	Reimbursements received/ Receivable from parties								
	Galaxy Chemicals (Egypt) S.A.E.	0.21	0.14						
	TRI-K Industries Inc.	0.48	0.08						

₹ 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	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
7	**OUTSTANDINGS :**								
	Payable								
	Galaxy Chemicals (Egypt) S.A.E.	2.37	2.64						
	TRI-K Industries Inc.	0.59	0.68						
	Receivable								
	Galaxy Chemicals (Egypt) S.A.E.	31.20	37.40						
	TRI-K Industries Inc.	8.53	10.72						
	Investments								
	Galaxy Chemicals Inc.	0.46	0.46						
	Galaxy Holdings (Mauritius) Ltd (at Fair value)	253.63	220.22						
	Loans and Advances								
	Galaxy Chemicals (Egypt) S.A.E.	0.33	0.29						
	TRI-K Industries Inc.	0.45	0.19						
8	**GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES**								
	Galaxy Chemicals (Egypt) S.A.E.	5.07	106.63						

*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.

Note:

38.1 As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

39. EMPLOYEE BENEFITS

a. Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 4.09 Crores (2017-18 - ₹ 3.64 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, In case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Salary risk

The present value of the Gratuity liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

₹ Crores

Particulars			As at 31st March Funded Plan Gratuity 2019	2018
I	**Expense recognised in the Statement of Profit and Loss for the year ended**			
	1	Current service cost	1.06	1.03
	2	Interest cost on benefit obligation (net)	0.31	0.37
	3	Net value of remeasurements on the obligation and plan assets	-	-
	4	Past service cost and loss/(Gain) on curtailments and settlement	-	0.01
	5	Total expenses included in employee benefits expense	**1.37**	**1.41**
II	**Recognised in other comprehensive income for the year**			
	1	Actuarial (gains)/ losses arising from changes in financial assumption	0.44	(0.37)
	2	Actuarial (gains)/ losses arising from changes in experience adjustment	0.49	1.02
	3	Actuarial (gains)/ losses arising from changes in demographic adjustment	0.01	-
	4	Return on plan asset	(0.15)	0.38
	5	Recognised in other comprehensive income	**0.79**	**1.03**
III	**Change in the present value of defined benefit obligation**			
1	Present value of defined benefit obligation at the beginning of the year		16.70	15.01
2	Current service cost		1.06	1.03
3	Interest cost/(income)		1.25	0.99
4	Remeasurements (gains)/ losses			
	(I)	Actuarial (gains)/ losses arising from changes in demographic assumption	0.01	-
	(II)	Actuarial (gains)/ losses arising from changes in financial assumption	0.44	(0.37)
	(III)	Actuarial (gains)/ losses arising from changes in experience adjustment	0.49	1.02
5	Past Service cost		-	0.01
6	Benefits paid		(0.63)	(0.99)
7	Liabilities assumed/(settled)		-	-
8	Present value of defined benefit obligation at the end of the year		**19.32**	**16.70**
IV	**Change in fair value of plan assets during the year**			
1	Fair value of plan assets at the beginning of the year		12.61	9.29
2	Interest income		0.94	0.62
3	Contribution by employer		1.50	4.07
4	Benefits paid		(0.63)	(0.99)
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	-	-
5	Return on plan assets excluding interest income		0.15	(0.38)
6	Fair value of plan assets at the closing of the year		**14.57**	**12.61**

₹ Crores

Particulars			As at 31st March Funded Plan Gratuity 2019	2018
V	**Net Asset/(Liability) recognised in the Balance Sheet as at**			
	1	Present value of defined benefit obligation as at 31st March	19.32	16.70
	2	Fair value of plan assets as at 31st March	14.57	12.61
	3	Surplus/(Deficit)	(4.75)	(4.09)
	4	Current portion of the above	2.56	2.74
	5	Non current portion of the above	2.19	1.35
VI	**Actuarial assumptions**			
	1	Discount rate	7.69%	7.50%
	2	Attrition rate	Between 15% to 4% based on service of employee	5% at younger ages reducing to 1% at older ages
	3	Average salary escalation rate	7.50%	7.00%
	4	Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
VII	**Major Category of Plan Assets as a % of the Total Plan Assets**			
	1	Insurer managed funds*	100%	100%
		* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII	**The expected contributions to the plan for the next annual reporting period**		2.56	2.74
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 obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.			
	1	Discount rate varied by +1%	17.96	15.41
	2	Discount rate varied by -1%	20.85	18.17
	3	Salary growth rate varied by +1%	20.84	18.17
	4	Salary growth rate varied by -1%	17.95	15.40
	5	Withdrawal rate (W.R.) varied by + 1%	19.31	16.73
	6	Withdrawal rate (W.R.) varied by - 1%	19.29	16.63
X	**Maturity profile of defined benefit obligation**			
	1	Year 1	2.80	2.77
	2	Year 2	0.95	0.57
	3	Year 3	1.28	0.89
	4	Year 4	2.34	1.03
	5	Year 5	1.67	2.30
	6	Years 6-10	7.64	6.21

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and loss account. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

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

c. With regards to a recent Supreme Court judgement dated 28th February 2019, on the applicability of allowances to be used for the purposes of calculating the provident fund, the Company given the lack of clarity regarding the period of applicability of the judgement, has not provided for the same in the financial statements.

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 & Loss.

With regard to non-cancellable operating leases, the future minimum rentals are as follows

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
(1) Future minimum lease payments		
Not later than one year	3.22	0.62
Later than one year but not later than five years	4.93	0.75
Later than five years	-	-
Total future minimum lease payments	**8.15**	**1.37**

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.

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
Short term debt	28.45	102.67
Long term debt	129.21	115.07
Total	**157.66**	**217.74**
Equity	782.51	665.87
Long term debt to equity	0.17	0.17
Total debt to equity	0.20	0.33

42. CATEGORIES OF FINANCIAL INSTRUMENTS

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
A) Financial assets		
a) Measured at amortised cost		
i) Cash and Cash equivalents	3.92	1.91
ii) Bank Balances other than Cash and Cash Equivalents	0.66	0.50
iii) Investment in Equity Shares	2.83	2.83
iv) Loans	8.72	7.56
v) Trade Receivable	306.48	330.10
vi) Other Financial Assets	2.81	4.09
Sub-Total	**325.42**	**346.99**
b) Measured at Fair value through Other Comprehensive Income		
i) Investment in Equity Shares	-	0.07
Sub-Total	**-**	**0.07**
c) Measured at Fair value through Profit or Loss		
i) Investment in Preference Shares	253.63	220.22
Sub-Total	**253.63**	**220.22**
d) Derivatives measured at fair value through Profit & Loss		
i) Derivative instruments not designated as hedging instruments	2.31	2.07
Sub-Total	**2.31**	**2.07**
Total Financial Assets	**581.36**	**569.35**

₹ Crores

Particulars		As at 31st March 2019	As at 31st March 2018
B)	**Financial liabilities**		
a)	**Measured at amortised cost**		
i)	Non-current Borrowings	89.23	67.87
ii)	Current Borrowings	28.45	102.67
iii)	Trade Payables	274.30	299.44
iv)	Other Financial Liability	66.44	51.13
	Sub-Total	**458.42**	**521.11**
b)	**Derivatives instruments measured at fair value through Profit & Loss**		
i)	Derivative instruments not designated as hedging instruments	-	0.06
	Sub-Total	**-**	**0.06**
	Total Financial liabilities	**458.42**	**521.17**

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 Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk.

A. Market Risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest 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.

Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding. To a certain extent we use interest rate swap to minimise the risk.

Commodity Risk

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Company's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

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 raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent the company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Company's foreign currency exposure at the end of the reporting period are as follows

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2019						
Borrowings	(0.74)	(51.26)	(0.02)	(1.55)	-	**(52.81)**
Trade Receivables & Other financial assets	2.34	162.14	0.22	17.19	0.25	**179.58**
Trade Payables & Other financial liabilities	(2.07)	(143.47)	-*	(0.27)	(0.12)	**(143.86)**
Total	**(0.47)**	**(32.59)**	**0.20**	**15.37**	**0.13**	**(17.09)**
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)**
Total	**(2.14)**	**(139.92)**	**0.08**	**6.27**	**0.05**	**(133.60)**

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date are as follows

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2019						
Borrowings	(0.09)	(6.31)	(0.02)	(1.55)	-	**(7.86)**
Trade Receivables & Other financial assets	2.24	155.24	0.12	9.36	0.25	**164.85**
Trade Payables & Other financial liabilities	(1.90)	(131.37)	-*	(0.27)	(0.12)	**(131.76)**
Total	**0.25**	**17.56**	**0.10**	**7.54**	**0.13**	**25.23**
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)**
Total	**(1.17)**	**(76.38)**	**(0.04)**	**(3.59)**	**0.05**	**(79.92)**

*Figures less than ₹ 50,000

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 Company's exposures are continuously monitored and wherever necessary we take advances/LC's to minimise the risk.

45. TRADE RECEIVABLE AND ADVANCES

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/Advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the company has evaluted 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.

₹ Crores

Particulars	Year Ended 31st March 2019	2018
Balance as at beginning of the year	0.92	0.92
Additons during the year	-	-*
Amount of loss reversed / written back	(0.92)	-
Balance at end of the year	**-**	**0.92**

*Figures less than ₹ 50,000

46. 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.

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March 2019					
Deferral Sales Tax Liability	0.63	0.35	0.20	0.08	-
Short term borrowings	28.45	28.45	-	-	-
Long term borrowings	128.58	39.63	62.72	26.23	-
Trade payables	274.30	274.30	-	-	-
Other Financial Liabilities	26.46	26.19	-	-	0.27
Total	**458.42**	**368.92**	**62.92**	**26.31**	**0.27**
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**

48. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March 2019	USD	+1%	0.18	-
	EUR	+1%	0.08	-
Year ended 31st March 2018	USD	+1%	(1.39)	-
	EUR	+1%	(0.04)	-

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:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March 2019	INR	+25 bps	(0.37)	-
Year ended 31st March 2018	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.

₹ 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	2019	2018					
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	2.31	2.07	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.	-	-
	Financial Liabilities		-	0.06					
2) Investment in equity instruments -Quoted	Financial Assets	Financial instruments designated at FVOCI	-	0.07	Level 1	Quoted price in active market	Not applicable for level 1	-	-
3) Investment in Preference shares- unqouted	Financial Assets	Financial instruments mandatorily required to be measured at FVTPL	253.63	220.22	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

₹ Crores

Particulars	Carrying Value	Fair value (Level 2)
As at 31st March 2019		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	0.63	0.57
Total	**0.63**	**0.57**
As at 31st March 2018		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	1.41	1.25
Total	**1.41**	**1.25**

Except for the above, carrying value of Other financial assets/liabilites represent reasonable estimate of fair value

53. RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

₹ Crores

Particulars	Investment in Preference shares- unquoted
Opening balance as on 1st April 2017	**213.06**
Total fair value recognised:	
– in profit & loss under other income	7.16
Closing balance as on 31st March 2018	**220.22**
Opening balance as on 1st April 2018	**220.22**
Total incomes/ gains or losses recognised:	
– in profit & loss under other income	33.41
Closing balance as on 31st March 2019	**253.63**

54. IND-AS YET TO BE NOTIFIED

a. **Ind AS 116 'Leases':** On 30th March 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

b. **Amendment to Ind AS 12 'Income Taxes':** The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements. Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: The amendment clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements.

c. **Amendment to Ind AS 19 'Employee Benefits':** The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Company is evaluating the effect of the above in the financial statements.

d. **Amendment to Ind AS 23 'Borrowing Costs':** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company is evaluating the effect of the above in the financial statements.

e. **Amendment to Ind AS 109 'Financial Instruments':** The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

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 : 28th May 2019

Independent Auditor's Report

To The Members of Galaxy Surfactants Ltd

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Galaxy Surfactants Ltd** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31th March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (b) of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Property, plant and equipment (including works in progress) and determination of useful lives (Refer Note 2 and sub note (e) of note 1 (B) to Consolidated financial statements of the Company)** The carrying value of the property, plant and equipment (including capital work in progress) of ₹ 593.80 Crores, includes ₹ 112.02 Crores Capitalised during the year. We identified the recognition and measurement of the cost capitalised and the determination of useful lives of property, plant and equipment as a key audit matter in respect of the parent and one of its subsidiary Company as both these require management to exercise significant judgement in determining: • the cost incurred to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it including allocating amounts initially recognised in respect of an item of property, plant and equipment to its significant parts;	Principal audit procedures performed: • We tested the design and operating effectiveness of controls over additions including items recorded as capital work in progress, disposals and computation of depreciation and classification of items of property, plant and equipment into appropriate classes. • We obtained an understanding of management's identification of the costs that can be capitalised and for a sample, checked the accuracy of these costs to supporting documents. We reviewed operating expenses to evaluate whether any costs that require to be capitalised have been charged to the statement of profit and loss. • We obtained a technical evaluation from the Project Incharge for the date of capitalisation. • We reviewed the classification of items of property, plant and equipment into appropriate classes.

