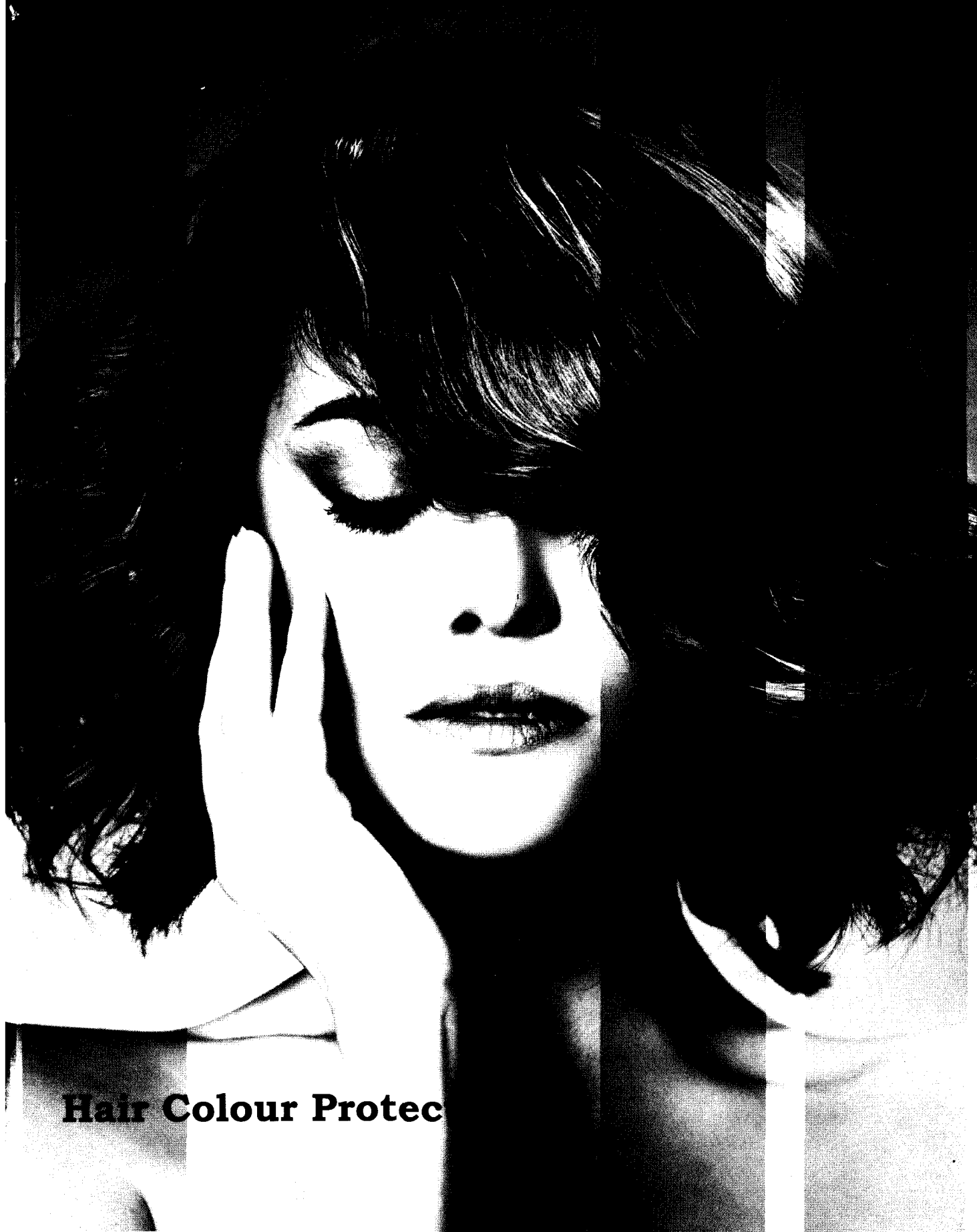


Galaxy Surfactants Ltd.

27th Annual Report

2012-2013



Hair Colour Protec



Gal

HCS
Hair Colour Seal

All Round Care for Hair

Globally consumers are moving from simple cleansing benefits to a variety of multi-functional benefits like conditioning, UV-Protection in the shampoos they use for their Hair care. Also, Hair Colouring is a growing global trend and most colours that are applied to hair are highly susceptible to fading due to UV light.

To meet the growing needs of our customers, we have created this innovative product. GalHueShield HCS, not only protects the hair and colour applied to hair from UV damage; but it conditions the hair through 'rinse-off' formulations. It is one such highly substantive molecule that is not only a good UV absorber, but also an effective conditioner.

Board of Directors

S. Ravindranath - Chairman
U. Shekhar - Managing Director
G. Ramakrishnan
S. R. Shanbhag
Uday K. Kamat
S. D. Patil
Subodh S. Nadkarni
Venkatesh Kasturirangan
M. G. Parameswaran

Audit Committee

Subodh S. Nadkarni - Chairman
S. Ravindranath
M. G. Parameswaran
G. Ramakrishnan
Uday K. Kamat - (By Invitation)

Auditors

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

Company Secretary

Ganesh Kamath

Bankers

Standard Chartered Bank
The Saraswat Co-operative Bank Ltd.
IDBI Bank
Citi Bank
DBS Bank
The Shamrao Vithal Co-operative Bank Ltd.
Societe Generale
State Bank of India
IndusInd Bank Ltd.

Registered & Corporate Office

C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai – 400703
Maharashtra, India

Plants

Plot Nos. W-44 (C), N-46/1 & 2, W-67 (B), G-59, M-3,
M.I.D.C. Tarapur, Post Boisar - 401 506.
Plot No. V-23, M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.
Plot No. 1, Village Chal, CIDCO, Near M.I.D.C. Taloja, Panvel,
Dist. Raigad, Pin - 410 208.
Plot no. 892, Jhagadia Industrial Estate, Taluka-Jhagadia via
Ankleshwar, Dist. Bharuch, Gujarat Pin-393110 (100% EOU)

Share Transfer Agent

Link Intime India Pvt. Ltd.
Building C-13, First Floor, Pannalal Silk Mill Compound,
L. B. S. Road, Bhandup (West), Mumbai – 400 078

Contact

Visit Galaxy at www.galaxysurfactants.com
Send E-mail to galaxy@galaxysurfactants.com
Call us at 91-22-2761 6666, 91-22-6513 444

Subsidiaries

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

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

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

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

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

TWENTY SEVENTH ANNUAL GENERAL MEETING

Day : Friday, 6th September, 2013
Time : 3:00 p.m.
Place : At the Registered Office:
C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai – 400703
Maharashtra, India

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*Truly,
Global Supplier to Global Brands*

Galaxy has worked diligently to meet the requirements and needs of different personal care brands around the world. This has helped the brand to broaden its vision and made the company a "Global Supplier to Global Brands."

*We have developed numerous specialty products in the field of **UV filter, Mild surfactants, Conditioners, Betaines, Protein, Protein derivatives and Botanicals.** Galaxy has acquired a deep pool of knowledge that enables the company to anticipate and meet the needs of customers all over the world. The ultimate aim of our innovation is the product efficacy and how that benefits customers world wide*

Today we have six manufacturing locations in India, one in Egypt and USA to cater to the growing needs of our customers across the globe.



Galaxy Surfactants Limited.

- Navi Mumbai - India
- Chennai - India
- New Delhi - India
- Eindhoven - The Netherlands
- New Jersey - USA
- Bangkok - Thailand
- Istanbul - Turkey

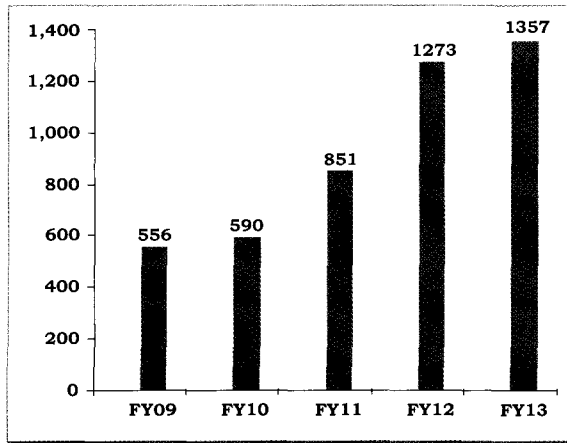
5 year track record
Figures in Rs. Crores

	FY13	FY12	FY11	FY10	FY09
Profit and Loss Account					
Sales [§]	1357	1273	851	590	556
Other Income	15	9	3	3	3
PBDIT	132	121	117	86	64
PBIT	99	97	95	68	49
Interest	48	33	20	12	17
Profit Before Tax	51	64	76	56	32
Profit After Tax	34	44	62	40	27
Basic Earning Per Share of Rs. 10 (Rs.) [#]	9.67	12.31	17.35	11.78	7.80
Dividend Per Share of Rs. 10 (Rs.) [#]	1.00	2.50	2.50	2.00	1.25
<i>[#]Adjusted for bonus issue</i>					
<i>[§]Sales is net of Taxes, Freight and Insurance</i>					
Balance Sheet					
Fixed Assets	292	298	230	199	156
Investments	120	93	65	43	1
Foreign Currency Monetary Item Translation Difference Account					- *
Net Current Assets	222	168	137	90	103
	634	559	432	332	260
Equity Capital	35	35	18	18	9
Reserves & Surplus	227	197	185	135	105
Loan Funds	349	307	212	161	130
Deferred Tax Liability	23	20	17	18	16
	634	559	432	332	260
PBIT as % of Sales	7.3	7.6	11.2	11.6	8.9
Fixed Assets Turnover (No.of times)	4.6	4.3	3.7	3.0	3.6
PAT as % of Sales	2.5	3.4	7.2	6.8	4.8
Return on Capital Employed (%)	16.6	19.6	24.9	23.1	21.0
Return on Net Worth (%)	13.8	20.1	34.6	30.3	26.0

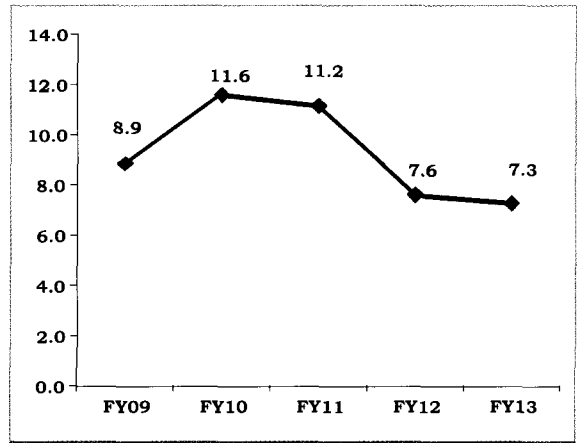
** Figure less than Rs. 1,00,000*

STANDALONE PERFORMANCE TRENDS

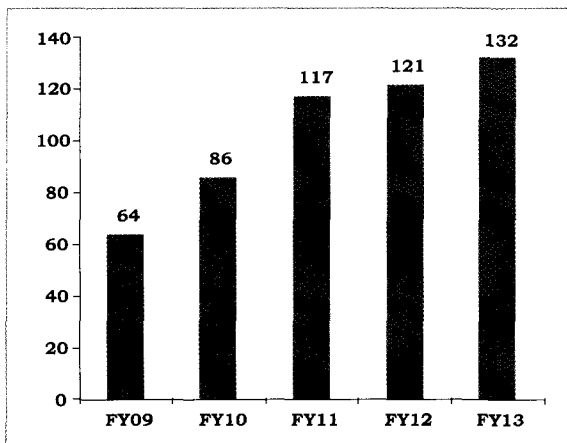
Sales (Rs. Crores)



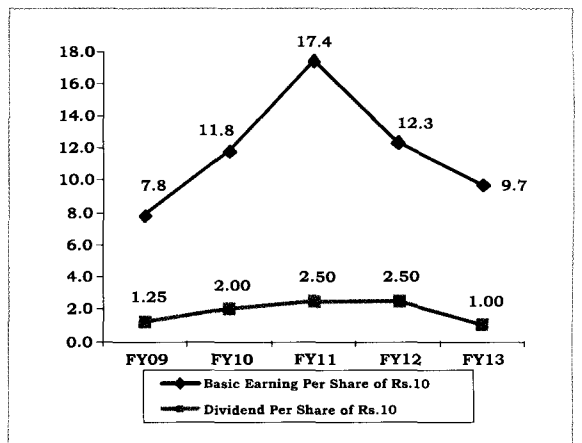
PBIT as % of Sales



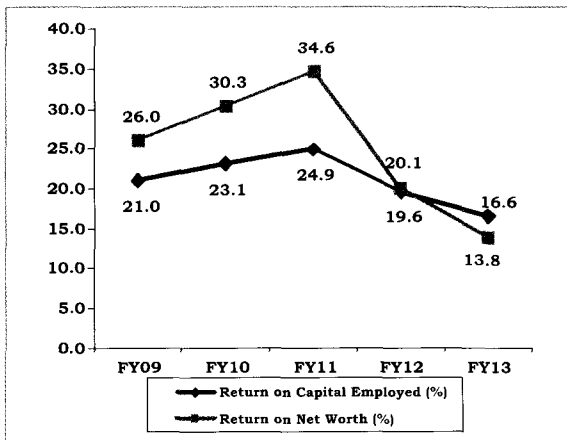
PBDIT (Rs. Crores)



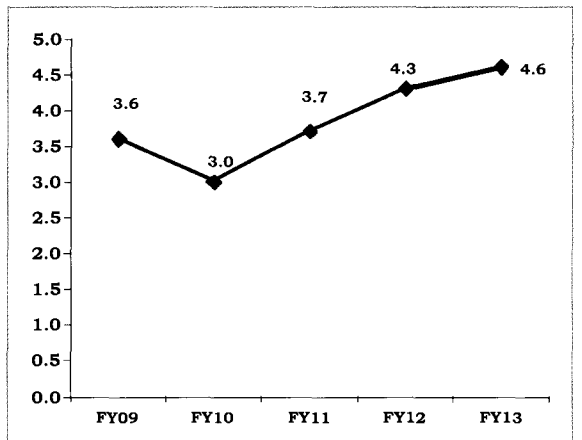
Basic Earning & Dividend Per Share (Rs.)



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



Fixed Assets Turnover (No. of times)



NOTICE TO THE SHAREHOLDERS



Notice is hereby given that the Twenty Seventh Annual General Meeting of Galaxy Surfactants Limited will be held on Friday, the 6th day of September, 2013 at 3.00 p.m. at the Registered Office of the Company at C - 49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400 703 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2013, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Uday K. Kamat, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. Kasturirangan, who retires from office by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Sudhir D. Patil, who retires from office by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s P. D. Kunte & Co., Chartered Accountants (Registration No. 105479W), the retiring Auditors who are eligible for re-appointment, as Statutory Auditors, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

Registered Office:

C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai - 400 703

By order of the Board
For Galaxy Surfactants Limited

Ganesh Kamath

Head- Resource Mobilisation & Utilisation Process &
Company Secretary

Date : June 29, 2013

NOTES

1. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **23rd of August, 2013 to 6th of September, 2013** (both days inclusive) for the purpose of determining entitlement for the payment of dividend for the year ended 31st March, 2013, if declared by the Company.
3. The dividend for the year ended 31st March, 2013, if declared at the Annual General Meeting, will be payable, subject to the provisions of Section 206A and other applicable provisions of the Companies Act, 1956, to those Shareholders whose names appear on the Company's Register of Members as on the date of the Annual General Meeting.
4. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, the dividend declared and paid up to the year ended 2004-05 has been transferred to Investor Education and Protection Fund. No claim up to the above period shall lie either against the Company or against the said Fund.
5. The Members who have not yet encashed their dividend warrants, if any, for the years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 may claim the unclaimed dividend directly from the Company. For the information of shareholders, the Dividend declared for the year ended 2005-06 is due to be transferred to Investor Education and Protection Fund during September, 2013.
6. Members are requested to forward all future correspondence relating to investor relations to Registrar and Share Transfer Agent viz., Link Intime India Pvt. Ltd. at the following address:
Link Intime India Pvt. Ltd.
Unit: Galaxy Surfactants Limited,
Building C-13, First Floor, Pannalal Silk Mill Compound,
L.B.S. Road, Bhandup - West, Mumbai - 400 078
Phone: 2596 3838, 2596 3857, Fax No. 2594 6969
Email: mumbai@linkintime.co.in
For any need the investors are requested to approach the Company on its email ID: investorservices@galaxysurfactants.com
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advice any change of address immediately to the Company / Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.
8. Members are requested to dematerialise the shares held by them in the Company. The ISIN number is INE600K01018.
9. Members are requested to bring their copies of the Annual Report at the meeting.
10. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Registered Office:

C-49/2, TTC Industrial Area,
Pawne, Navi Mumbai - 400 703

By order of the Board
For Galaxy Surfactants Limited

Ganesh Kamath

Head - Resource Mobilisation & Utilisation Process &
Company Secretary

Date : June 29, 2013

TO THE MEMBERS

Your Directors have great pleasure in presenting the Twenty Seventh Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2013

FINANCIAL RESULTS

Galaxy Surfactants Ltd.