Sr. No.	Key Audit Matter	Auditor's Response
	• residual values; • eligible borrowing costs that may be included as a component of the carrying amount of an item of property, plant and equipment; and • estimating the useful lives of the asset including for the separately identifiable components considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life of the assets and therefore impact the depreciation charge for the year.	• We evaluated whether the borrowing costs capitalised were directly attributable to the acquisition or construction of an asset and assessed whether such costs ceased to be capitalised when substantially all the activities necessary to prepare the qualifying asset for its intended use were complete. We tested the arithmetical accuracy of the borrowing costs capitalised. • For a sample selected, we physically verified the existence of capital work in progress and other items of property, plant and equipment. • We evaluated whether the estimated useful lives and residual values of items of property, plant and equipment appear reasonable based on the Company's technical evaluation of the same and by comparing these with the rates specified in Schedule II to the Companies Act, 2013. • For a sample selected, we calculated the depreciation charge for the year.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of ₹ 658.73 Crores as at 31st March 2019, total revenues of ₹ 718.14 Crores and net cash inflows amounting to ₹ 0.01 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March 2019 taken on record by the Board of Directors of the Company, none of the directors of the Group companies, is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 28th May 2019

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 31st March 2019, we have audited the internal financial controls over financial reporting of Galaxy Surfactants Limited (hereinafter referred to as "Parent"), as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: Mumbai
Date: 28th May 2019

Consolidated Balance Sheet

as at 31st March 2019

₹ Crores

Particulars	Note	As at 31st March 2019	As at 31st March 2018
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	511.22	439.89
(b) Capital Work-in-Progress		82.58	24.92
(c) Goodwill		2.51	2.37
(d) Other Intangible Assets	3	5.02	4.50
(e) Financial Assets			
(i) Investments	4	-	0.07
(ii) Loans	5	6.86	5.69
(iii) Other Financial Assets	6	1.93	1.09
(f) Deferred Tax Assets (Net)	7	4.86	3.44
(g) Income Tax Assets (Net)		8.01	10.52
(h) Other Non-Current Assets	8	47.57	44.04
Total Non-Current Assets		**670.56**	**536.53**
Current Assets			
(a) Inventories	9	351.27	345.63
(b) Financial Assets			
(i) Trade Receivables	10	426.75	418.23
(ii) Cash and Cash Equivalents	11	25.03	27.07
(iii) Bank Balances other than Cash and Cash Equivalents	11	0.66	0.50
(iv) Loans	5	3.73	4.30
(v) Other Financial Assets	6	3.04	5.03
(c) Other Current Assets	8	86.94	118.10
Total Current Assets		**897.42**	**918.86**
Total Assets		**1,567.98**	**1,455.39**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	12A	35.45	35.45
(b) Other Equity	12B	841.28	683.32
Total Equity attributable to owners of the Company		**876.73**	**718.77**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	89.23	72.24
(ii) Other Financial Liabilities	14	0.27	0.25
(b) Provisions	15	9.99	6.12
(c) Deferred Tax Liabilities (Net)	16	31.98	27.67
(d) Other Non-current Liabilities	17	0.78	0.93
Total Non-Current Liabilities		**132.25**	**107.21**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	163.96	219.70
(ii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	19	8.58	3.71
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	19	297.27	324.08
(iii) Other Financial Liabilities	14	71.53	60.02
(b) Provisions	15	4.05	4.10
(c) Current Tax Liabilities (Net)		5.09	0.05
(d) Other Current Liabilities	17	8.52	17.75
Total Current Liabilities		**559.00**	**629.41**
Total Equity And Liabilities		**1,567.98**	**1,455.39**

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

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 2019

₹ Crores

Particulars	Note	Year Ended 31st March 2019	2018
Revenue from operations	20	2,762.99	2,462.51
Other Income	21	4.68	10.14
Total Income		**2,767.67**	**2,472.65**
Expenses			
Cost of materials consumed	22	1,917.74	1,710.60
Purchases of Stock-in-trade	23	38.25	46.42
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(7.92)	(5.91)
Excise duty		-	28.60
Employee benefits expense	25	164.64	146.04
Finance costs	26	30.00	30.55
Depreciation and amortisation expenses	27	51.20	48.53
Other expenses	28	296.91	249.05
Total Expenses		**2,490.82**	**2,253.88**
Profit before exceptional items and tax		**276.85**	**218.77**
Exceptional Items		-	-
Profit before tax		**276.85**	**218.77**
Tax Expense			
Current Tax	29	82.55	57.06
Deferred Tax	29	3.32	3.68
Total Tax Expenses		**85.87**	**60.74**
Profit for the year		**190.98**	**158.03**
Other Comprehensive Income / (Loss)			
A. (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		(0.79)	(1.03)
(b) Equity instruments through other comprehensive income		-*	(0.04)
(ii) Income tax relating to items that will not be reclassified to profit or loss	30	0.27	0.36
B. (i) Items that will be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		18.79	(0.65)
Total other comprehensive Income / (Loss)		**18.27**	**(1.36)**
Total comprehensive income for the year		**209.25**	**156.67**
Earnings per equity share :			
(Face value ₹10 per share)			
Basic (₹)	31	**53.87**	**44.57**
Diluted (₹)	31	**53.87**	**44.57**

*Figures less than ₹ 50,000

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

For and on behalf of the Board

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Managing Director
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DIN: 07626680

G. KAMATH
Executive Director
Finance & CFO
DIN: 07767220

N. KETKAR
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2019

A) Equity Share Capital

₹ Crores

Particulars	2019	2018
Issued and Subscribed :		
Balance as at the beginning of the year	35.45	35.45
Balance as at the end of the year	**35.45**	**35.45**

B) Other Equity

₹ Crores

Particulars	Reserves and Surplus				Items of other comprehensive income		Total Other Equity
	Capital Reserve on consolidation	Securities Premium	General Reserve	Retained Earnings	Equity instrument through Other Comprehensive Income	Foreign Currency translation Reserve	
Balance as at 1st April 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) (Net of tax Expenses)	-	-	-	(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 31st March 2018	**3.11**	**0.20**	**26.38**	**658.65**	**0.06**	**(5.08)**	**683.32**
Profit for the year	-	-	-	190.98	-	-	190.98
Other Comprehensive Income / (Loss) (Net of tax Expenses)	-	-	-	(0.52)	-*	18.79	18.27
Total Comprehensive Income for the year	**-**	**-**	**-**	**190.46**	**-***	**18.79**	**209.25**
Dividend paid on Equity Shares	-	-	-	24.82	-	-	24.82
Dividend Distribution Tax	-	-	-	5.10	-	-	5.10
Interim Dividend payable	-	-	-	17.73	-	-	17.73
Interim Dividend Distribution Tax payable	-	-	-	3.64	-	-	3.64
Gain on sale of investment through OCI transferred to retained earnings on sale of investment	-	-	-	0.06	(0.06)	-	-
Balance as at 31st March 2019	**3.11**	**0.20**	**26.38**	**797.88**	**-**	**13.71**	**841.28**

*Figures less than ₹ 50,000

Details of Dividend proposed :

₹ Crores

Particulars	2019	2018
Dividend per share (in ₹)	3	7
Dividend proposed on Equity Shares	10.64	24.82
Dividend Distribution Tax	2.19	5.10
Total Dividend proposed including Dividend Distribution Tax	**12.83**	**29.92**

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

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

Consolidated Cash Flow Statement

for the year ended 31st March 2019

₹ Crores

Particulars		2018-19	2017-18
A.	**Cash Flow from Operating Activities :**		
	Profit After Tax	**190.98**	**158.03**
	Adjustments for :		
	Income tax expense	85.87	60.74
	Finance costs	30.00	30.55
	Interest income	(0.83)	(1.78)
	Interest Subvention income	(1.98)	(2.00)
	Deferred income from Export Promotion Capital Goods Scheme (EPCG)	(0.02)	-
	Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	1.31	-*
	Depreciation and amortisation expenses	51.20	48.53
	Net foreign exchange differences (gain)/loss	0.86	(0.78)
	Allowance for doubtful debts and advances	0.47	0.18
	Liabilities no longer required written back	(1.05)	(1.19)
		165.83	**134.25**
	Operating Profit before Working Capital changes	**356.81**	**292.28**
	Changes in :		
	Trade receivables & Other Assets	27.81	(127.64)
	Inventories	2.12	(28.25)
	Trade payables & Other Liabilities	(28.81)	67.25
		1.12	**(88.64)**
	Cash generated from operations	**357.93**	**203.64**
	Income Taxes paid (net of refunds)	(75.00)	(58.25)
	Net Cashflows from Operating Activities	**282.93**	**145.39**
B.	**Cash Flow from Investing Activities :**		
	Interest received	0.84	1.80
	Payments for property plant equipment and intangible assets	(168.94)	(56.94)
	Proceeds from disposal of property plant equipment	0.95	0.70
	(Increase)/ Decrease in Earmarked balances with banks (net)	(0.16)	(0.14)
	Net Cashflows used in Investing Activities	**(167.31)**	**(54.58)**
C.	**Cash Flow from Financing Activities :**		
	Proceeds from long term borrowings	60.00	-
	Repayment of long term borrowings	(67.25)	(61.06)
	Repayment of/Proceeds from short term borrowings (net)	(55.03)	12.61
	Final dividend paid on equity shares	(29.75)	(12.69)
	Interest paid	(27.19)	(28.52)
	Net Cashflows used in Financing Activities	**(119.22)**	**(89.66)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(3.60)**	**1.15**
	Opening Cash and Cash Equivalents	**27.07**	**25.72**
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	1.56	0.20
	Closing Cash and Cash Equivalents	**25.03**	**27.07**

*Figures less than ₹ 50,000

Note-

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

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place : Navi Mumbai
Date : 28th May 2019

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

Notes to the Consolidated Financial Statements

for the year ended 31st March 2019

1. (A) CORPORATE INFORMATION

The Consolidated financial statements comprise of financial statements of Galaxy Surfactants Ltd ("the Parent") and its subsidiaries (collectively, the Group) for the year ended 31st March 2019.

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. The products of the group find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity shares of the Parent are listed on the National Stock Exchange of India Limited ("NSE"), the BSE Limited ("BSE") in India.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

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

The Consolidated financial statements of the Group for the year ended 31st March 2019 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 28th May 2019.

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 from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

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

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

e) Property, Plant and Equipment

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

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

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

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis, other than the following asset classes, based on Group's expected usage pattern supported by technical assessment.

Useful lives

- Certain Plant and Machinery: 5-7 years
- Certain Furniture and Fixture: 7-10 years
- Certain Computers & Software's: 3-5 years
- Certain Buildings: 10-22 years
- Certain Vehicles: 8-10 years
- Freehold Land is not depreciated

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

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

f) Goodwill and Intangible Assets

Goodwill is initially recognised as the excess of the acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated

impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

Intangible assets are initially recognised at cost unless acquired in a business combination on or after the transition date (1st April 2016) in which case it is recognised at their acquisition date fair value.

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

Software

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

Technical Know-how

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding ten years commencing from the date of acquisition.

Customer Relationships

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

Research & Development

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

g) Inventories

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

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

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. 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 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 the statement of Profit and 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 and Loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in Profit and 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 and Loss.

Short term employee benefits

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

Long term Compensated absences

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

k) Borrowing Costs

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

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

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

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

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable tax regulations. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

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

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

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

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

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

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit 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 and Loss.

Classification and subsequent measurement

Financial Assets

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

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

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

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

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

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Profit and Loss. Any gain and loss on derecognition is recognised in Profit and Loss.

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

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains or 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 and Loss on disposal of the investments. These investments in equity are not held for trading.

Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in Profit and Loss. Dividend income received on such equity investments are recognised in Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Profit and Loss.

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

Financial liabil ities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

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

Compound instruments

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

Derecognition of financial assets

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

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

Offsetting

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

Financial guarantee contracts and loan commitments

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or

- 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 months 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 months 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 and Loss.

q) Dividend Distribution

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

r) Derivative contracts

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

s) Use of Estimates and judgement

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

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

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the 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

₹ Crores

Particulars		Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I)	**Cost**								
	Balance as at 1st April 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**
	Foreign exchange translation differences	-	0.02	0.37	0.93	0.02	-*	0.03	**1.37**
	Balance as at 31st March 2018	**-**	**4.71**	**200.96**	**594.93**	**22.59**	**6.12**	**25.46**	**854.77**
	Additions during the year	2.72	0.58	22.62	80.34	0.66	0.57	4.53	**112.02**
	Disposals during the year	-	-	-	9.75	0.38	0.72	1.34	**12.19**
	Foreign exchange translation differences	-	0.29	4.66	11.93	0.27	0.01	0.39	**17.55**
	Balance as at 31st March 2019	**2.72**	**5.58**	**228.24**	**677.45**	**23.14**	**5.98**	**29.04**	**972.15**
(II)	**Accumulated depreciation**								
	Balance as at 1st April 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**
	Foreign exchange translation differences	-	0.02	0.13	0.55	0.02	-*	0.03	**0.75**
	Balance as at 31st March 2018	**-**	**4.24**	**59.68**	**312.38**	**15.47**	**2.48**	**20.63**	**414.88**
	Depreciation expense for the year	-	0.35	8.58	34.61	2.10	0.62	2.27	**48.53**
	Disposals during the year	-	-	-	7.91	0.34	0.56	1.12	**9.93**
	Foreign exchange translation differences	-	0.26	1.26	5.37	0.21	0.01	0.34	**7.45**
	Balance as at 31st March 2019	**-**	**4.85**	**69.52**	**344.45**	**17.44**	**2.55**	**22.12**	**460.93**
	Carrying amount(I-II)								
	Balance as at 31st March 2018	-	0.47	141.28	282.55	7.12	3.64	4.83	**439.89**
	Balance as at 31st March 2019	**2.72**	**0.73**	**158.72**	**333.00**	**5.70**	**3.43**	**6.92**	**511.22**

Notes:

2.1 Buildings includes shares being the value of shares in Co-operative housing Society of ₹ -* (2017-18 ₹ -*)

2.2 The amount of borrowing costs incurred during the year and capitalised is ₹ 2.12 Crores (2017-18 ₹ Nil)

₹ Crores

Particulars	2019 Amount	2018 Amount
Buildings	0.53	-
Plant & Machinery	1.59	-

2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 3.04 Crores (2017-18 ₹ Nil) out of which ₹ 2.95 Crores (2017-18 ₹ Nil) 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.

*Figures less than ₹ 50,000

3. OTHER INTANGIBLE ASSETS

₹ Crores

Particulars	Computer Software	Technical Know How	Trademarks	Customer Relationships	Total
(I) Cost					
Balance as at 1st April 2017	**13.82**	**0.30**	**1.56**	**7.19**	**22.87**
Additions during the year	1.01	-	-	-	**1.01**
Deductions during the year	4.55	-	-	-	**4.55**
Foreign exchange translation differences	0.02	-	0.01	0.04	**0.07**
Balance as at 31st March 2018	**10.30**	**0.30**	**1.57**	**7.23**	**19.40**
Additions during the year	3.09	-	-	-	**3.09**
Foreign exchange translation differences	0.23	-	0.10	0.44	**0.77**
Balance as at 31st March 2019	**13.62**	**0.30**	**1.67**	**7.67**	**23.26**
(II) Accumulated amortisation					
Balance as at 1st April 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 during the year	4.53	-	-	-	**4.53**
Foreign exchange translation differences	0.02	-	0.01	0.04	**0.07**
Balance as at 31st March 2018	**7.14**	**0.10**	**1.57**	**6.09**	**14.90**
Amortisation expense for the year	1.41	0.03	-	1.23	**2.67**
Foreign exchange translation differences	0.22	-	0.10	0.35	**0.67**
Balance as at 31st March 2019	**8.77**	**0.13**	**1.67**	**7.67**	**18.24**
Carrying amount(I-II)					
Balance as at 31st March 2018	3.16	0.20	-	1.14	**4.50**
Balance as at 31st March 2019	**4.85**	**0.17**	**-**	**-**	**5.02**

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	2019 Number	2019 ₹ Crores	2018 Number	2018 ₹ 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
Investments in Equity Instruments (Total)			**-**		**0.07**
Other Disclosures					
Aggregate Book Value of quoted investments			-		0.07
Aggregate Market Value of quoted investments			-		0.07

5. LOANS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Financial assets at amortised cost :				
Security Deposits				
- Unsecured, considered good	3.40	6.61	3.97	5.45
Other Loans (Employees)				
- Unsecured, considered good	0.33	0.25	0.33	0.24
- Loans Receivables which have significant increase in Credit Risk	-	-	-	-
- Loans Receivables-credit impaired	-	-	-	-
Total	**3.73**	**6.86**	**4.30**	**5.69**

6. OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Financial assets at amortised cost: (Considered Good, unless otherwise stated)				
Advances				
- Considered Good	1.81	-	0.99	-
- Considered doubtful	0.39	-	-	-
Bank Deposit	-	0.33	-	0.33
Interest accrued	0.20	-	0.21	-
Other financial assets (Refer Note 6.1)	-	0.32	2.41	0.11
	2.40	**0.65**	**3.61**	**0.44**
Less: Allowance for Doubtful Advances	(0.39)	-	-	-
	2.01	**0.65**	**3.61**	**0.44**
Derivatives financial instruments not designated as hedging instruments carried at fair value through P & L				
- Derivative financial instruments	1.03	1.28	1.42	0.65
Total	**3.04**	**1.93**	**5.03**	**1.09**

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 parent Company.

7. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others #	Total
Deferred tax (liabilities)/ assets as at 1st April 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**
(Charge) / credit to Statement of Profit and Loss	0.72	(0.53)	1.08	1.27
Foreign currency translation difference	0.01	0.07	0.07	0.15
Deferred tax (liabilities)/ assets as at 31st March 2019	**1.03**	**0.59**	**3.24**	**4.86**

*Figures less than ₹ 50,000

Others mainly includes deferred tax on inventory reserve

8. OTHERS ASSETS (NON FINANCIAL)

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Capital Advance	-	6.75	-	4.93
Advances other than capital advances				
Balance with government authorities	50.78	25.19	61.65	23.23
Prepaid Expenses	6.58	15.63	6.31	15.88
Other Advances (Refer Note 8.1)				
- Considered Good	14.45	-	27.53	-
- Considered Doubtful	0.12	-	0.69	-
	71.93	**40.82**	**96.18**	**39.11**
Less: Allowance for Doubtful Advances	0.12	-	0.69	-
	71.81	**40.82**	**95.49**	**39.11**
Export Incentives receivable	15.13	-	22.61	-
Total	**86.94**	**47.57**	**118.10**	**44.04**

Note:

8.1 Other advances mainly include Advances to suppliers, etc.

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

₹ Crores

Particulars	2019	2018
Raw Materials [Including in transit of ₹ 19.93 Crores (2018 : ₹ 31.25 Crores)]	122.57	132.35
Packing Material [Including in transit of ₹ 0.38 Crores (2018 : ₹ 0.32 Crores)]	9.13	8.37
Work-in-Progress	57.74	66.93
Finished Products	86.51	80.40
Stock-in-Trade [Including in transit of ₹ 2.78 Crores (2018 : ₹ 4.10 Crores)]	57.60	42.13
Consumables,Stores and Spares [Including in transit of ₹ Nil (2018: ₹ 0.04 Crores)]	17.72	15.45
Total	**351.27**	**345.63**

Notes:

9.1 The cost of Inventories recognised as an expense during the year was ₹ 2,177.68 Crores (2017-18 : ₹ 1,957.51 Crores)

9.2 The cost of Inventories recognised as an expense includes ₹ 3.37 Crores (2017-18 : ₹ 1.12 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 2.22 Crores (2017-18 : ₹ 0.20 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption as well as sale of products.

9.3 The group has availed credit facilities from banks which are secured interalia by hypothication of inventories.

9.4 The mode of valuation of inventories is stated in subnote (g) of Note 1B.

10. TRADE RECEIVABLES

₹ Crores

Particulars	2019	2018
Unsecured, considered good	426.75	418.23
Unsecured, considered Doubtful (Refer Note 10.1)	0.06	1.10
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables-credit impaired	-	-
	426.81	**419.33**
Less : Allowance for expected credit loss (Refer Note 10.1)	0.06	1.10
Total	**426.75**	**418.23**

Notes:

10.1 Also refer note no. 45 for disclosure related to Credit risk, Impairement of trade receivable under Expected Credit Loss and related disclosures

10.2 The group has availed credit facilities from banks which are secured by hypothication of Trade Receivables

11. CASH AND BANK BALANCES

₹ Crores

Particulars	2019	2018
Financial assets at amortised cost :		
Cash and cash equivalents		
Balances with banks		
- Current Accounts	14.15	26.78
- Savings Accounts	10.63	-
	24.78	**26.78**
Cash on hand	0.25	0.29
Total Cash and cash equivalents	**25.03**	**27.07**
Bank balances other than cash and cash equivalent		
Earmarked balances with banks (Refer Note 11.1)	0.66	0.50
Total Other Bank balances	**0.66**	**0.50**

Note:

11.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

12A. EQUITY SHARE CAPITAL

₹ Crores

Particulars	2019	2018
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)		
	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
(Previous Year : 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)		
	35.45	**35.45**

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

Particulars	2019 No. of Shares	2019 ₹ Crores	2018 No. of Shares	2018 ₹ Crores
Issued and Subscribed :				
Balance as at the beginning of the year	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**

B. Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

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

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

Name of the Shareholder	As at 31st March 2019 No. of Shares	As at 31st March 2019 %Share holding	As at 31st March 2018 No. of Shares	As at 31st March 2018 %Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil** as Partners of M/s Galaxy Chemicals	77,52,850	21.87	77,52,850	21.87
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92
Late Sandhya Patil **	41,06,040	11.58	-	-
Late Sudhir Patil *	-	-	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,758	6.66	23,62,758	6.66
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20
SBI Mutual Fund	24,12,587	6.80	19,45,677	5.49
	2,68,01,631	**75.59**	**2,63,34,721**	**74.28**

*Mr. Sudhir Patil expired on 14th July 2018. The shares held by him as well as registered in his name as a partner of Galaxy Chemicals were transmitted by operation of law to Mrs. Sandhya Patil during the year 2018-19.

**Mrs. Sandhya Patil expired on 25th April 2019. The shares held by her as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

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

12B. OTHER EQUITY

₹ Crores

Particulars	2019	2018
Securities Premium	0.20	0.20
General Reserve	26.38	26.38
Capital Reserve on consolidation	3.11	3.11
Retained Earnings	797.88	658.65
Item of Other Comprehensive Income		
Equity instruments through other comprehensive income	-*	0.06
Foreign currency translation reserve	13.71	(5.08)
Total	**841.28**	**683.32**

*Figures less than ₹ 50,000

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: 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.

13. NON-CURRENT BORROWINGS

₹ Crores

Particulars	2019	2018
Carried at amortised Cost :		
Secured :		
Term Loan From Banks (Refer note 13.1 & 13.2)	88.95	67.24
Term Loan From Financial Institution (Refer note 13.1 & 13.2)	-	4.37
Total Secured Borrowings	**88.95**	**71.61**
Unsecured:		
Deferral Sales Tax Liability (Refer note 13.3)	0.28	0.63
Total Unsecured Borrowings	**0.28**	**0.63**
Total	**89.23**	**72.24**

Current maturities in respect of long term borrowings have been included in Note 14 as under:

₹ Crores

Particulars	2019	2018
Term Loan From Banks	44.26	55.24
Deferral Sales Tax Liability	0.35	0.78
	44.61	**56.02**

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 financial institution 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 I & II amounting to ₹ Nil (2018: ₹ 13.22 Crores)	PLR - 5.25% for both I & II	I - 12 Quarterly instalments of ₹ 1.67 Crores each commenced from April 2016. II - 12 Quarterly instalments of ₹ 1.67 Crores each commenced from May 2016.
Term Loan ₹ 5.33 Crores (2018: ₹ 9.55 Crores)	9.20%	20 Quarterly instalments of ₹ 1.07 Crores each with moratorium of 18 months commencing from April 2017
Term Loan ₹ 19.91 Crores (2018: ₹ 29.82 Crores)	PLR - 5.25%	12 Quarterly instalments of ₹ 2.5 Crores each with a moratorium of 8 quarters from the date of first disbursement commencing from 30th June 2018
Term Loan ₹ 35 Crores (2018: ₹ Nil)	PLR - 5.25%	12 Quarterly instalments of ₹ 2.92 Crores starting from November 2020
Term Loan ₹ 23.75 Crores (2018: ₹ Nil)	9.20%	20 Quartelry instalments of ₹ 1.25 Crores starting from March 2019 till December 2023
Foreign Currency Loan		
Term Loan ₹ 44.59 Crores (2018: ₹ 61.08 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 ₹ 4.63 Crores (2018: ₹ 13.18 Crores)	6M LIBOR +3.5%	12 half yearly instalments of USD 0.07 Crores each commenced from March 2014

*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

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Carried at Amortised Cost:				
Current maturities of long-term borrowings (Refer Note 13.1 & 13.2)	44.26	-	55.24	-
Current maturities of Deferral Sales Tax Liability (Refer Note 13.3)	0.35	-	0.78	-
Interest accrued on borrowings	1.24	-	1.31	-
Unclaimed dividends (Refer Note 14.2)	0.63	-	0.46	-
Unclaimed matured deposits and interest accrued thereon	-*	-	0.03	-
Security Deposits	0.03	0.27	0.03	0.25
Interim Dividend and Dividend Tax Payable (Refer Note 14.3)	21.37	-	-	-
Other liabilities (Refer Note 14.1)	3.65	-	2.11	-
	71.53	**0.27**	**59.96**	**0.25**
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit & Loss				
Derivative financial instruments	-	-	0.06	-
	-	**-**	**0.06**	**-**
Total	**71.53**	**0.27**	**60.02**	**0.25**

*Figures less than ₹ 50,000

Notes:

14.1 Other liabilities mainly include capital creditors, etc.

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

14.3 During the year ended 31st March 2019, the Board of Directors at its meeting held on 29th March 2019 has approved interim dividend of ₹ 5 per share (50% of face value) amounting to ₹ 21.37 Crores including dividend distribution tax.

15. PROVISIONS

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Provision for Employee Benefits				
Leave encashment	1.49	7.80	1.36	4.77
Gratuity	2.56	2.19	2.74	1.35
Total	**4.05**	**9.99**	**4.10**	**6.12**

16. DEFERRED TAX LIABILITIES / (ASSETS) (NET)

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) As at 1st April 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**
Charge/ (credit) to Statement of Profit and Loss	5.69	(1.85)	0.74	4.58
Charge/ (credit) to Other comprehensive income	-	(0.27)	-	(0.27)
Deferred tax liabilities/ (assets) As at 31st March 2019	**39.62**	**(6.36)**	**(1.28)**	**31.98**

17. OTHER NON FINANCIAL LIABILITIES

₹ Crores

Particulars	2019 Current	2019 Non-Current	2018 Current	2018 Non-Current
Advances received from customers	4.22	-	11.01	-
Others (Refer note no 17.1)	4.27	0.32	6.71	0.45
Deferred revenue income (Refer note no 17.2)	0.03	0.46	0.03	0.48
Total	**8.52**	**0.78**	**17.75**	**0.93**

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 ₹ NIL (2017-18 ₹ 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 it is 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. CURRENT BORROWINGS

₹ Crores

Particulars	2019	2018
Secured (Carried at amortised Cost) :		
Working Capital Loan		
Loans and Advances on packing credit account from banks	28.45	102.67
Bank overdrafts	135.51	117.03
Total	**163.96**	**219.70**

Notes:

Secured Borrowings :

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:

a. 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.