Figures in Rs. Crores

Particulars	Standalone		Consolidated	
	2012-13	2011-12	2012-13	2011-12
Total Revenue	1423.15	1317.85	1582.27	1374.57
Profit before Depreciation, Interest and Tax	131.89	121.45	120.82	117.28
Less: Depreciation	32.81	24.31	49.98	28.48
Profit before Interest and Tax	99.08	97.14	70.84	88.80
Less: Interest and Finance Charges	48.02	33.13	52.12	33.72
Profit before Tax	51.06	64.01	18.72	55.08
Less: Provision for Taxation				
Current (Net of MAT Credit)	13.74	17.67	15.38	17.86
Deferred	3.04	2.55	3.05	4.12
Prior Year Tax Adjustment	-	0.15	-	0.15
Net Profit after Tax	34.28	43.64	0.29	32.95
Add: Opening Balance in Profit & Loss Account	180.23	151.26	170.42	152.14
Amount available for appropriations	214.51	194.90	170.71	185.09
Less: Appropriations				
Transfer to General Reserve	3.43	4.37	3.43	4.37
Proposed Dividend on Equity Shares	3.55	8.86	3.55	8.86
Provision for Corporate Dividend Tax on Dividend	0.60	1.44	0.60	1.44
Surplus carried to Balance Sheet	206.93	180.23	163.13	170.42

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	Rs. in Crores		USD in Thousands	
	2012-13	2011-12*	2012-13	2011-12*
Total Revenue	130.08	111.03	23889	23156
Profit before Depreciation, Interest and Tax	5.68	6.01	1043	1253
Less: Depreciation	1.44	0.88	265	183
Profit before Interest and Tax	4.24	5.13	778	1070
Less: Interest and Finance Charges	0.14	0.08	26	16
Profit before Tax	4.10	5.05	752	1054
Less: Provision for Taxation				
Current	1.62	0.16	297	34
Deferred	0.01	1.57	2	327
Net Profit after Tax	2.47	3.32	453	693
Add: Opening Balance in Profit & Loss Account*	7.45	4.13	1528	835
Amount available for appropriations	9.92	7.45	1981	1528
Surplus carried to Balance Sheet	9.92	7.45	1981	1528

*2011-12 figures have been restated to include the results of Maybrook Inc, which was merged with TRI-K Industries Inc., during FY 2012-13.

DIRECTORS' REPORT

Operating Subsidiary – Galaxy Chemicals (Egypt) S.A.E.

Particulars	Rs. in Crores		USD in Thousands	
	2012-13	2011-12	2012-13	2011-12
Total Revenue	210.64	28.58	38683	5681
Profit/(Loss) before Depreciation, Interest and Tax	(14.22)	(7.05)	(2611)	(1402)
Less: Depreciation	15.80	3.31	2902	657
Profit/(Loss) before Interest and Tax	(30.02)	(10.36)	(5513)	(2059)
Less: Interest and Finance Charges	6.65	1.10	1222	219
Profit/(Loss) before Tax	(36.67)	(11.46)	(6735)	(2278)
Net Profit/(Loss) after Tax	(36.67)	(11.46)	(6735)	(2278)
Add: Opening Balance in Profit & Loss Account	(11.46)	-	(2278)	-
Profit/(Loss) carried to Balance Sheet	(48.13)	(11.46)	(9013)	(2278)

DIVIDEND

Considering the performance for the year, the need to conserve resources for funding normal capital expenditure and incremental working capital requirements due to increase in business, your Directors recommend a lower Dividend of Rs. 1.00 per Equity Share (10%) for the year under review as against Rs. 2.50 per Equity Share (25%) paid in the previous year. The total outflow of dividend payment (including corporate dividend tax) would be Rs. 4.15 Crores (Previous Year: Rs. 10.30 Crores).

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	
	2012-13	2011-12	2012-13	2011-12
Net Sales Growth (%) - Value*	6.62	49.46	13.62	43.54
Net Sales Growth (%) - Volume	13.75	21.25	23.53	17.68
PBDIT (% to Net Sales)	9.72	9.54	7.99	8.81
PBIT (% to Net Sales)	7.30	7.63	4.68	6.67
PBT (% of Net Sales)	3.76	5.03	1.24	4.14
PAT (% to Net Sales)	2.53	3.43	0.02	2.47
ROCE (%)	16.63	19.61	10.00	16.24
Debt:Equity Ratio	1.32	1.32	2.03	1.79
Earnings per Share (Rs.)	9.67	12.31	0.08	9.29
Cash Earnings per Share (Rs.)	19.78	19.89	14.18	17.33
Book Value per Share (Rs.)	74.10	65.61	66.90	66.13

*Net Sales is net of Taxes, Freight and Insurance

ECONOMIC OUTLOOK & BUSINESS PERFORMANCE

During the fiscal year 2013, the economic environment remained challenging with growth slowing down globally. India was impacted by both global and domestic events that led to moderation in economic activity. India's Gross Domestic Product (GDP) declined to 5.0% during fiscal 2013 compared to 6.2% in fiscal 2012. Europe experienced recession, fiscal tightening, sluggish growth and high unemployment. In USA, the economic revival was marginal. China too for the first time, experienced considerably slower growth. Deceleration in industrial output, fiscal deficits and exports weakened India's economic growth significantly.

The weak macro environment, slower growth and volatility in currency and commodities market caused significant pressure on the margins of your Company.

Some of the major external challenges faced by your Company during the fiscal year are:

- Volatile commodity and currency markets
- Slow growth in Europe and protectionist regulations
- Political uncertainties in Africa, Middle East & Turkey region
- Softening of feedstock markets and excess capacity in the industry

Internal challenges addressed included:

- Personal & Home Care ingredients business continues to attract new majors into the country intensifying competition
- Synergizing and integrating the supply chain aspects of multi location operations
- Re-aligning the regulatory framework of operations through de-bonding of our Talaja Export Oriented Unit (EOU) in Maharashtra

Inherent strengths of the organization and business built over the years did help your Company navigate the tough time in its growth phase with restricted impact on overall performance as reflected below:

- Standalone PBIT for the year 2012-13 was marginally higher at Rs. 99.08 Crores against the previous year figure of Rs. 97.14 Crores. The PBIT growth was lower mainly on account of impact of falling feed stock prices during the second and third quarter of the year and absorption of custom duty in the transition phase of Talaja EOU debonding.
- Standalone PBT is significantly lower at Rs. 51.06 Crores (previous year Rs. 64.01 Crores) on account of higher interest and depreciation charge relating to new investment in Jhagadia facility which became fully operational during the year. The increase in interest cost is also due to the induction of equity capital in Galaxy Chemicals (Egypt) S.A.E. through borrowings.
- Operating subsidiary TRI-K Industries Inc in USA showed a decline in profits from USD 693 thousand to USD 453 thousand.
- Operating subsidiary Galaxy Chemicals (Egypt) S.A.E. (GCE) with a new manufacturing facility and in its first full year of operations incurred an PBDIT level loss of USD 2611 thousand which increased to USD 6735 thousand at PBT level of which USD 2902 thousand is depreciation. This is on account of lower capacity utilization in the first year of operations. Further there were additional expenses associated with the stabilization of supply chain and operations in a new location, facility and country.
- In view of the operating loss at GCE, the consolidated PBT on translation in Rupee terms has declined to Rs. 18.72 Crores. The Consolidated PAT is at Rs. 0.29 Crore.
- Your Company has fully completed the capex cycle initiated in 2009-10 at Jhagadia, Gujarat and Suez, Egypt.