18.2 Rate of Interest for loans ranges from 3.50% p.a. to 5.50% p.a.

19. TRADE PAYABLES

₹ Crores

Particulars	2019	2018
(Carried at amortised Cost)		
Total outstanding dues of Micro and Small Enterprises (Refer Note 19.1)	8.58	3.71
Total outstanding dues of creditors other than Micro and Small Enterprises	297.27	324.08
Total	**305.85**	**327.79**

Note:

19.1 The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2019.

20. REVENUE FROM OPERATIONS

₹ Crores

Particulars	2018-19	2017-18
Revenue from contracts with customers		
Sale of products (including Excise Duty of ₹ NIL (2017-18 ₹ 28.60 Crores))	2,731.82	2,441.35
Other operating revenue		
(a) Scrap Sales	1.59	1.43
(b) Government Grant and Incentives (including export benefits)	29.58	19.73
Total	**2,762.99**	**2,462.51**

Notes:

20.1 Refer note 34 for geography wise revenue from contracts with customers

20.2 The Group is engaged in manufacturing of surfactants and other speciality ingredients for the personal care and home care industries. Effective 1st April 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of 1st April 2018. In terms of Ind AS 115, the group is recognizing the revenue as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the benefit of the same. Hence the group recognises revenue at a point in time.

The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Group.

21. OTHER INCOME

₹ Crores

Particulars	2018-19	2017-18
(a) Interest Income		
- On Financial Assets at Amortised Cost	0.49	0.14
- On Non Financial assets	0.34	1.64
(b) Other Non - Operating Income		
Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.31)	-*
Liabilities/Provision no longer required written back	1.05	1.19
Foreign exchange differences (Net)	(4.83)	4.38
Commission received	0.05	0.52
Others (Refer Note No. 21.1)	8.89	2.27
Total	**4.68**	**10.14**

*Figures less than ₹ 50,000

Notes:

21.1 Other income includes interest subvention, refund receivable, etc.

22. COST OF MATERIALS CONSUMED

₹ Crores

Particulars	2018-19	2017-18
(a) Raw materials	1,856.19	1,645.58
(b) Packing materials	61.55	65.02
Total	**1,917.74**	**1,710.60**

23. PURCHASE OF STOCK-IN-TRADE

₹ Crores

Particulars	2018-19	2017-18
(a) Purchase of Stock-in-trade	38.25	46.42
Total	**38.25**	**46.42**

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

₹ Crores

Particulars	2018-19	2017-18
Opening Stock :		
Finished goods	80.40	80.96
Work-in-process	66.93	68.45
Stock-in-trade	42.13	33.78
	189.46	**183.19**
Less: Closing Stock :		
Finished goods	86.51	80.40
Work-in-process	57.74	66.93
Stock-in-trade	57.60	42.13
	201.85	**189.46**
Foreign currency translation difference	4.47	0.36
Net (increase) / decrease in inventory	**(7.92)**	**(5.91)**

25. EMPLOYEE BENEFITS EXPENSE

₹ Crores

Particulars	2018-19	2017-18
(a) Salaries and wages, including bonus	140.89	125.53
(b) Contribution to provident and other funds	9.49	8.48
(c) Workmen and staff welfare expenses	14.26	12.03
Total	**164.64**	**146.04**

26. FINANCE COST

₹ Crores

Particulars	2018-19	2017-18
(a) Interest expense for financial liabilities at amortised cost	29.35	30.41
(b) Other borrowing cost	0.65	0.14
Total	**30.00**	**30.55**

Note:

26.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 9.17% (2017-2018: Nil)

27. DEPRECIATION AND AMORTISATION EXPENSE

₹ Crores

Particulars	2018-19	2017-18
(a) Depreciation on Property, Plant and Equipment	48.53	45.74
(b) Amortisation of Intangible Assets	2.67	2.79
Total	**51.20**	**48.53**

28. OTHER EXPENSES

₹ Crores

Particulars	2018-19	2017-18
Power and fuel	51.07	41.44
Water charges	1.40	1.22
Repairs and maintenance	13.75	14.06
Consumption of stores, spares & consumables	11.94	11.39
Rates and taxes	3.83	8.04
Insurance	8.01	6.98
Freight and forwarding	114.82	83.10
Travelling and conveyance	17.18	15.11
Discount and commission on sales	1.64	2.05
Allowance for doubtful debts & bad debts	-	0.02
Royalty	0.15	0.07
"REACH" registration expenses (Net)	1.64	1.52
CSR expenditure (Refer Note 36)	3.02	2.56
Donations	-*	0.01
Directors' sitting fees	0.42	0.38
Commission to non-executive directors	0.71	0.62
Rent (including storage charges)	13.69	11.12
Legal and professional fees	15.30	16.10
Allowance for doubtful advances	0.47	0.16
Miscellaneous expenses	37.87	33.10
Total	**296.91**	**249.05**

*Figures less than ₹ 50,000

29. INCOME TAX RECOGNISED IN PROFIT OR LOSS

₹ Crores

Particulars	2018-19	2017-18
Current Tax:		
In respect of current year	83.37	62.64
In respect of prior years	(0.82)	(5.58)
	82.55	**57.06**
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	2.56	2.44
In respect of prior years	0.76	0.95
Adjustments due to changes in tax rates	-	0.29
	3.32	**3.68**
Total	**85.87**	**60.74**

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

₹ Crores

Particulars	2018-19	2017-18
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligaitons	(0.27)	(0.36)
Total	**(0.27)**	**(0.36)**
Classification of income tax recognised in other comprehensive income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.27)	(0.36)
Total	**(0.27)**	**(0.36)**

31. EARNING PER SHARE (EPS)

Particulars	2018-19	2017-18
Profit for the year (₹ Crores)	190.98	158.03
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)	53.87	44.57

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:

₹ Crores

Particulars	2018-19	2017-18
Profit before tax	276.85	218.77
Applicable Income tax rate	34.94%	34.61%
Expected income tax expense	96.74	75.71
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Difference in tax rates of subsidiary companies	(10.97)	(11.08)
Effect of concessions and allowances	(1.48)	(1.33)
Effect of expenses/provision not deductible in determining taxable profit	0.81	0.65
Impact on account of Prior Years Taxation	(0.07)	(4.63)
Impact on account of Change in Tax Rate	0.21	0.29
Others	0.63	1.13
Reported income tax expense	**85.87**	**60.74**

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

₹ Crores

Assessment Year	As at 31st March 2019	As at 31st March 2018	Available Up to A.Y.
2016-17	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 segments 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

₹ Crores

Particulars	2019 India	2019 Overseas	2019 Total	2018 India	2018 Overseas	2018 Total
Revenue From External Customers	974.48	1,757.34	2,731.82	864.69	1,576.66	2,441.35
Non Current Assets*	452.77	204.14	656.91	350.56	175.68	526.24

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

Information about major customers

During the year ended 31st March 2019 and 31st March 2018 respectively, Revenue from transaction 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 ₹ 26.08 Crores (2017-18 ₹ 26.04 Crores) debited to the statement of Profit & Loss.

36. DETAILS OF CSR EXPENDITURE

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

₹ Crores

Particulars		In Cash	Yet to be Paid	Total
I.	**Gross amount required to be spent by the Group during the year**	-	-	3.19
II.	Amount spent during the year on:			
	a. Construction/acquisition of any asset	-	-	-
	b. On purpose other than above	3.02	-	3.02

37. CONTINGENT LIABILITY AND COMMITMENTS

A. Contingent liability

₹ Crores

Particulars		2019	2018
(a)	Claims against the Group not acknowledged as debts comprise of claims disputed by the group relating to issues of applicability, classification, deductibility, etc.:		
	– Excise duty & Service tax	3.96	5.76
	– Income tax	0.97	-*
	– Sales tax	5.30	2.67
	– Custom duty	8.14	8.16
(b)	Customer claim (Refer Note 37.1)	Nil	3.64

*Figures less than ₹ 50,000

Note:

37.1 During the earlier years the group had received a claim of 4,50,000 Euros made by one of the overseas customer on account of quality issues in respect of third party trading material supplied by the group against which the group had made a provision of 1,41,225 USD for the amount due from the said customer from the subsequent supplies made to them. The said claim has been settled by the group during the year and an additional charge of ₹ 0.56 Crores (net of insurance claim) is debited to statement of profit and loss account.

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 ₹ 28.46 Crores (2017-18: ₹ 31.02 Crores).

Estimated amount of contracts remaining to be executed of Intangible assets (net of advances) and not provided for ₹ 2.07 Crores (2017-18: ₹ 0.48 Crores).

38. RELATED PARTY DISCLOSURES:

(a) Parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife Son Daughter	Mrs. Lakshmy Shekhar Mr. Karthik Shekhar Ms. Nandini Shekhar
2	Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife Daughter Daughter	Mrs. Parvathy Natarajan Ms. Pavithra Natarajan Ms. Namrata Natarajan
3	Mr. G. Kamath Executive Director (Finance) & Chief Financial Officer		
4	Mr. R. Venkateswar (Till 9th June 2017) Executive Director		

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

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

(b) The related party transactions are as under :

₹ Crores

Sr. No.	Nature of Transactions	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	**MANAGERIAL REMUNERATION (Refer Note 38.1) :**						
	U. Shekhar						
	Short-term employee benefits			2.28	2.09		
	K Natarajan						
	Short-term employee benefits			2.34	2.11		
	G. Kamath						
	Short-term employee benefits			2.42	2.10		
	R. Venkateswar						
	Short-term employee benefits			-	0.25		
	Other long term benefit			-	0.06		
2	**DIVIDENDS DISTRIBUTED :**						
	Galaxy Chemicals	5.43	2.75				
	Galaxy Emulsifiers Pvt. Ltd.	0.38	0.16				
	Galaxy Surfactants Limited - Employees' Welfare Trust	-	0.09				
	U. Shekhar			2.96	1.27		
	K. Natarajan			0.01	0.01		
	G. Kamath			0.01	0.01		
	Lakshmi Shekhar					0.09	-*
	Karthik Shekhar					-	0.03

*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.

Note:

38.1 As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

39. EMPLOYEE BENEFITS

a. Defined contribution plan

The Parent Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Parent Company has recognised ₹ 4.09 Crores (2017-18 - ₹ 3.64 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

The Subsidiaries make contributions towards 401K & Social security for qualifying employees. The subsidiaries have recognised ₹ 4.65 Crores (2017-18 ₹ 3.72 Crores) for the year being Subsidiaries contribution to 401K & Social security, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Parent Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Parent Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Parent Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, In case of gratuity plan this will be partially offset by an increase in the return on the plan's assets.

Salary risk

The present value of the Gratuity liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

₹ Crores

Particulars			As at 31st March Funded Plan Gratuity 2019	2018
I	**Expense recognised in the Statement of Profit and Loss for the year ended**			
	1	Current service cost	1.06	1.03
	2	Interest cost on benefit obligation (net)	0.31	0.37
	3	Net value of remeasurements on the obligation and plan assets	-	-
	4	Past service cost and loss/(Gain) on curtailments and settlement	-	0.01
	5	Total expenses included in employee benefits expense	**1.37**	**1.41**
II	**Recognised in other comprehensive income for the year**			
	1	Actuarial (gains)/ losses arising from changes in financial assumption	0.44	(0.37)
	2	Actuarial (gains)/ losses arising from changes in experience adjustment	0.49	1.02
	3	Actuarial (gains)/ losses arising from changes in demographic adjustment	0.01	-
	4	Return on plan asset	(0.15)	0.38
	5	Recognised in other comprehensive income	**0.79**	**1.03**
III	**Change in the present value of defined benefit obligation**			
1	Present value of defined benefit obligation at the beginning of the year		16.70	15.01
2	Current service cost		1.06	1.03
3	Interest cost/(income)		1.25	0.99
4	Remeasurements (gains)/ losses			
	(I)	Actuarial (gains)/ losses arising from changes in demographic assumption	0.01	-
	(II)	Actuarial (gains)/ losses arising from changes in financial assumption	0.44	(0.37)
	(III)	Actuarial (gains)/ losses arising from changes in experience adjustment	0.49	1.02
5	Past Service cost		-	0.01
6	Benefits paid		(0.63)	(0.99)
7	Liabilities assumed/(settled)		-	-
8	Present value of defined benefit obligation at the end of the year		**19.32**	**16.70**
IV	**Change in fair value of plan assets during the year**			
1	Fair value of plan assets at the beginning of the year		12.61	9.29
2	Interest income		0.94	0.62
3	Contribution by employer		1.50	4.07
4	Benefits paid		(0.63)	(0.99)
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	-	-
5	Return on plan assets excluding interest income		0.15	(0.38)
6	Fair value of plan assets at the closing of the year		**14.57**	**12.61**
V	**Net Asset/(Liability) recognised in the Balance Sheet as at**			
	1	Present value of defined benefit obligation as at 31st March	19.32	16.70
	2	Fair value of plan assets as at 31st March	14.57	12.61
	3	Surplus/(Deficit)	(4.75)	(4.09)
	4	Current portion of the above	2.56	2.74
	5	Non current portion of the above	2.19	1.35

₹ Crores

Particulars			As at 31st March Funded Plan Gratuity 2019	2018
VI	**Actuarial assumptions**			
	1	Discount rate	7.69%	7.50%
	2	Attrition rate	Between 15% to 4% based on service of employee	5% at younger ages reducing to 1% at older ages
	3	Average salary escalation rate	7.50%	7.00%
	4	Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
VII	**Major Category of Plan Assets as a % of the Total Plan Assets**			
	1	Insurer managed funds*	100%	100%
		*In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII	**The expected contributions to the plan for the next annual reporting period**		2.56	2.74
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 obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.			
	1	Discount rate varied by +1%	17.96	15.41
	2	Discount rate varied by -1%	20.85	18.17
	3	Salary growth rate varied by +1%	20.84	18.17
	4	Salary growth rate varied by -1%	17.95	15.40
	5	Withdrawal rate (W.R.) varied by + 1%	19.31	16.73
	6	Withdrawal rate (W.R.) varied by - 1%	19.29	16.63
X	**Maturity profile of defined benefit obligation**			
	1	Year 1	2.80	2.77
	2	Year 2	0.95	0.57
	3	Year 3	1.28	0.89
	4	Year 4	2.34	1.03
	5	Year 5	1.67	2.30
	6	Years 6-10	7.64	6.21

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and Loss. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

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

40. 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 & Loss.