AWARDS AND RECOGNITION

Your Company has received the following awards, which reflects on the trust and confidence your Company enjoys with reputed multinational companies and its responsiveness to their needs:

- Award for Excellence in Innovation from Unilever
- Global Performance Award for being a strategic partner for supply of personal care ingredients from L'Oreal

INTERNATIONAL SALES

- Synergizing customer supplies from international manufacturing locations, expanding in nearby local markets and fine tuning customer services helped to establish international operations.
- Given the growth in international business that would be facilitated from the new investments, your Company is working on increasing the reach of its supplies to new geographies leveraging customer base, expand the same for new product opportunities.

DIRECTORS' REPORT

DOMESTIC SALES

- In spite of volatile raw material scenario and increase in the competition intensity, your Company maintained its leadership position in the domestic market.
- Demographics of the domestic market and the growth in recent years are driving a trend towards premiumization of consumption. This provides opportunities to your Company.
- In view of the above, your Company has started leveraging the capabilities of its subsidiary TRI-K Industries Inc. and has started cross selling their specialty and distributor products with niche applications. The results have been encouraging.

HUMAN RESOURCES

Your Company believes business is people. Efforts have been to recruit, train and retain the right people. Accordingly it has continuously endeavored to enhance its HR practices, create an environment of empowerment and challenge which can enable competency and growth of its people across locations and hierarchy.

Reflections of the above endeavor can be seen in the geographical spread of business and operations handled; execution of project in foreign locations and cultural integration with the foreign employees at its international operating subsidiaries. Foreign national strength is 15% of the total employee strength.

QUALITY

Your Company firmly believes that quality is all pervasive and is present in everything we do. Hence, continuous improvement programmes are built into the annual business and operating plans to sustain inherent efficiency and competitiveness in value delivery to the stake holders and the society.

Benchmarking is being pursued in all endeavors to improve efficacy in use of the resources and accomplish the deliverables. Frequent multiple audits by and of stakeholders has enabled to sustain, imbibe and continuously upgrade the quality systems of the Company.

SAFETY HEALTH & ENVIRONMENT (SHE)

Your Company continues to strengthen its efforts in capability building in the area of Safety, Health and Environment. It has initiated sustainability drive within the organization with quantified targets for conservation of water, energy and waste reduction. Your Company has participated in the customer sustainability assessment scorecards and programmes under Responsible Sourcing.

Your Company has put in place necessary organization structure, processes, infrastructure, quantification and reporting systems in place supportive of such effort. It firmly believes that investment of time and resources in such effort is in line with the best global practices and would be business accretive.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company continues with the themes of Educare, Healthcare and Sociocare for its CSR activities with increased focus on spreading hand hygiene for health, e-learning for under privileged children, encouraging inter school sports through sponsorships, working for cleanliness drives at public places and blood donations. Direct employee participation in the programmes has been very encouraging.

FIXED DEPOSITS

Your Company's fixed deposits are Rs 33.32 Crores with 888 fixed deposit holders at the end of the year under review as against Rs. 25.89 Crores last year. There are no overdue deposits as at 31st March, 2013.

SUBSIDIARY COMPANIES

As of 31st March, 2013, your Company has five wholly owned subsidiaries within the definition of 'Subsidiary Company' under the Companies Act, 1956. During the year 2012-13, Maybrook Inc, a wholly owned subsidiary company of your step down subsidiary company TRI-K Industries Inc USA was merged into its parent.

The Ministry of Company Affairs, Government of India vide General Circular No. 2/2011 bearing reference no. 5/12/2007-CL-III dated 8th February 2011 has issued a direction under section 212 (8) of the Companies Act, 1956 whereby a general exemption has been extended from taking prior approval from the Central Government for not publishing audited accounts of each of its subsidiary companies in the annual report, subject to certain conditions being complied with.

In compliance with the conditions in this circular:

- a) Your Board of Directors at its meeting held on 23rd March, 2013 has passed a resolution consenting to avail such exemption and present in the annual report the consolidated financial statements of your Company and all its subsidiaries duly audited by its statutory auditors.
- b) The consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards.
- c) Annual Accounts of the subsidiary companies and related detailed information will be made available to the shareholders of the Company and its subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies are available for inspection by any shareholder in the corporate office of the holding company and of the subsidiary companies concerned. The Company will furnish details of accounts of subsidiaries to any shareholder on demand.
- d) Your Company has given the Indian Rupee equivalent of the figures in foreign currency appearing in the accounts of the subsidiary companies and the exchange rates applied as on closing day of the financial year.
- e) Your Company, in the Consolidated Balance Sheet, has provided information in aggregate for each subsidiary including subsidiary of subsidiaries on matters covering (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investments (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to "Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo" are given as "Annexure - A" and forms an integral part of this report.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in "Annexure - B" and forms an integral part of this report.

BOARD OF DIRECTORS

During the year under review, following Directors on the Board of your Company are liable to retire by rotation:

- Mr. Uday K. Kamat
- Mr. V. Kasturirangan
- Mr. Sudhir D. Patil

The retiring Directors offer themselves for reappointment.

AUDITORS

M/s. P. D. Kunte & Co (Regd.), Chartered Accountants, the Statutory Auditors of your Company hold office until the conclusion of ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B), of the Companies Act, 1956.

Your Board recommends their reappointment.

DIRECTORS' REPORT

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

1. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31st March, 2013 and of the profit of your Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities and
4. that they have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the wholehearted and sincere co-operation your Company has received from its Employees, Shareholders, Depositholders, Customers, Suppliers, Bankers, Financial Institutions and various departments of the Central and State Government.

For and on behalf of the Board

Navi Mumbai
Date : June 29, 2013

U. Shekhar
Managing Director

G. Ramakrishnan
Director
Home & Personal Care (Global)

“ANNEXURE A”

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO AND PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

A. CONSERVATION OF ENERGY

Your Company continues to give high priority to conservation of energy on an ongoing basis and has taken measures to improve operating parameters vis-à-vis energy conservation possibilities in the year under review by initiating the following steps:

Major initiatives are taken to achieve the above goals through

- Adoption of best energy practices in operations across all the plants including recovery of waste heat and heat of reactions, use of efficient electrical systems, optimizing performances of equipments.
- More-from-less frugal engineering through reduction of batch cycle times, capacity enhancements and harnessing better value from existing operations.

Disclosures of particulars with respect to conservation of energy:

Power and Fuel Consumption	2012-13	2011-12
(I) ELECTRICITY		
a) Purchased		
Units in 1000 KWH	24261	18314
Total amount (Rs. Crores)	19.22	12.45
Rate/KWH (Rs.)	7.92	6.80
b) Own Generation through Diesel Generator:		
Units in 1000 KWH	5348	10940
Total amount (Rs. Crores)	5.97	10.02
Rate/KWH (Rs.)	11.17	9.16
(II) FUEL		
a) Light Diesel Oil		
Quantity in KL	893	1156
Total Cost (Rs. Crores)	5.48	6.45
Rate/KL (Rs.)	61,409	55,807
b) Furnace Oil		
Quantity in KL	609	648
Total Cost (Rs. Crores)	2.60	2.52
Rate/KL (Rs.)	42,689	38,844
c) Natural Gas		
Units in MMBTU	21,428	3,187
Total Cost (Rs. Crores)	1.87	0.25
Rate/MMBTU (Rs.)	872	772
d) Coal		
Quantity in MT	4,621	4,216
Total Cost (Rs. Crores)	3.34	3.00
Rate/MT (Rs.)	7,222	7,115
e) HSD		
Quantity in MT	144	-
Total Cost (Rs. Crores)	0.73	-
Rate/MT (Rs.)	50,973	-

ANNEXURE TO THE DIRECTORS' REPORT

(III) CONSUMPTION PER UNIT OF PRODUCTS

As there are no separate meters for different products, the product-wise consumption of power is not available.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Primary focus:

- Commercialize alkanoyl isethionates, a class of mild surfactants.
- Synthesize preservative blends that address the special requirements of personal care industry.
- Commercialize surfactant blends-concentrates for baby care and skin care products
- Increase process efficiency of major surfactants

Achievements:

- Developed green process for the family of amino acid surfactants.
- Process optimization and backward integration resulted in continuous supply of amino acid based surfactants to customers.
- Novel cost-efficient process developed for 'cold pearlizer blends' for shampoos and body washes.
- Developed multifunctional hair color protector that conditions, controls and repairs hair damage

Particulars	Figures in Rs. Crores	
	2012-13	2011-12
Expenditure on R & D	5.07	4.80

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Figures in Rs. Crores	
	2012-13	2011-12
Total Foreign Exchange used and earned:		
a) Expenditure incurred in Foreign Currency:		
Raw Material & Packing Material (C.I.F. Value)	575.15	474.86
Traded Goods	2.03	4.81
Capital Goods	2.69	5.35
Spares & others	0.69	0.39
Foreign Travel	0.54	0.70
Commission Exports	0.61	0.72
Professional Fees	0.46	0.40
Exhibitions, Subscription & Membership, Training and Seminar	0.97	0.54
Interest & Processing Charges on Borrowings	4.68	3.42
Registration Expenses under REACH Regulations	0.07	0.13
Miscellaneous Expenses	3.04	1.39
b) Earnings in Foreign Currency:		
Exports of goods on F.O.B. Basis (This does not include exports to Nepal, deemed exports)	788.96	738.60
Guarantee Commission Received	0.97	0.53
Interest Received	1.71	0.35

For and on behalf of the Board

Navi Mumbai
Date : June 29, 2013

U. Shekhar
Managing Director

G. Ramakrishnan
Director
Home & Personal Care (Global)

ANNEXURE TO THE DIRECTORS' REPORT

"Annexure - B"

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 and forming part of the Report of the Directors

A. Persons employed through out the year and were in receipt of remuneration in aggregate of not less than Rs. 5 Lakhs per month.