With regard to non-cancellable operating leases, the future minimum rentals are as follows:

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
(1) Future minimum lease payments		
Not later than one year	6.12	3.26
Later than one year but not later than five years	8.44	6.79
Later than five years	-	-
Total future minimum lease payments	**14.56**	**10.05**

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.

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
Short term debt	163.96	219.70
Long term debt	133.84	128.26
Total	**297.80**	**347.96**
Equity	876.73	718.77
Long term debt to equity	0.15	0.18
Total debt to equity	0.34	0.48

42. CATEGORIES OF FINANCIAL INSTRUMENTS

₹ Crores

Particulars	As at 31st March 2019	As at 31st March 2018
A) Financial assets		
a) Measured at amortised cost		
i) Cash and Cash equivalents	25.03	27.07
ii) Bank Balances other than Cash and Cash Equivalents	0.66	0.50
iii) Loans	10.59	9.99
iv) Trade Receivable	426.75	418.23
v) Other Financial Assets	2.66	4.05
Sub-Total	**465.69**	**459.84**
b) Measured at Fair value through Other Comprehensive Income		
i) Investment in Equity Shares	-	0.07
Sub-Total	**-**	**0.07**
c) Derivatives measured at fair value through Profit & Loss		
i) Derivative instruments not designated as hedging instruments	2.31	2.07
Sub-Total	**2.31**	**2.07**
Total Financial Assets	**468.00**	**461.98**
B) Financial liabilities		
a) Measured at amortised cost		
i) Non-current Borrowings	89.23	72.24
ii) Current Borrowings	163.96	219.70
iii) Trade Payables	305.85	327.79
iv) Other Financial Liability	71.80	60.21
Sub-Total	**630.84**	**679.94**
Derivatives measured at fair value through Profit & Loss		
Derivative instruments not designated as hedging instruments	-	0.06
Sub-Total	**-**	**0.06**
Total Financial Liabilities	**630.84**	**680.00**

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.

A. Market Risk

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest 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.

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.

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 assocaited with the major raw material.

Currency Risk

The Group is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent the Group uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Group's foreign currency exposure at the end of the reporting periods are as follows:

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2019						
Borrowings	(0.74)	(51.26)	(0.02)	(1.55)	-	**(52.81)**
Trade Receivables & Other financial assets	1.76	121.63	0.36	27.68	0.52	**149.83**
Trade Payables & Other financial liabilities	(2.03)	(140.51)	(0.01)	(0.54)	(1.29)	**(142.34)**
Total	**(1.01)**	**(70.14)**	**0.33**	**25.59**	**(0.77)**	**(45.32)**
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)**
Total	**(2.84)**	**(185.20)**	**0.18**	**13.93**	**(18.43)**	**(189.70)**

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date's are as follows:

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2019						
Borrowings	(0.09)	(6.31)	(0.02)	(1.55)	-	**(7.86)**
Trade Receivables & Other financial assets	1.66	114.72	0.26	19.86	0.52	**135.10**
Trade Payables & Other financial liabilities	(1.86)	(128.41)	(0.01)	(0.54)	(1.29)	**(130.24)**
Total	**(0.29)**	**(20.00)**	**0.23**	**17.77**	**(0.77)**	**(3.00)**
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)**
Total	**(1.87)**	**(121.66)**	**0.05**	**4.07**	**(18.43)**	**(136.02)**

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 RECEIVABLE 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 evaluted that there is no provision required under expected credit loss model. Further, the Group reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of loss allowance for Trade Receivables

₹ Crores

Particulars	Year Ended 31st March 2019	2018
Balance as at beginning of the year	1.10	1.58
Additons during the year	0.06	0.18
Amount of loss reversed / written back	(1.11)	(0.66)
Foreign currency translation difference	0.01	-*
Balance at end of the year	**0.06**	**1.10**

*Figures less than ₹ 50,000

46. 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.

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2nd and 3rd Year	4th and 5th Year	Above 5 years
As at 31st March 2019					
Deferral Sales Tax Liability	0.63	0.35	0.20	0.08	-
Short term borrowings	163.96	163.96	-	-	-
Long term borrowings	133.21	44.26	62.72	26.23	-
Trade payables	305.85	305.85	-	-	-
Other Financial Liabilities	27.19	26.92	-	-	0.27
Total	**630.84**	**541.34**	**62.92**	**26.31**	**0.27**
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**

48. SENSITIVITY ANALYSIS

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March 2019	USD	+1%	(0.21)	-
	EUR	+1%	0.18	-
Year ended 31st March 2018	USD	+1%	(2.02)	-
	EUR	+1%	0.04	-

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:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March 2019	INR	+25 bps	(0.92)	-
Year ended 31st March 2018	INR	+25 bps	(0.95)	-

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.

₹ Crores

Financial Instruments regularly measured using Fair Value- recurring Items							Applicable for Level 2 and Level 3 heirarchy
Particulars	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs
	Financial assets/ financial liabilities	Category	2019	2018			
1) Derivatives - foreign exchange forward contracts and Interest rate swaps	Financial assets	Financial instruments measured at FVTPL	2.31	2.07	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
	Financial Liabilities		-	0.06			
2) Investment in equity instruments -Quoted	Financial Assets	Financial instruments designated at FVOCI	-	0.07	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

₹ Crores

Particulars	Carrying Value	Fair value (Level 2)
As at 31st March 2019		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	0.63	0.57
Total	**0.63**	**0.57**
As at 31st March 2018		
Financial liabilities held at amortised cost		
- Deferral Sales Tax Liability	1.41	1.25
Total	**1.41**	**1.25**

Except for the above, carrying value of Other financial assets/liabilites represent reasonable estimate of fair value.

53. IND-AS YET TO BE NOTIFIED

a. **Ind AS 116 'Leases':** On 30th March 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

b. **Amendment to Ind AS 12 'Income Taxes':** The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Group is evaluating the effect of the above in the financial statements.

   Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: The amendment clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1st April 2019. The Group is evaluating the effect of the above in the financial statements.

c. **Amendment to Ind AS 19 'Employee Benefits':** The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1st April 2019. The Group is evaluating the effect of the above in the financial statements.

d. **Amendment to Ind AS 23 'Borrowing Costs':** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group is evaluating the effect of the above in the financial statements.

e. **Amendment to Ind AS 109 'Financial Instruments':** The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

54. ADDITIONAL DISCLOSURE

₹ 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 consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount	As % of consol-idated Other compre-hensive income	Amount	As % of consol-idated Total compre-hensive income	Amount	As % of consol-idated net assets	Amount	As % of consol-idated profit or loss	Amount	As % of consol-idated Other compre-hensive income	Amount	As % of consol-idated Total compre-hensive income	Amount
	Mar-19								Mar-18							
Galaxy Surfactants Limited	89.25%	782.51	88.20%	168.45	-2.85%	(0.52)	80.26%	167.93	92.65%	665.88	71.13%	112.41	52.21%	(0.71)	71.30%	111.70
Foreign Subsidiaries																
Galaxy Chemcials Inc.	0.02%	0.21	-0.02%	(0.04)	0.11%	0.02	-0.01%	(0.02)	0.03%	0.24	0.43%	0.68	-0.74%	0.01	0.44%	0.69
Galaxy holdings (Maurtitius) Ltd.	2.77%	24.26	0.57%	1.08	19.32%	3.53	2.20%	4.61	2.73%	19.65	3.64%	5.75	-23.53%	0.32	3.87%	6.07
Rainbow holdings GmbH	-1.73%	(15.17)	-0.69%	(1.31)	4.71%	0.86	-0.22%	(0.45)	-2.05%	(14.72)	-0.66%	(1.05)	211.03%	(2.87)	-2.50%	(3.92)
Galaxy chemicals (Egypt) S.A.E.	20.36%	178.49	10.29%	19.65	49.10%	8.97	13.68%	28.62	20.85%	149.86	16.10%	25.45	-66.91%	0.91	16.83%	26.36
TRI-K Industries, Inc.	14.60%	127.97	15.70%	29.98	29.45%	5.38	16.90%	35.36	12.88%	92.61	13.33%	21.07	-44.12%	0.60	13.83%	21.67
Eliminations	-25.27%	(221.54)	-14.05%	(26.83)	0.16%	0.03	-12.81%	(26.80)	-27.09%	(194.75)	-3.97%	(6.28)	-27.94%	0.38	-3.78%	(5.90)
Total	**100.00%**	**876.73**	**100.00%**	**190.98**	**100.00%**	**18.27**	**100.00%**	**209.25**	**100.00%**	**718.77**	**100.00%**	**158.03**	**100.00%**	**(1.36)**	**100.00%**	**156.67**

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 : 28th May 2019

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

₹ Crores

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	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% shareholding	Country
1	Galaxy Chemicals Inc	USD	69.15	-*	0.21	0.28	0.06	-	-	(0.04)	-	(0.04)	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	69.15	2.37	21.89	239.14	214.88	-	-	1.18	0.10	1.08	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	77.64	0.17	(15.34)	6.17	21.34	-	-	(1.31)	-	(1.31)	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	69.15	163.67	14.82	413.13	234.65	-	716.37	19.65	-	19.65	-	100%	Egypt
5	TRI-K Industries Inc.	USD	69.15	-*	127.96	160.46	32.49	-	323.89	38.28	8.30	29.98	-	100%	USA

* Figure less than ₹ 50,000

Notice to Members

NOTICE is hereby given that THIRTY THIRD ANNUAL GENERAL MEETING of the Members of GALAXY SURFACTANTS LIMITED will be held on Tuesday, 13th August 2019 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:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a. Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2019 together with the Report of Board of Directors and Auditors thereon; and

   b. Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019 together with the Report of the Auditors thereon.

2. To confirm the Interim Dividend declared on 29th March 2019 and to declare Final Dividend on equity shares for the financial year 2018-19.

3. To appoint a Director in place of Mr. Vaijanath Kulkarni (DIN: 07626842), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. K. Natarajan (DIN: 07626680), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To ratify remuneration of M/s Nawal Barde Devdhe & Associates as Cost Auditors of the Company:

   To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of the Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made 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 the cost records of the Company for the financial year ending 31st March 2020, 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. To approve appointment of Mr. Shashikant Shanbhag (DIN: 00265103) as a Non-Executive and Non-Independent Director liable to retire by rotation:

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Shashikant Shanbhag (DIN: 00265103) who was appointed by the Board of Directors as an Additional Director with effect from 10th August 2018 and who holds the office till the conclusion of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") read with Articles 104 of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a member under Section 160 (1) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company 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.''

7. To approve continuation of employment of Dr. Nirmal Koshti (DIN: 07626499), Director of the Company, in TRI-K Industries Inc., USA the Wholly Owned Subsidiary of the Company:

   To consider and if thought fit, to pass 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 ("Act") read with Companies (Meetings of Board and its Powers) Rules 2014 for the time being in force and subject to other approvals if required, the approval of Members be and is hereby accorded to continue with the employment of Dr. Nirmal Koshti (DIN: 07626499), Director of the Company, holding management position in TRI-K Industries Inc. USA - wholly owned subsidiary of the Company, till 7th October 2021 on the remuneration and other terms as set out in Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT any Whole-time Director or the Company Secretary be and are hereby severally authorised to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including powers to alter, revise, modify, vary terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of Members of the Company, during the tenure of appointment of Dr. Nirmal Koshti with TRI-K Industries Inc., USA."

8. To approve continuation of employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti - Director of the Company, in TRI-K Industries Inc., USA Wholly Owned Subsidiary of the Company:

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions if any, of the Companies Act, 2013 ("Act") read with Companies (Meetings of Board and its Powers) Rules 2014 for the time being in force, and subject to other approvals if required, the approval of Members be and is hereby accorded to continue with the employment of Ms. Renuka Koshti, as "Senior Chemist" in the service of TRI-K Industries Inc. USA, wholly owned subsidiary of the Company, for a further period of 3 years with effect from 1st October 2019 on the remuneration and other terms as set out in Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

   RESOLVED FURTHER THAT any Whole Time Director or the Company Secretary be and are hereby severally authorised to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including powers to alter, revise, modify, vary terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of Members of the Company, during the tenure of appointment of Ms. Renuka Koshti with TRI-K Industries Inc., USA."

9. To approve continuation of employment of Mr. Vaijanath Kulkarni (DIN: 07626842) – non-executive Director of the Company, as the Managing Director in Galaxy Chemicals (Egypt) S.A.E., Wholly Owned Subsidiary of the Company:

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions if any, of the Companies Act, 2013 ("Act") read with Companies (Meetings of Board and its Powers) Rules 2014 (as amended from time to time) for the time being in force, and subject to other approvals if required, the approval of Members be and is hereby accorded to continue with the employment of Mr. Vaijanath Kulkarni (DIN: 07626842), Director of the Company, as Managing Director in Galaxy Chemicals (Egypt) S.A.E., wholly owned subsidiary of the Company for a further period of 3 years with effect from 1st October 2019 on the remuneration and other terms as set out in Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

   RESOLVED FURTHER THAT any Whole-time Director or the Company Secretary be and are hereby severally authorised to take all steps as may be deemed necessary, proper or expedient to give effect to this resolution including powers to alter, revise, modify, vary terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of Members of the Company, during the tenure of appointment of Mr. Vaijanath Kulkarni with Galaxy Chemicals (Egypt) S.A.E."