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the year ended 31st March, 2013.

Sr. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs. Lakhs)	Qualification	Experience (Years)	Date of Commencement of Employment	Previous Employment / Position Held
1.	Mr. G. Ramakrishnan	58	Director - Home & Personal Care (Global)	86.26	M.Com., F.C.A., F.I.C.W.A.	36	May 20, 1986	Colgate Palmolive (I) Ltd. - Accountant
2.	Mr. K. K. Natarajan	48	Chief of Operations	67.76	B.Com., A.I.C.W.A	28	April 21, 1993	Indian Organic Chemicals Ltd. -Deputy Manager - Finance
3.	Mr. S. R. Shanbhag	59	Whole-time Director	85.67	B.Com., A.C.A., Grad. C.W.A.	36	May 20, 1986	Colgate Palmolive (I) Ltd. - Accountant
4.	Mr. U. Shekhar	58	Managing Director	86.92	B.Chem. Engg. (UDCT), PGDBM (IIM Cal)	36	May 20, 1986	Lupin Laboratories Ltd. - Management Trainee
5.	Mr. U. K. Kamat	58	Executive Director - Finance	89.81	B.Com., A.C.A., Grad. C.W.A.	36	April 1, 2003	Practising Chartered Accountant

Notes:

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

For and on behalf of the Board

Navi Mumbai
Date : June 29, 2013

U. Shekhar
Managing Director

G. Ramakrishnan
Director - Home & Personal Care (Global)

INDEPENDENT AUDITORS' REPORT

To the Members of GALAXY SURFACTANTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Galaxy Surfactants Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
- e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Navi Mumbai
Date: June 29, 2013

D. P. Sapre
Partner
Membership No. 40740

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date:

1. In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to information and explanations given to us, the Company has a periodical program of physical verification of the fixed assets, which in our opinion is reasonable having regard to the size of the Company and nature of its business.
 - (c) The Company has not disposed off substantial part of its fixed assets during the year under audit.
2. In respect of its inventories:
 - (a) The inventory (excluding inventory with third parties) has been physically verified by the management during / at the end of the year. In respect of inventory lying with third parties, the same have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records, which have been properly dealt with in the books of account, are in our opinion, not material.
3.
 - (a) The Company has granted unsecured loan to one party listed in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year and the amount outstanding at the year-end was Rs. 1.58 Crores.
 - (b) The aforesaid unsecured loan is granted to Galaxy Surfactants Limited-Employees Welfare Trust, which has been settled by the Company for the benefit of its employees. There are no other terms and conditions stipulated in respect of the said loan. Accordingly sub clauses (b), (c) and (d) of clause (iii) of Paragraph 4 of the Order are not applicable to the Company.
 - (c) The Company has taken unsecured loans from 23 parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at anytime during the year and the year-end balance of such unsecured loans aggregates to Rs. 13.59 Crores and Rs. 13.58 Crores respectively.
 - (d) In our opinion, the rate of interest and other terms and conditions of such loans are prima facie, not prejudicial to the interests of the Company.
 - (e) The Company is regular in repayment of the principal amount and payment of interest in respect of these loans.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. There is no sale of services during the year. During the course of audit, we have not observed any major weakness in the internal control system.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements which are required to be entered in the register to be maintained under Section 301 of the Companies Act, 1956. Accordingly provisions of clause (4)(v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under audit.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed there under, with regard to deposits accepted from the public. According to the information and explanations given to us, no Order under the aforesaid sections have been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they were payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Customs Duty, Excise Duty and Cess as at March 31, 2013, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount¹ disputed (Rs. Crores)	Forum where dispute is pending	Period to which dispute relate
The Income Tax Act, 1961	Income Tax & Interest	0.65	Income Tax Appellate Tribunal	A.Y. 2009-10
The Central Excise and Salt Act, 1944	Excise Duty	0.01	Superintendent of Central Excise on remand by CESTAT	1990-91
The Central Excise and Salt Act, 1944	Penalty under Cenvat Credit Rules, 2004	0.10	Customs, Excise & Service Tax Appellate Tribunal	2008-09

10. The Company does not have accumulated losses as at 31st March, 2013. Further, the Company has not incurred any cash losses in the current year or in the immediately preceding financial year. Hence, provisions of clause 4(x) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company for the year under audit.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks. The Company has neither borrowed any amount from financial institution nor issued any debentures.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the Company is not a chit fund / nidhi / mutual benefit fund / society. Hence the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under audit.

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under audit.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company in respect of loans taken by its wholly-owned subsidiary company, are prima facie, not prejudicial to the interests of the Company.
16. According to the information and explanations given to us, the term loans have been applied for the purpose for which these were raised.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made preferential allotment of shares during the year. Accordingly provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under audit.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under audit.
20. During the period covered by our audit report, the Company has not raised any amount by way of public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Navi Mumbai
Date: June 29, 2013

D. P. Sapre
Partner
Membership No. 40740

BALANCE SHEET

AS AT 31ST MARCH, 2013



Figures in Rs. Crores
31st March 2012

	Note	31 st March 2013	31 st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Capital	1	35.45	35.45
Reserves and Surplus	2	227.27	197.14
Non-Current Liabilities			
Long Term Borrowings	3	138.29	136.71
Deferred Tax Liability (Net)	4	22.71	19.67
Other Long Term Liabilities	5	1.20	0.62
Long Term Provisions	6	5.12	5.22
Current Liabilities			
Short Term Borrowings	7	116.17	125.80
Trade Payables	8	167.54	209.29
Other Current Liabilities	9	101.51	64.60
Short Term Provisions	10	6.54	15.82
TOTAL		821.80	810.32
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	287.43	258.40
Intangible Assets	11	1.67	1.87
Capital Work-in-Progress at cost (Refer Note 31)		2.80	38.36
Non-Current Investments	12	119.76	92.61
Long Term Loans and Advances	13	13.02	12.23
Other Non-Current Assets	14	-	- *
Current Assets			
Inventories	15	129.84	165.90
Trade Receivables	16	184.59	175.55
Cash and Bank Balances	17	8.80	1.45
Short Term Loans and Advances	18	72.19	63.24
Other Current Assets	19	1.70	0.71
TOTAL		821.80	810.32

*Figure less than Rs.1,00,000

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

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

S. R. SHANBHAG

Whole-Time Director

G. RAMAKRISHNAN

Director

Home & Personal Care (Global)

U. K. KAMAT

Executive Director -
Finance

G. KAMATH

Head - Resource Mobilisation & Utilisation
Process & Company Secretary

Navi Mumbai

Date : June 29, 2013

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	Note	31 st March 2013	31 st March 2012
INCOME			
Revenue from Operations (Gross)	20	1,497.41	1,383.96
Less : Excise Duty		79.41	68.79
Revenue from Operations (Net)		1,418.00	1,315.17
Other Income	21	5.15	2.68
TOTAL REVENUE		1,423.15	1,317.85
EXPENDITURE			
Cost of Materials consumed	22	1,056.02	1,036.07
Purchase of Traded Goods	23	2.45	6.25
Changes in Inventories of Finished Goods, Work-in-process and Stock in trade	24	28.15	(21.00)
Employee Benefit Expense	25	49.77	44.65
Other Manufacturing, Selling and Administrative Expenses	26	154.87	130.43
TOTAL EXPENSES		1,291.26	1,196.40
Profit Before Interest, Tax, Depreciation and Amortization		131.89	121.45
Finance Costs	27	48.02	33.13
Profit Before Tax, Depreciation and Amortization		83.87	88.32
Depreciation and Amortization	11	32.81	24.31
Profit Before Tax		51.06	64.01
Tax Expenses			
Current Tax		13.74	18.73
MAT Credit		-	(1.06)
Deferred Tax		3.04	2.55
Prior Year Tax Adjustments		-	0.15
Total Tax Expenses		16.78	20.37
Profit for the year		34.28	43.64
Earnings per Share 34			
Equity Shares of Face Value Rs. 10 each			
Basic in Rs.		9.67	12.31
Diluted in Rs.		9.67	7.85

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

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

S. R. SHANBHAG

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Director

Home & Personal Care (Global)

U. K. KAMAT

*Executive Director -
Finance*

G. KAMATH

*Head - Resource Mobilisation & Utilisation
Process & Company Secretary*

Navi Mumbai

Date : June 29, 2013

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	31 st March 2013	31 st March 2012
A. Cash Flow from Operating Activities		
Net Profit before Tax as per Statement of Profit and Loss	51.06	64.01
Adjustments for:		
Add:		
Depreciation	32.81	24.31
Finance Cost	48.02	33.13
Bad debts written off	-	0.01
Wealth Tax	0.02	0.03
Loss on Sale/ discarding of Assets	0.01	0.03
	80.86	
Less:		
Dividend Income	(0.01)	(0.01)
Interest Income	(2.12)	(0.93)
	(2.13)	
Operating Profit before Working Capital Changes	129.79	120.58
Working Capital Changes		
Adjusted for:		
Inventories	36.06	(40.83)
Trade Receivables	(9.04)	(52.00)
Loans and Advances and Other assets	(10.18)	(10.70)
Trade Payables and Other Liabilities	(51.85)	73.88
Other Provisions	0.36	0.91
	(34.65)	(28.74)
Cash generated from Operations	95.14	91.84
Taxes Paid	(19.42)	(15.55)
Net Cash Flow from Operating Activities (a)	75.72	76.29
B. Cash Flow from Investing Activities		
Capital Expenditure	(26.36)	(107.83)
Sale of Fixed Assets	0.26	0.17
Purchase of Non-Current Investments (Net)	(27.15)	(27.34)
Dividend Income	0.01	0.01
Interest Income	2.12	0.93
Net Cash Flow used in Investing Activities (b)	(51.12)	(134.06)
C. Cash Flow from Financing Activities		
Share Issue Expenses	-	(3.21)
Net borrowings	39.54	95.38
Finance Cost	(48.01)	(32.89)
Equity Dividend Paid (including Dividend Tax)	(10.30)	(3.09)
Net Cash Flow from/(used in) Financing Activities (c)	(18.77)	56.19
Net Increase/(Decrease) in Cash and Cash Equivalents (a+b+c)	5.83	(1.58)
Cash and Cash Equivalents - Opening Balance	0.97	2.55
Unrealised Foreign Exchange Gain/ (Loss)	0.03	0.02
Cash and Cash Equivalents - Closing Balance	6.77	0.97
Net Increase/ (Decrease) in Cash and Cash Equivalents	5.83	(1.58)

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

S. R. SHANBHAG

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G. RAMAKRISHNAN

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U. K. KAMAT

Executive Director -

Finance

G. KAMATH

Head - Resource Mobilisation & Utilisation

Process & Company Secretary

Navi Mumbai

Date : June 29, 2013

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

A Corporate Information

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

B Significant Accounting Policies adopted in preparation of Financial Statements

(a) Basis for preparation of Financial Statements:

(i) Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of Estimates:

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

(b) Revenue Recognition:

Sale of Goods:

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

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

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

Other Income:

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognised on time proportionate basis taking into account the amount involved and the rate of interest.

(c) Fixed Assets:

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

(d) Depreciation:

Depreciation is provided on straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Leasehold Land is amortised over the primary period of lease.

(e) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost of inventories is ascertained on the weighted average basis and includes, in the case of finished goods and work-in-process, production overheads at pre-determined rates and excise duty, where applicable.

(f) Investments:

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

(g) Foreign Currency Transactions:

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

(h) Research and Development:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to relevant Fixed Assets.

(i) Employee Benefits:

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

(j) Borrowing Costs:

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

(k) Taxation:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(l) Earnings per Share:

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

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

(m) Prior Period Items:

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account".

(n) Impairment of Assets:

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

(o) Provisions and Contingent Liabilities:

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	31 st March 2013	31 st March 2012
1 Share Capital		
Authorised:		
5,00,00,000 Equity Shares of Rs. 10/- each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of Rs. 10/- each)	50.00	50.00
Issued, Subscribed & Paid-up:		
3,54,54,752 Equity Shares of Rs. 10/- each, fully paid-up		
(Previous Year : 3,54,54,752 Equity Shares of Rs. 10/- each, fully paid-up)	35.45	35.45
TOTAL	35.45	35.45

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

Equity Shares	31 st March 2013		31 st March 2012	
	No. of Shares	Rs. Crores	No. of Shares	Rs. Crores
Opening Balance	3,54,54,752	35.45	1,77,27,376	17.727
Add: Issue of bonus shares during the period	-	-	1,77,27,376	17.727
Outstanding at the end of the period	3,54,54,752	35.45	3,54,54,752	35.45

b. Terms/Rights attached to Equity Shares:

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

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

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

Particulars	Aggregate Number of Shares	
	31 st March 2013	31 st March 2012
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium and General Reserves	2,62,91,064	2,62,91,064

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

Equity Shares

Name of Shareholders	31 st March 2013		31 st March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
U. Shekhar, G. Ramakrishnan, S. R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,29,664	25.75	91,24,464	25.74
Unnathan Shekhar	41,13,440	11.60	41,13,440	11.60
Sudhir D. Patil	41,06,040	11.58	41,06,040	11.58
Shashikant R. Shanbhag	40,58,084	11.45	40,58,084	11.45
Gopalkrishnan Ramakrishnan	23,30,108	6.57	23,30,108	6.57
Jayashree Ramakrishnan	17,92,972	5.06	17,92,972	5.06

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

31st March 2013

31st March 2012

2 Reserves and Surplus

Capital Reserve:

Capital Subsidy received from the Government of Maharashtra under the Package Scheme of Incentive, balance as per last year

	2.11	2.11
(A)	2.11	2.11

Securities Premium:

Balance as per last year

Less: Capitalised during the year for Issue of Bonus Shares

Less: Utilised during the year for expenses on issue of shares

	0.20	7.14
	-	3.73
	-	3.21
(B)	0.20	0.20

General Reserve:

Balance as per last year

Less: Capitalised during the year for Issue of Bonus Shares

Add: Transfer during the year from Statement of Profit and Loss

	14.60	24.23
	-	14.00
	3.43	4.37
(C)	18.03	14.60

Profit and Loss Account:

Balance as per last year

Profit for the year from Continuing operations

Less: Appropriations

Amount Transferred to General Reserve

Proposed Equity Dividend
[(Amount per share Re.1 (Previous year Rs. 2.50)]

Dividend Distribution Tax on Equity Dividend

	180.23	151.26
	34.28	43.64
	3.43	4.37
	3.55	8.86
	0.60	1.44
(D)	206.93	180.23

TOTAL (A+B+C+D)	227.27	197.14
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

31st March 2013

31st March 2012

3 Long Term Borrowings:

Secured:

Term Loans from Banks

Rupee Loans	92.32	87.68
Foreign Currency Loans	14.67	31.38
	106.99	119.06

Unsecured:

Fixed Deposits*	26.94	12.51
Sales-Tax Deferral	4.36	5.14
	31.30	17.65

*Includes Rs. 4.10 Crores (Previous Year Rs.1.81 Crores) from Directors

TOTAL	138.29	136.71
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3.1 Term loans from banks are secured by first pari passu charge created/ to be created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present & future movable assets, and by second pari passu charge created/ to be created on current assets, both present and future.