10. To approve re-appointment of Mr. K. Natarajan (DIN: 07626680) as a Whole-time Director, designated as Executive Director & Chief Operating Officer of the Company:

    To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

    "RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, 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, for the time being in force) and pursuant to the Articles 149 and 150 of the Articles of Association of the Company and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. K. Natarajan (DIN: 07626680), who is eligible for reappointment, as the Whole-time Director designated as Executive Director & Chief Operating Officer for a period of 3 (three) years with effect from 1st October 2019, on such remuneration, terms and conditions as set out in Explanatory Statement annexed hereto;

    RESOVLED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions subject to the limits and stipulations prescribed by the Act during the tenure of the present appointment of Mr. K. Natarajan as Whole-time Director designated as Executive Director and Chief Operational Officer;

RESOLVED FURTHER THAT Mr. K. Natarajan will be a director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director during the tenure of his appointment upto 30th September 2022."

11. To approve re-appointment of Mr. K. Ganesh Kamath (DIN: 07767220) as a Whole-time Director, designated as Executive Director (Finance) and Chief Financial Officer of the Company:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, 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, for the time being in force) and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. K. Ganesh Kamath (DIN: 07767220), who is eligible for reappointment, as Whole Time Director to be designated as Executive Director (Finance) & Chief Financial Officer from 1st April 2020 till 6th October 2022, on such remuneration, terms and conditions as set in the Explanatory Statement annexed hereto;

RESOVLED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions subject to the limits and stipulations prescribed by the Act during the tenure of the present appointment of Mr. K. Ganesh Kamath as Whole-time director designated as Executive Director (Finance) and Chief Financial Officer;

RESOLVED FURTHER THAT Mr. K. Ganesh Kamath will be a director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director during the tenure of his appointment till 6th October 2022."

12. To approve modification in the terms and conditions of appointment and the remuneration payable to Mr. U. Shekhar (DIN: 00265017), Managing Director of the Company:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, 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, for the time being in force) and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for modification of terms and conditions of appointment and the remuneration payable to Mr. U. Shekhar (DIN: 00265017), Managing Director of the Company, to bring it in line with proposal for other Whole-time Directors, as set in the Explanatory Statement annexed hereto;

RESOVLED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the Members of the Company during the tenure of appointment of Whole-time Directors."

13. To approve payment of sitting fees to Mr. G. Ramakrishnan (DIN: 00264760), non-executive director of the Company nominated to the Board of the Subsidiary Companies for attending/participating in its Board Meetings:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of members be and is hereby accorded for the payment of sitting fees to Mr. G. Ramakrishnan (DIN: 00264760), non-executive Director of the Company, by the operating subsidiaries on the Board of which he is nominated as a Director, for attending / participating in their Board Meetings, for a period of 3 years with effect from 1st April 2020, as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the Members of the Company."

14. To approve payment of sitting fees to Mr. S. Ravindranath (DIN: 00011680), Independent Director of the Company, nominated to the Board of the Subsidiary Companies for attending/participating in its Board Meetings:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of members be and is hereby accorded for the payment of sitting fees to Mr. S. Ravindranath (DIN: 00011680), Independent Director of the Company, by the operating subsidiaries on the Board of which he is nominated as a Director, for attending / participating in their Board Meetings, for a period of 3 years with effect from 1st April 2019, as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the Members of the Company."

15. To approve re-appointment of Mr. S. Ravindranath (DIN: 00011680) as an Independent Director for second term:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Mr. S. Ravindranath (DIN: 00011680), who was appointed as an Independent Director on 19th September 2014 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided under Section 149 (6) of the Act along with the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term commencing from 13th August 2019 till 19th April 2022 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or committees thereof and profit related commission, if any, in terms of applicable provisions of the Act and as determined by the Board from time to time;

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

16. To approve re-appointment of Mr. Subodh Nadkarni (DIN: 00145999) as an Independent Director for a second term of 5 years:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Mr. Subodh Nadkarni (DIN: 00145999), who was appointed on 19th September 2014 as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided under Section 149 (6) of the Act along with the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years commencing from 13th August 2019 up to 12th August 2024 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or committees thereof and profit related commission, if any, in terms of applicable provisions of the Companies Act, 2013 and as determined by the Board from time to time;

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

17. To approve re-appointment of Mr. M. G. Parameswaran (DIN: 00792123) as an Independent Director for a second term of 5 years:

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Mr. M. G .Parameswaran (DIN: 00792123), who was appointed as an Independent Director on 19th September 2014 and who holds office up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided under Section 149 (6) of the Act along with the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) years commencing from 13th August 2019 to 12th August 2024 and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or committees thereof and profit related commission, if any, in terms of applicable provisions of the Companies Act, 2013 and as determined by the Board from time to time;

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

By Order of the Board of Directors

Navi Mumbai
28th May 2019

Niranjan Ketkar
Company Secretary

Registered Office: C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India
Phone: +91-22-27616666 /+91-22-33063700

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 17 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 Saturday, 3rd August 2019 to Tuesday, 13th August 2019 (both days inclusive) for the purpose of payment of final dividend.

6. The final dividend for the financial year ended 31st March 2019, 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 Friday, 2nd August 2019; 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 Friday, 2nd August 2019.

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.** Members who are holding shares in physical mode are required to register their email address with the Registrar of the Company.

10. Those Members who have so far not encashed their dividend warrants for the financial year 2011-12, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' established by the Central Government, pursuant to Section 125 of the Companies Act, 2013 on the respective date.

11. Members/Proxies are requested to bring their copies of Annual Report and Attendance Slip duly filled in for attending the Annual General Meeting.

12. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Registered Office of the Company to facilitate clarifications during the meeting.

13. **E-voting:** In compliance with the provisions of 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 Link Intime India Pvt. Ltd.

(i) Members who are holding shares in physical or dematerialized form as on Friday, 2nd August 2019 shall exercise their vote by electronic means. The Company has engaged the services of the Link Intime India Pvt. Ltd. to provide the e-voting facility. The Notice is displayed on the Company's website, www.galaxysurfactants.com, and on website of Link Intime India Pvt. Ltd. www.linkintime.co.in

(ii) The 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 Saturday, 10th August 2019 at 9:00 a.m. and will end on Monday, 12th August 2019 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 Friday, 2nd August 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime for voting after closing time mentioned above. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

(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 Friday, 2nd August 2019.

(v) Mr. S Sathyanarayanan, Practicing Company Secretary (Membership No. F4966) (C. P. No. 3251) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

(vi) The Scrutinizer shall immediately after the conclusion of voting at AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 3 (Three) days after the conclusion of the AGM to the Chairman or a person authorized by him, who shall declare the result of the voting.

(vii) The results along with the Scrutinizer's Report, will be placed on the Company's website www.galaxysurfactants.com and on the website of Link Intime India Pvt. Ltd. www.linkintime.co.in 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:

Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

   a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

   b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

   c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

   Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

   Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**.

  They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body' login** for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD ON TUESDAY, AUGUST 13, 2019 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 to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020 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 aforesaid remuneration to the Cost Auditors for the financial year ending 31st March 2020.

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 an Ordinary Resolution for the approval of the Members.

Item no. 6

Mr. Shashikant Shanbhag (DIN: 00265103) was appointed as an Additional Director of the Company w. e. f. 10th August 2018 by the Board of Directors, as per the recommendation of the Nomination and Remuneration Committee of the Board, at their meeting held on the same date. In terms of Section 161(1) of the Companies Act, 2013 ("the Act), Mr. Shanbhag will hold office 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(1) of the Act, proposing his candidature for the office of Director.

Mr. Shanbhag is holding 40,97,684 equity shares of the Company. Mrs. Vandana Shanbhag, wife of Mr. Shanbhag is holding 10,000 equity shares jointly with Mr. Shanbhag. M/s Galaxy Chemicals, Partnership firm (where Mr. Shanbhag is one of the partners) is holding beneficial interest in 19,38,100 equity shares which are registered in the name of Mr. Shanbhag jointly with Mrs. Vandana Shanbhag.

Mr. Shanbhag 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.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure-1 to the Notice.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. Shashikant Shanbhag are in any way, concerned or interested, financially or otherwise, in the resolution as set out in item no. 6 of the accompanying notice.

Your Board recommends the Resolution at Item no. 6 as an Ordinary Resolution for the approval of the Members.

Item no. 7

Dr. Nirmal Koshti (DIN: 07626499) was appointed as a Director of the Company at the 31st Annual General Meeting held on 17th August 2017 being liable to retire by rotation.

As Dr. Koshti was in full time employment with subsidiary TRI-K Industries Inc. USA (TRI-K) prior to his appointment as Director in the Company, at the same meeting the members had also approved continuation of employment of Dr. Koshti in TRI-K for the period of three years from 1st October 2016 to 30th September 2019. Dr. Koshti's continuation in the full time employment at TRI-K beyond the current term attracts the provisions of Section 188 of the Companies Act (the Act) covering appointment to the place of profit.

Dr. Koshti is Ph. D. in Organic Chemistry (University of Mumbai) and associated with Galaxy Group since 1986. His details are given in Annexure-3 to this Notice.

On the recommendation of the Audit Committee, the Board of Directors at their meeting held on 28th May 2019 have considered the continuing employment and remuneration of Dr. Koshti in TRI-K for a further period till 7th October 2021, subject to such approval of the shareholders and any other approvals that may be required under the provisions and rules applicable.

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

1. To let the Board of TRI-K to determine the composition and remuneration payable for his services in TRI-K considering his responsibilities, performance and domicile conditions subject to such remuneration in the scale of USD 300,000 to USD 450,000 per annum
2. As he is in whole time employment of TRI-K, he shall not be entitled to any sitting fees or commission for attending the Board meetings of the Company
3. He shall be entitled for the reimbursement of all such expenses incurred during the course of normal discharge of his role and responsibilities including attending the Board Meeting or otherwise
4. This approval shall be valid for the further period upto 7th October 2021.

Dr. Nirmal Koshti 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 in favour of this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives, except Dr. Nirmal Koshti, are in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item no. 7 of the accompanying notice.

Your Board recommends the Resolution at Item no. 7 as an Ordinary Resolution for the approval of the Members.

Item no. 8

In the 31st Annual General Meeting, the shareholders approved continuing employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, Non-Executive Director of the Company, as a "Senior Chemist" in the Wholly Owned Subsidiary Company viz. TRI-K Industries Inc., USA (TRI-K) for the period of three years effective 1st October 2016. Accordingly, the period of the previous approval is expiring on 30th September 2019.

Ms. Renuka Koshti is a graduate in chemistry and having an experience of over 5 years. Her details are separately given in Annexure-3 attached to the notice.

On the recommendation of the Audit Committee, the Board of Directors at their meeting held on 28th May 2019 have considered the continuing employment of Ms. Renuka Koshti in TRI-K for a further period of 3 years from 1st October 2019 till 30th September 2022, subject to such approval of the shareholders and any other approvals that may be required under the provisions and rules applicable.

As Ms. Koshti is the daughter of Dr. Nirmal Koshti - Director of the Company, her continuation in the full time employment beyond the current term in TRI-K attracts provisions of Section 188 of the Companies Act, 2013 ("the Act").

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

1. The re-appointment will be effective from 1st October 2019
2. The tenure of employment will be for a period of 3 years from the above date
3. The designation will be "Senior Chemist"

4. The role and responsibilities will include technical support in the areas of personal care applications development, product performance evaluation, technical service and quality control for the Performance Product Division

5. The total remuneration, including perquisites and benefits shall not exceed USD 12,000 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 per month

   b) Perquisites covering social security, medical care, life insurance, vacation, 401K contribution and other statutory benefits not exceeding USD 3,000 per month

6. The services are transferable to any other location of the Company or the Group Company

7. During the tenure of employment, the designation/ job title, roles and responsibilities can be reviewed and revised by the Board of TRI-K Industries Inc.

Dr. Nirmal Koshti 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 in favour of this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives, except Dr. Nirmal Koshti, are in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item no. 8 of the accompanying notice.

Your Board recommends the Resolution at Item no. 8 as an Ordinary Resolution for the approval of the Members.

Item no. 9

Mr. Vaijanath Kulkarni (DIN: 07626842) was appointed as a Director of the Company at the 31st Annual General Meeting held on 17th August 2017 being liable to retire by rotation. As Mr. Kulkarni was in full time employment with Galaxy Chemicals (Egypt) SAE (GCE) as Managing Director prior to his appointment as Director in the Company, at the same meeting the members had also approved continuation of employment of Mr. Kulkarni as Managing Director in the Wholly Owned Subsidiary Company viz. GCE for the period of three years from 1st October 2016 to 30th September 2019.

Mr. Vaijanath Kulkarni is a Chemical Engineer and associated with Galaxy Group since 1995. His details are separately given in Annexure-3 to this Notice.

On the recommendation of the Audit Committee, the Board of Directors at their meeting held on 28th March 2019 have considered the continuing employment and remuneration of Mr. Vaijanath Kulkarni in GCE, the wholly owned subsidiary of the Company, subject to such approval of the shareholders and any other approvals that may be required under the provisions and rules applicable.