3.2 Terms of repayment for secured borrowings:

Term Loan outstanding as at year end	Rate of Interest (P.A.)	Repayment Terms
Indian Rupee Loans		
Term Loan of Rs. 15.93 Crores (March 31, 2012: Rs. 20.93 Crores)	12.50% (BBR + 2.25%)	20 quarterly installments of Rs. 1.25 Crores each commencing from July 2011
Term Loan of Rs. 39.25 Crores (March 31, 2012: Rs. 39.25 Crores)	11.75% (PLR - 2.75%)	20 months tenor with a rollover date of June 2013
Term Loan of Rs. 16.25 Crores (March 31, 2012: Rs. 21.25 Crores)	12.25% (PLR - 3%)	20 quarterly installments of Rs. 1.25 Crores each commencing from July 2011
Term Loan of Rs. 41.75 Crores (March 31, 2012: Rs. 22.50 Crores)	12.50% (PLR - 5%)	20 quarterly installments of Rs. 1.25 Crores each commencing from July 2011 and Rs. 1.50 Crores each for new loan of Rs. 30 Crores commencing from June 2013
Term Loan of Rs. 27.50 Crores (March 31, 2012: Rs. NIL)	12.50%	18 quarterly installments of Rs. 1.53 Crores each commencing from June 2013
Term Loan of Rs. 20.00 Crores (March 31, 2012: Rs. NIL)	12.65% (BBR + 2.90%)	20 quarterly installments of Rs. 1.00 Crore each commencing from December 2013
Foreign Currency Loans		
Term Loan of Rs. 31.38 Crores (March 31, 2012: Rs.45.65 Crores)	3M LIBOR + 275bps	16 quarterly installments after a moratorium of 15 months from the date of each drawdown. Yearly repayments after drawdown would be: 1st year Nil, 2nd year 15%, 3rd year 25%, 4th year 30% and 5th year 30%

*BBR - Bank Base Rate PLR - Prime Lending Rate

3.3 Fixed deposits include cumulative and non-cumulative fixed deposits from public with maturity periods ranging from 2 years to 3 years and carrying interest from 9% to 12% p.a. Interest on cumulative deposits is paid half yearly on compounding basis on maturity and interest in respect of non-cumulative deposits is paid quarterly.

3.4 Sales Tax Deferral denotes interest-free Sales Tax Deferral under the Package Schemes of Incentives of 1993 and 1998 formulated by the Government of Maharashtra. The same is repayable after 10 years from the year of deferral in 5 annual installments in case of deferral under the 1993 Scheme and after 12 years from the year of deferral in 6 annual installments in case of deferral under the 1998 Scheme.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

31st March 2013

31st March 2012

4 Deferred Tax Liability (Net)

Deferred Tax Liabilities:

Fixed Assets and Depreciation	24.71	21.56
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Deferred Tax Assets:

Retirement Benefits	(1.99)	(1.87)
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Others	(0.01)	(0.02)
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TOTAL	22.71	19.67
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5 Other Long Term Liabilities

Interest accrued but not due on fixed deposits	1.11	0.53
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Unsecured Deposits	0.09	0.09
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TOTAL	1.20	0.62
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6 Long Term Provisions

Provision for Retirement Benefits

Provision for Leave Encashment	2.62	3.25
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Provision for Gratuity	2.50	1.97
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TOTAL	5.12	5.22
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7 Short Term Borrowings

Working capital Loans from Banks

Secured:

Rupee Loans (See Note 7.1 below)	64.38	37.77
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Foreign Currency Loans (See Note 7.1 below)	51.78	87.51
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	116.16	125.28
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Unsecured:

Rupee Loans	0.01	0.52
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TOTAL	116.17	125.80
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7.1 Working Capital Loans from banks are secured by first pari passu charge created/ to be created by hypothecation of current assets, both present & future, and second pari passu charge created/ to be created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.

8 Trade Payables

Due to Micro, Small and Medium Enterprises	0.51	0.14
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Others (Refer Note 8.1 below)	167.03	209.15
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TOTAL	167.54	209.29
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8.1 Others includes:

a. acceptances of Rs. 23.21 Crores (Previous Year Rs. 58.01 Crores)

b. payable to subsidiary company Rs 0.51 Crores (Previous Year: Rs 0.80 Crore) (Refer Note 37)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



8.2 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') based on information available with the Company. The disclosures pursuant to the said MSMED Act are as follows:

Figures in Rs. Crores

Particulars	31 st March 2013	31 st March 2012
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g) Further interest remaining due and payable for earlier years	-	-

9 Other Current Liabilities

Current Maturities of Long Term Loans (Refer Note 3.1 & 3.2)	85.08	30.52
Current Maturities of Fixed Deposits (Refer Note 3.3 & 9.1)	6.31	12.97
Current Maturities of Deferral of Sales Tax (Refer Note 3.4)	0.78	0.76
Interest accrued but not due on borrowings	2.65	4.37
Advance from Customers	1.30	3.94
Unclaimed Dividends (Refer Note 9.2)	0.18	0.17
Unclaimed Redeemed 12% Preference Share Capital	0.03	0.03
Unclaimed matured deposits and interest thereon	0.07	0.41
Creditors for Capital Expenditure (Refer Note 9.3)	1.73	7.69
Statutory Payables	3.34	3.52
Other Liabilities	0.04	0.22
TOTAL	101.51	64.60

9.1 Includes Rs. 1.01 Crores (Previous Year Rs.1.65 Crores) due to Directors

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

9.3 Includes due to Micro, Small and Medium Enterprises Rs.Nil (Previous Year Rs. 0.15 Crore) (Refer Note 8.2)

10 Short Term Provisions

Provision for Taxation (Net of Payments)	0.96	4.54
Provision for Wealth Tax	0.02	0.03
Proposed Dividend	3.55	8.86
Provision for Dividend Distribution Tax	0.60	1.44

Provision for Retirement Benefits

Provision for Leave Encashment	0.59	0.18
Provision for Gratuity	0.82	0.77

TOTAL **6.54** 15.82

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013**

11. Fixed Assets

Figures in Rs. Crores

Particulars	Gross Block		Depreciation / Amortisation		Net Block	
	As at 01.04.2012	Additions during the year	Deletions during the year	As at 31.03.2013	As at 01.04.2012	As at 31.03.2013
Tangible Assets:						
Leasehold Land	27.03	0.05	-	27.08	2.05	24.56
Buildings	79.07	15.67	-	94.74	15.91	75.91
Plant & Equipment	270.51	38.16	0.44	308.23	119.80	162.36
Furniture & Fixtures	9.43	4.74	-	14.17	2.05	11.27
Vehicles	3.73	0.04	0.37	3.40	1.44	1.88
Office Equipment	14.23	2.91	0.41	16.73	4.35	11.45
Sub Total (A)	404.00	61.57	1.22	464.35	145.60	287.43
Intangible Assets:						
Software	4.18	0.34	-	4.52	2.31	1.67
Sub Total (B)	4.18	0.34	-	4.52	2.31	1.67
TOTAL (A+B)	408.18	61.91	1.22	468.87	147.91	289.10
Previous Year	316.30	93.83	1.95	408.18	125.17	260.27

11.1 Addition to Buildings include shares in Co-operative Society of Rs. 0.00* (Previous Year NIL) (*Figure less than Rs.1,00,000)

11.2 Addition to Plant & Equipment includes Rs. 0.33 Crore (Previous Year NIL) being duty paid on de-bonding of Export Oriented Unit (EOU) at Talaja

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

31st March 2013 31st March 2012

12 Non-Current Investment

1. Trade Investments (Valued at Cost unless stated otherwise)

Investment in Subsidiary Companies:

Equity Instruments-Unquoted

Galaxy Chemicals Inc. 12,000 Shares of US \$ 0.01 each fully paid-up (Previous Year 12,000 Shares)	0.46	0.46
Galaxy Holdings (Mauritius) Ltd. 5,00,000 Shares of US \$1 each fully paid-up (Previous Year : 5,00,000 Shares)	2.38	2.38
Preference Shares-Unquoted Galaxy Holdings (Mauritius) Ltd. 2,44,00,000 Shares of US \$1 each fully paid-up (Previous Year: 1,94,00,000 Shares)	116.89	89.74
	119.73	92.58

2. Non Trade Investments (Valued at Cost unless stated otherwise)

a) Investment in Equity Instruments (Unquoted)