Mr. Kulkarni's continuation in the full time employment at GCE beyond the current term attracts the provisions of Section 188 of the Act covering appointment to the place of profit.

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

1. To let the Board of GCE determine the composition and remuneration payable for his services in GCE considering his responsibilities, performance and domicile conditions subject to such remuneration in the scale of USD 300,000 to USD 450,000 per annum

2. As he is in whole time employment of GCE, he shall not be entitled to any sitting fees or commission for attending the Board meeting of the Company

3. He shall be entitled for the reimbursement of all such expenses incurred during the course of normal discharge of his role and responsibilities including attending the Board Meeting or otherwise

4. This approval shall be valid for the further period of three years effective 1st October 2019 till 30th September 2022

Mr. Vaijanath Kulkarni 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 in favour of this resolution.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. Vaijanath Kulkarni, are in any way, concerned or interested, financially or otherwise, in the resolution as set out in item no. 9 of the accompanying notice.

Your Board recommends the Resolution at Item no. 9 as an Ordinary Resolution for the approval of the Members.

Item no. 10 & 11

At the 31st Annual General Meeting held on 17th August 2017, Mr. K. Natarajan (DIN: 07626680) with effect from 1st October 2016 and Mr. K Ganesh Kamath (DIN: 07767220) with effect from 1st April 2017 were appointed as Whole-time Directors designated as "Executive Director & Chief Operating Officer" and "Executive Director (Finance) & Chief Financial Officer" of the Company, respectively, under section 196, 197 and 203 of the Companies Act, 2013 (the Act) for a period of 3 years. Accordingly, their term of appointment expires on 30th September 2019 and 31st March 2020 respectively.

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

Mr. K. Ganesh Kamath is a qualified Management Accountant, Company Secretary, LLB and a Chartered Banker. He has vast experience in Banking and financial sector spanning over 25 years in the area of foreign exchange, credit, securitisation, treasury and risk management. He joined your Company in 2004 as Head Resource Mobilisation and Utilisation (RMU) Process and Company Secretary. In the year 2014 he was given responsibilities of special projects and was designated as Vice President – Special Projects.

On the recommendation of the Nomination and Remuneration Committee/Audit Committee, the Board of Directors at their meeting held on 28th May 2019 and considering the experience, expertise and contribution made by Mr. Natarajan and Mr. Kamath thought fit in the interest of the Company to retain and avail their expertise by re-appointing Mr. Natarajan as Executive Director & Chief Operating Officer and Mr. Kamath as Executive Director (Finance) & Chief Financial Officer for the period of three years after end of their current tenure to achieve the desired goals of the Company.

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

The re-appointment and payment of remuneration including perquisites of Mr. Natarajan and Mr. Kamath shall be subject to the following terms and conditions:

(1) The Whole-time Directors shall be subject to superintendence, control and directions of the Board of Directors, manage the business and affairs of the Company.

(2) The period of reappointment of the Whole-time Directors shall be for a period of 3 (three) years:

a. Mr. Natarajan – 1st October 2019 till 30th September 2022

b. Mr. K. Ganesh Kamath – 1st April 2020 till 6th October 2022

(3) Both Mr. Natarajan and Mr. K. Ganesh Kamath, Whole-time Directors shall be liable to retire by rotation and their re-appointment as such director shall not be deemed to constitute a break in their appointment as Whole-time Director during the tenure of appointment.

(4) Remuneration payable to each of the Directors shall be as under:

a. Monthly Gross Salary

Gross Salary consisting of Basic Salary, HRA and such other Cash Allowances as may be determined by the Board, within the overall scale of ₹ 11,00,000/- to ₹ 15,00,000/- per month.

b. Perquisites

In addition to the aforesaid salary, the appointee shall be entitled to the following perquisites:

(i) Housing:

In case furnished accommodation is provided to the Whole- time Director, it shall be in lieu of 20% of Monthly Gross Salary.

The expenses in respect of such accommodation shall be subject to the following limits:

- If the accommodation is hired/leased, the expenditure on accommodation shall be subject to the limit of 20% of the Monthly Gross Salary.

- If the accommodation is Company owned, the expenditure on the accommodation shall be subject to the limit of 7.5% of the Monthly Gross Salary payable to the said appointee.

(ii) 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) Term Insurance and 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 of half month basic salary for every year of completed service as per the rules of the Company.

(x) Leave and Leave Encashment as per the Company's Rules

c. 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 perquisites shall be valued as per the provisions of the Income Tax Act/ Rules, wherever applicable and in absence of any such rule, perquisites shall be valued at actual costs
- Car for use on Company's business, telephone, fax and other telecommunication facilities at residence for official use, will not be considered as perquisites and shall not be included in remuneration.

(5) Annual Increment

The Annual Increments effective from 1st April every year shall be decided by the Board of Directors/Committee of Directors and shall be merit based and will take into account the Company's performance, subject to ceiling prescribed in Schedule V to the Companies Act, 2013 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 of the Whole-time Directors, remuneration by way of salary, perquisites, commission and other allowance shall be in accordance with the ceiling prescribed in Schedule V to the Companies Act, 2013 or any modification thereof to the same from time to time.

In addition, they 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 of half month basic salary for every year of completed service as per the rules of the Company.
- 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 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 Companies Act, 2013.

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

The copy of draft letter of appointment is kept open for inspection by any member of the Company under section 190(2) of the Act.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure-1 to the Notice of this AGM.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. Natarajan and Mr. Kamath, are in any way, concerned or interested, financially or otherwise, in their respective resolution as set out in Item no. 10 and 11 of the accompanying notice.

Your Board recommends the resolution at Item no. 10 and 11 as Ordinary Resolutions for the approval of members.

Item no. 12

Mr. U. Shekhar (DIN: 00265017) was re-appointed as the Managing Director at the 32nd Annual General Meeting to hold office till 17th February 2024 at the remuneration and the terms and conditions mentioned therein.

It is proposed to align these terms and conditions with the terms and conditions of the other Whole-time Directors proposed to be reappointed at this meeting.

The revision is in respect of 2 (two) matters:

1. Change in composition of the monthly gross salary without any increase in the limits already approved by the shareholders at the 32nd AGM. The details are as under:

Parameter	Existing	Proposed
Reference Point	Basic Salary	Monthly Gross Salary
Monthly Gross Salary:		
-Basic	₹ 8.40 - 13.5 Lac	Internal composition as decided by the Nomination and Remuneration Committee
-HRA	₹ 2.52 - 4.05 Lac	
-Other Allw.	-	
Total Monthly Gross Salary	₹ 10.92 – 17.55 Lac	₹ 11.00 – 17.50 Lac

The revision provides flexibility to the NRC to decide on the composition of basic and allowances during the revision in the Monthly Gross Salary within the scale given above.

2. Gratuity payable shall be as per the rules applicable to all the employees of the Company.

Parameter	Existing	Proposed
Gratuity	As per the payment of Gratuity Act, 1972	Gratuity of half month basic salary for every year of completed service as per the Company's rules.

Other than the above there are no changes in any other terms and conditions

Incorporating the above two revisions the new terms and conditions of appointment subject to the approval of the shareholders and any other statutory approvals required shall be as under:

Terms and Conditions:

(1) The Managing Director shall be subject to superintendence, control and directions of the Board of Directors, manage the business and affairs of the Company.

(2) The tenure of appointment shall continue to be with effect from 1st April 2019 till 17th February 2024.

(3) Mr. U. Shekhar shall not be liable to retire by rotation during his tenure.

(4) Remuneration payable to Managing Director shall be as under:

a. Monthly Gross Salary

Gross Salary consisting of Basic Salary, HRA and such other Cash Allowances as may be determined by the Board, within the overall scale of ₹ 11,00,000/- to ₹ 17,50,000/- per month.

b. Perquisites

In addition to the aforesaid salary, the appointee shall be entitled to the following perquisites:

(i) Housing:

In case furnished accommodation is provided to the Managing Director, it shall be in lieu of 20% of Monthly Gross Salary.

The expenses in respect of such accommodation shall be subject to the following limits:

- If the accommodation is hired/leased, the expenditure on accommodation shall be subject to the limit of 20% of the Monthly Gross Salary;

- If the accommodation is Company owned, the expenditure on the accommodation shall be subject to the limit of 7.5% of the Monthly Gross Salary payable to the said appointee.

(ii) 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) Term Insurance and 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 of half month basic salary for every year of completed service as per the rules of the Company.

(x) Leave and Leave Encashment as per the Company's Rules

c. 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 perquisites shall be valued as per the provisions of the Income Tax Act/ Rules, wherever applicable and in absence of any such rule, perquisites shall be valued at actual costs
- Car for use on Company's business, telephone, fax and other telecommunication facilities at residence for official use, will not be considered as perquisites and shall not be included in remuneration.

(5) Annual Increment

The Annual Increments effective from 1st April every year shall be decided by the Board of Directors/Committee of Directors and shall be merit based and will take into account the Company's performance, subject to ceiling prescribed in Schedule V to the Companies Act, 2013 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 of the Managing Director, remuneration by way of salary, perquisites, commission and other allowance shall be in accordance with the ceiling prescribed in Schedule V to the Companies Act, 2013 or any modification thereof to the same from time to time.

In addition, they 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 of half month basic salary for every year of completed service as per the rules of the Company.
- 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 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 Companies Act, 2013.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. U. Shekhar, are in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item no. 12 of the accompanying notice.

Your Board recommends the resolution at Item no. 12 as an Ordinary Resolution for the approval of members.

Item No. 13

At the 31st Annual General Meeting, the members approved the payment towards sitting fees to Mr. G. Ramakrishnan (DIN: 00264760) by the operating subsidiaries on which he is nominated as the Director for attending participating in their Board Meetings for a period from 1st April 2017 to 31st March 2020.

On the approval of the Audit Committee, the Board of Directors at their meeting held on 28th May 2019 have considered the payment of sitting fees by the Operating Subsidiaries to Mr. G. Ramakrishnan.

Any payment received by the Directors of the Company from the subsidiary attracts the provisions of the Section 188 of the Act covering appointment to place of profit.

Approval of the members is being sought under section 188 for the payment of sitting fees to Mr. G. Ramakrishnan on the following terms:

a) The approval shall be valid for the period of 3 (three) years from 1st April 2020 to 31st March 2023

b) The payment of sitting fees by any one operating subsidiary shall not exceed USD 10,000 per annum.

c) In addition to the above, Mr. G. Ramakrishnan shall be entitled to reimbursement of expenditure incurred for attending the meetings of such subsidiaries.

The payment shall be subject to requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. G. Ramakrishnan and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mr. G. Ramakrishnan, is deemed to be interested to be concerned or interested in the Resolution at Item no. 13 of the accompanying notice.

Your Board recommends the resolution at Item no. 13 as an Ordinary resolution for the approval of members.

Item No. 14

The Board of Directors at their meeting held on 13th November 2018 have appointed Mr. S. Ravindranath (DIN: 00011680), Independent Director of the Company on the Board of Operating Subsidiary as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the approval of the Audit Committee, the Board of Directors at their meeting held on 28th May 2019 have considered the payment of sitting fees by the Operating subsidiary to Mr. S. Ravindranath.

Any payment received by the Directors of the Company from the subsidiary attracts the provisions of the Section 188 of the Act covering appointment to place of profit.

Approval of the members is being sought under section 188 for the payment of sitting fees to Mr. S. Ravindranath on the following terms:

a) The approval shall be valid for the period of 3 (three) years from 1st April 2019 to 31st March 2022.

b) The payment of sitting fees by any operating subsidiary shall not exceed USD 10,000 per annum.

c) In addition to the above, Mr. S. Ravindranath shall be entitled to reimbursement of expenditure incurred for attending the meetings of such subsidiaries.

The payment shall be subject to requisite approval of the Members and any other approvals that may be required under the provisions and rules applicable.

Mr. S. Ravindranath and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

None of the Directors, Key Managerial Personnel and/ or their relatives except Mr. S. Ravindranath, is deemed to be interested to be concerned or interested in the Resolution at Item no. 14 of the accompanying notice.

Your Board recommends the resolution at Item no. 14 as Ordinary Resolution for the approval of members.

Item no. 15,16 and 17

Mr. S. Ravindranath (DIN: 00011680), Mr. Subodh Nadkarni (DIN: 00145999) and Mr. M G Parameswaran (DIN: 00792123) were appointed as Independent Directors (IDs) of the Company in the 28th AGM to hold office till the conclusion of 33rd AGM ("first term").

It is proposed to re-appoint Mr. Ravindranath, Mr. Nadkarni and Mr. M G Parameswaran as IDs, not liable to retire by rotation, for the second term as under:

Name of Director	Commencement of second term	End of second term
Mr. S Ravindranath	13th August 2019	19th April 2022*
Mr. Subodh Nadkarni	13th August 2019	12th August 2024
Mr. M G Parameswaran	13th August 2019	12th August 2024

* till the age of 75 years

As per Section 149 of the Companies Act, 2013 (the Act) such re-appointment for a second term requires the approval of the members by way of Special Resolution.

Both the Nomination and Remuneration Committee of directors and the Board were of the opinion, after evaluating their performance, appropriate mix of skills, experience, competency and other attributes, that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as IDs.

All these IDs fulfil the terms and conditions specified under the Act and rules made thereunder for their appointment as IDs.

They meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI (LODR) Regulations, 2015).

The IDs are entitled to receive remuneration by way of fees and reimbursement of expenses for participation in the meetings of the board and / or committees and profit related commission, if any, in terms of Section 197 and other applicable provisions of the Act, and as determined by the board from time to time, within the overall limits specified under the Act as well as the SEBI (LODR) Regulations, 2015.

Copy of draft letter of appointment of the IDs setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Notices have been received from members of the Company under Section 160 of the Act, signifying their intention to propose the candidatures of the aforesaid IDs and to move the resolutions as set out in item nos. 15 to 17 of this notice.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure-2 to the Notice of this AGM.

Mr. S Ravindranath, Mr. Subodh Nadkarni and Mr. M G Parameswaran are holding 30,000 equity shares each of the Company.

None of the other directors, key managerial personnel of the Company or their relatives, except Mr. S Ravindranath, Mr. Subodh Nadkarni and Mr. M G Parameswaran is concerned or interested, financially or otherwise, in their respective resolutions for appointment as set out in Item nos. 15 to 17 of this notice.

The Board, therefore, recommends the Special Resolutions as set out at Item nos. 15 to 17 of the Notice for approval by the shareholders of the Company Order of the Board of Directors

By Order of the Board of Directors

Navi Mumbai
28th May 2019

Niranjan Ketkar
Company Secretary

Registered Office: C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India
Phone: +91-22-27616666 / 33063700

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 33RD ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETING (SS-II) AND REGULATION 36(3) OF THE LISTING REGULATIONS:

Annexure-1

Details of appointees in relation to the resolutions proposed at item no. 6, 10 and 11 of the notice

Name of Director	Shashikant Shanbhag	K. Natarajan	K Ganesh Kamath
DIN	00265103	07626680	07767220
Age	65 years	54 years	62 years
Qualification	Bachelor's Degree in Commerce from University of Mumbai. He is an 'associate member' of The Institute of Chartered Accountants of India and a qualified cost accountant from The Institute of Cost and Works Accountant of India.	Bachelor's Degree in Commerce from University of Mumbai. Cost accountant from The Institute of Cost and Works Accountant of India. Advanced Management Program from Harvard Business School.	Qualified Company Secretary from the Institute of Company Secretaries of India. Cost Accountant from The Institute of Cost and Work Accountants of India. Associate of The Institute of Bankers, London and The Indian Institute of Bankers. Bachelor of Law from Mangalore University.
Date of First Appointment	28th May 1986 (Appointed as an Additional Director w. e. f. 10th August 2018)	1st October 2016	1st April 2017
Expertise in specific General functional Area	More than 35 years of experience in Chemical Manufacturing Industry.	Since joining Galaxy in April 1993, he has headed diverse functions including Finance, IT, Business Creation, Business Commercial, Global Sourcing and Supply Chain and was designated as Chief of Operations in December 2009.	More than 20 years of experience in the banking and financial sector.
Shareholding in the Company	40,97,684 equity shares of ₹ 10 each jointly with Mrs. Vandana Shanbhag. Mrs. Vandana Shanbhag is holding 10,000 equity shares of ₹ 10 each jointly with Mr. Shashikant Shanbhag	9,600 equity shares of ₹ 10 each jointly with Mrs. Parvathy Natarajan.	20,000 equity shares of ₹ 10 each
Relationship with other Directors / KMPs	None	None	None
Terms and conditions of Re-appointment/ Appointment	As per resolution no. 6 of the notice read with Explanatory Statement thereto	As per resolution no. 10 of the notice read with Explanatory Statement thereto	As per resolution no. 11 of the notice read with Explanatory Statement thereto
Remuneration last drawn including sitting fee	Commission ₹ 0.06 Crores Sitting Fees ₹ 0.01 Crores	₹ 2.34 Crores (including variable and perquisites)	₹ 2.42 Crores (including variable and perquisites)
Remuneration proposed to be paid	As per resolution no. 6 of the notice read with Explanatory Statement thereto	As per resolution no. 10 of the notice read with Explanatory Statement thereto	As per resolution no. 11 of the notice read with Explanatory Statement thereto
No. of Board meetings attended during the Financial Year (2018-19)	3/6 (appointed as an additional director w.e.f. 10th August 2018)	6/6	6/6
Directorships of other Boards as on 31st March 2019	• Galaxy Emulsifiers Private Limited • Galaxy Finsec Private Limited	None	• Galaxy Chemicals (Egypt) SAE • Galaxy Holdings Mauritius Limited • Rainbow Holdings GmbH
Membership/ Chairmanship of Committees of other Boards as on 31st March 2019	NIL	NIL	NIL

Annexure-2

Details of appointees in relation to the resolutions proposed at item no. 15, 16 and 17 of the notice

Name of Director	S Ravindranath	Subodh Nadkarni	M. G. Parameswaran
DIN	00011680	00145999	00792123
Age	72 years	63 years	63 years
Qualification	B. Sc. (Maths and Statistics) followed by a Masters in operations research. Fellow member of the Institute of Cost Accountants of India.	Bachelor's Degree in Commerce from University of Mumbai. He was a 'fellow member' of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India.	Bachelor's Degree in Chemical Engineering from Indian Institute of Technology, Madras. Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. PhD from Mumbai University. Advanced Management Program from Harvard Business School.
Date of First Appointment	29th June 2007 Appointed as an Independent Director w. e. f. 19th September 2014 as per requirement of the Companies Act, 2013	16th August 2002 Appointed as an Independent Director w. e. f. 19th September 2014 as per requirement of the Companies Act, 2013	24th September 2005 Appointed as an Independent Director w. e. f. 19th September 2014 as per requirement of the Companies Act, 2013
Expertise in specific General functional Area	More than 30 years of experience in foods division, beverages, detergents.	More than 40 years of experience in the field of finance, commerce, project management, sales, marketing, general administration and leading international operations.	More than 30 years of experience in marketing and advertising industry.
Shareholding in the Company	30,000 equity shares of ₹ 10 each jointly with Mrs. Jayshree Ravindranath	30,000 equity shares of ₹ 10 each jointly with Mrs. Deepa Subodh Nadkarni	30,000 equity shares of ₹ 10 each jointly with Mrs. Nithya Parameswaran
Relationship with other Directors / KMPs	None	None	None
Terms and conditions of Re-appointment/ Appointment	As per resolution no. 15 of the notice read with Explanatory Statement thereto	As per resolution no. 16 of the notice read with Explanatory Statement thereto	As per resolution no. 17 of the notice read with Explanatory Statement thereto
Remuneration last drawn including sitting fee	Commission: ₹ 0.12 Crores Sitting Fees: ₹ 0.08 Crores	Commission: ₹ 0.10 Crores Sitting Fees: ₹ 0.08 Crores	Commission: ₹ 0.10 Crores Sitting Fees: ₹ 0.09 Crores
Remuneration proposed to be paid	As per resolution no. 15 of the notice read with Explanatory Statement thereto	As per resolution no. 16 of the notice read with Explanatory Statement thereto	As per resolution no. 17 of the notice read with Explanatory Statement thereto
No. of Board meetings attended during the Financial Year (2018-19)	6/6	6/6	6/6
Directorships of others Boards as on 31st March 2019	• Aryse Business Solutions Private Limited • Galaxy Chemicals (Egypt) SAE w.e.f. 1st April 2019	• Hua Rui (Jiangsu) Gas Turbine Services Co Ltd., China	• Qube Cinema Technologies Private Ltd. • THG Publishing Private Limited
Membership/ Chairmanship of Committees of other Boards as on 31st March 2019	NIL	NIL	**Qube Cinema Technologies Private Ltd. -** Corporate Social Responsibility Committee **THG Publishing Private Limited -** Member Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility

Annexure-3

Details of appointees in relation to resolutions proposed at item no. 7, 8 and 9 of the Notice

Name of Director	Dr. Nirmal Koshti	Mr. Vaijanath Kulkarni	Ms. Renuka Koshti
Age	63 years	45 years	34 years
Education Qualification & participations	Ph. D. – Organic Chemistry, post-doctoral research experience in academia (University of East Anglia, England, New Mexico State University and Texas A & M University, USA)	B. E. (Chemicals), Global Advance Management Programme for Global Leadership – 2009 from the Indian School of Business, India and the Kellogg School of Management, USA	M. Sc. (Analytical Chemistry), Masters' Degree in Science (M. Sc. Analytical Chemistry) from S. N. D. T. University, Mumbai, India as well as a Masters' of Science in Chemistry from Rutgers University in NJ, USA. During her graduate studies in Chemistry Ms. Renuka Koshti focused her thesis on recent advances in Anti-Senescence Cosmeceuticals
Experience	More than 35 years. Associated with Galaxy Group from the year 1986	More than 20 years Associated with Galaxy Group from the year 1995	More than 5 years. Associated with Galaxy Group from the year 2014
Name of subsidiary associated with	TRI-K Industries Inc. USA	Galaxy Chemicals (Egypt) SAE	TRI-K Industries Inc. USA
Position held in Subsidiary	Director in Whole-time employment	Managing Director	Senior Chemist
Role in subsidiary	Activities relating to Research & Development	Responsibility of the functioning of the subsidiary	Application, formula development and new technology evaluation. Technical support to sales force, evaluation of material, review of certificate of analysis, resolution of quality complaints
Remuneration paid by subsidiary during FY 2018-19	USD 0.35 Mio.	USD 0.31 Mio.	USD 0.09 Mio.
Previous date of approval in GSL AGM	17th August 2017	17th August 2017	17th August 2017

MAP OF THE VENUE OF THE 33rd ANNUAL GENERAL MEETING



GALAXY SURFACTANTS LIMITED
CIN: L39877MH1986PLC039877
Regd. Office: C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai – 400703, India
Tel.: 022-2761 6666/ 022-3306 3700 | 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:	Folio No.:
No. of Shares:	

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

I hereby record my presence at the Thirty Third Annual General Meeting of the Company held on Tuesday, 13th August 2019 at 3:00 P.M. at the CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703

_____ _____

Name of the attending Member/ Proxy Member's/ Proxy's Signature

(To be signed at the time of handing over this slip)

Notes:

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

GALAXY SURFACTANTS LIMITED
CIN: L39877MH1986PLC039877
Regd. Office: C-49/2, TTC, Industrial Area, Pawne, Navi Mumbai – 400703, India
Tel.: 022-2761 6666/ 022-3306 3700 | Fax: 022-2761 5883
e-mail: investorservices@galaxysurfactants.com | Website: www.galaxysurfactants.com

Form No. MGT- 11
Proxy Form

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

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

*Applicable for investors holding shares in electronic form

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

1. Name: ..... E-mail Id: .....

   Address: .....

   Signature: .....Or failing him/her.....

2. Name: ..... E-mail Id: .....

   Address: .....

   Signature: .....Or failing him/her.....

2. Name: ..... E-mail Id: .....

   Address: .....

   Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Third Annual General Meeting of the Company to be held on Tuesday, 13th August 2019 at 3:00 P.M. at the CIDCO Convention Center Auditorium, Swami Pranabananda 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 :		
	a. Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2019 together with the Report of Board of Directors and Auditors thereon; and		
	b. Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2019 together with the Report of the Auditors thereon		
2	To confirm the Interim Dividend declared on 29th March 2019 and to declare Final Dividend on equity shares for the financial year 2018-19		
3	To appoint a Director in place of Mr. Vaijanath Kulkarni (DIN: 07626842), who retires by rotation and being eligible, offers himself for re-appointment		
4	To appoint a Director in place of Mr. K. Natarajan (DIN: 07626680), who retires by rotation and being eligible, offers himself for re-appointment		
5	To ratify remuneration of M/s Nawal Barde Devdhe & Associates as Cost Auditors of the Company		
6	To approve appointment of Mr. Shashikant Shanbhag (DIN: 00265103) as a Non-Executive and Non-Independent Director liable to retire by rotation		
7	To approve continuation of employment of Dr. Nirmal Koshti (DIN: 07626499), Director of the Company, in TRI-K Industries Inc., USA the Wholly Owned Subsidiary of the Company		
8	To approve continuation of employment of Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti - Director of the Company, in TRI-K Industries Inc., USA Wholly Owned Subsidiary of the Company		

Sr. No.	Resolutions	For	Against
9	To approve continuation of employment of Mr. Vaijanath Kulkarni (DIN: 07626842) – Non-Executive Director of the Company, as the Managing Director in Galaxy Chemicals (Egypt) S.A.E., Wholly Owned Subsidiary of the Company		
10	To approve re-appointment of Mr. K. Natarajan (DIN: 07626680) as a Whole-time Director, designated as Executive Director & Chief Operating Officer of the Company		
11	To approve re-appointment of Mr. K. Ganesh Kamath (DIN: 07767220) as a Whole-time Director, designated as Executive Director (Finance) and Chief Financial Officer of the Company		
12	To approve modification in the terms and conditions of appointment and the remuneration payable to Mr. U. Shekhar (DIN: 00265017), Managing Director of the Company		
13	To approve payment of sitting fees to Mr. G. Ramakrishnan (DIN: 00264760), Non-Executive Director of the Company nominated to the Board of the Subsidiary Companies for attending/participating in its Board Meetings		
14	To approve payment of sitting fees to Mr. S. Ravindranath (DIN: 00011680), Independent Director of the Company, nominated to the Board of the Subsidiary Companies for attending/participating in its Board Meetings		
15	To approve re-appointment of Mr. S. Ravindranath (DIN: 00011680) as an Independent Director for second term		
16	To approve re-appointment of Mr. Subodh Nadkarni (DIN: 00145999) as an Independent Director for a second term of 5 years		
17	To approve re-appointment of Mr. M. G. Parameswaran (DIN: 00792123) as an Independent Director for a second term of 5 years		

Signature of Member_____

Signature of Proxy_____

Affix Revenue Stamp

Signed this ..... day of ....., 2019

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.
CIN: L39877MH1986PLC039877
C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703, India.
Ph: +91-22-27616666/3306 3700
Website: www.galaxysurfactants.com • e-mail: galaxy@galaxysurfactants.com