The Saraswat Co-op. Bank Ltd. 2,000 Shares of Rs. 10 each fully paid-up (Previous Year : 2,020 Shares)	- *	- *
The North Kanara G.S.B. Co-op. Bank Ltd. 15,000 Shares of Rs. 10 each fully paid-up (Previous year: 15,000 Shares)	0.02	0.02
Shamrao Vitthal Co-op Bank Ltd. 1,000 Shares of Rs. 25 each fully paid-up (Previous Year: 1,000 Shares)	- *	- *
	0.02	0.02

b) Investment in Equity Instruments (Quoted)

Union Bank of India 7,200 Shares of Rs. 10 each fully paid-up (Previous Year : 7,200 Shares)	0.01	0.01
	0.01	0.01

c) Investment in Government or Trust Securities (Unquoted)

National Savings Certificates	- *	- *
Kisan Vikas Patra	- *	- *
	- *	- *

d) Other Investments (Unquoted)

Tarapur Environment Protection Society 6,357 Shares of Rs. 100 each fully paid-up (Previous Year : 6,357 Shares)	- *	- *
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TOTAL	119.76	92.61
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*Figure less than Rs.1,00,000

Aggregate amount of Quoted Investment	0.01	0.01
Aggregate amount of Unquoted Investment	119.75	92.60
Market Value of Quoted Investments	0.16	0.17

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

31st March 2013 31st March 2012

13 Long Term Loans and Advances

Unsecured, considered good

Capital Advances	0.59	2.56
Security Deposits	3.81	3.40
Loans and Advances to related parties (Refer Note 37)	1.58	1.58
Advances recoverable in cash or kind for value to be received	1.66	1.38
Income Tax Paid (Net of Provisions)	5.38	3.31
TOTAL	13.02	12.23

14 Other Non Current Assets

Interest accrued on Term Deposits	-	- *
TOTAL	-	- *

15 Inventories

Raw Materials	34.29	36.86
Raw Materials in Transit	13.74	20.93
Work-in-Process	29.73	42.50
Packing Materials	3.23	2.36
Packing Materials in Transit	0.29	0.17
Finished Goods	38.27	52.61
Stock in Trade	2.25	3.29
Consumables, Stores and Others	7.96	7.15
Consumables, Stores and Others in Transit	0.08	0.03
TOTAL	129.84	165.90

16 Trade Receivables (unsecured)

Outstanding over 6 months from the date they were due for payment		
- Considered good	0.63	0.63
Other trade receivables		
- Considered good**	183.96	174.92
TOTAL	184.59	175.55

**Includes debts of Rs 55.27 Crores (Previous Year: Rs. 41.25 Crores) receivable from Subsidiaries (Refer Note 37)

17 Cash and Bank Balances

A) Cash and Cash Equivalent

Balance with Banks on Current Accounts	6.45	0.69
Cash on hand	0.35	0.28
TOTAL	6.80	0.97

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

31st March 2013 31st March 2012

B) Other Bank Balances

Term deposits with maturity more than 3 months but less than 12 months*	1.58	0.07
Term deposits with maturity more than 12 months*	0.21	0.21
In Unpaid Dividend Accounts	0.18	0.17
In Unpaid Preference shares redemption Account	0.03	0.03
	<u>2.00</u>	<u>0.48</u>
TOTAL	8.80	1.45

*Includes deposits pledged with bank as lien against bank guarantees Rs. 0.17 Crore (Previous Year: Rs. 0.23 Crore) and Margin Money against borrowings Rs. 1.53 Crores (Previous Year: Rs. Nil)

18 Short Term Loans and Advances

Unsecured, considered good

Security Deposits	0.36	0.22
Loans and advances to related parties (Refer Note 37)	2.79	3.70
Advances recoverable in cash or kind for value to be received	69.04	59.32
TOTAL	72.19	63.24

19 Other Current Assets

Interest accrued on Term Deposits	0.08	- *
Other Receivables	1.62	0.71
TOTAL	1.70	0.71

20 Revenues from operations

Sale of Products	1,487.51	1,376.83
Other operating revenues		
Export Incentives	9.90	7.13
Revenues from operations (Gross)	1,497.41	1,383.96
Less : Excise Duty	79.41	68.79
Revenues from operations (Net)	1,418.00	1,315.17

20.1 Particulars of Sale of Products

Organic Surface Active Agents/Preparations	1,258.29	1,211.45
Fatty Alkanolamides/Fatty Acid Esters	47.62	47.97
Other Speciality Chemicals	181.33	115.97
Others	0.27	1.44
TOTAL	1,487.51	1,376.83

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	31 st March 2013	31 st March 2012		
21 Other Income				
Interest				
- On Term Deposits	0.16	0.04		
- Others	1.96	0.89		
Dividend on Investments	0.01	0.01		
Scrap Sales	1.29	1.18		
Liabilities no longer required written back	0.47	-		
Miscellaneous Income	1.26	0.56		
TOTAL	5.15	2.68		
22 Cost of Materials consumed				
Raw Materials	1,007.65	996.40		
Packing Materials	48.37	39.67		
TOTAL	1,056.02	1,036.07		
22.1 Particulars of Materials Consumed				
Acids, Alkalies & Amines	85.54	92.15		
Fatty Alcohol, Fatty Acid, Oils & Ethylene Oxide	846.21	825.49		
Other Raw materials	75.90	78.76		
Packing Materials	48.37	39.67		
TOTAL	1,056.02	1,036.07		
22.2 Value of Materials Consumed	Rs. Crores	%	Rs. Crores	%
Imported	668.06	63	484.39	47
Indigeneous	387.96	37	551.68	53
TOTAL	1,056.02	100	1,036.07	100
23 Purchase of Traded Goods				
Specialty Chemicals	2.19	5.56		
Others	0.26	0.69		
	2.45	6.25		
24 (Increase)/ Decrease in Inventories				
Inventories at the beginning of the year				
Finished Goods	52.61	40.15		
Work-in-Process	42.50	36.67		
Traded Goods	3.29	0.58		
	98.40	77.40		
Inventories at the end of the year				
Finished Goods	38.27	52.61		
Work-in-Process	29.73	42.50		
Traded Goods	2.25	3.29		
	70.25	98.40		
Net (Increase)/Decrease	28.15	(21.00)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	31 st March 2013	31 st March 2012		
25 Employee Benefit Expenses				
Salaries, Wages and Allowances	42.14	38.35		
Contribution to Provident and Other Funds (Refer Note 35)	4.08	3.24		
Workmen & Staff Welfare Expenses	3.55	3.06		
TOTAL	49.77	44.65		
25.1 Managerial Remuneration included under employee benefit expenses:				
Remuneration Paid to Managing Director & Whole Time Directors (Refer Note 37)				
Salaries & Allowances	3.12	2.70		
Commission	-	1.31		
Perquisites	0.07	0.02		
Contribution to Provident and Other funds	0.29	0.24		
TOTAL	3.48	4.27		
26 Other Manufacturing, Selling and Administration Expenses				
Consumption of stores and spare parts	4.01	2.20		
Power & Fuel	40.41	35.73		
Repairs & Maintenance:				
- Plant & Machinery	5.07	3.70		
- Building	1.03	1.17		
- Others	0.41	0.81		
Rent (including storage charges)	2.62	1.65		
Insurance	3.64	3.00		
Rates & Taxes	4.55	2.52		
Travelling & Conveyance	7.00	6.55		
Freight & Forwarding (Net of Recovery)	59.79	44.00		
Legal & Professional Fees	6.44	5.82		
Discount and Commission	1.20	3.76		
Donations	0.07	0.13		
Directors' Sitting Fees	0.06	0.07		
Commission to Non-executive Directors	-	0.26		
Bad debts	-	0.01		
Loss on Sale/ Discard of assets	0.01	0.03		
Foreign Exchange Differences (Net)	0.15	2.68		
REACH Registration Expenses	0.07	0.13		
Miscellaneous Expenses	18.34	16.21		
TOTAL	154.87	130.43		
26.1 Value of stores and spares consumed				
	Rs. Crores	%	Rs. Crores	%
Imported	0.61	15	0.21	10
Indigeneous	3.40	85	1.99	90
TOTAL	4.01	100	2.20	100

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	31st March 2013	31 st March 2012
26.2 Payment to Auditors included under Legal & Professional Fees[#]		
Audit fees	0.20	0.20
Other services	0.01	0.03
Out of pocket expenses	- *	- *
TOTAL	0.21	0.23
[#] Excludes Service tax		
 27 Finance Costs		
Interest expenses	47.47	28.50
Other borrowing cost	0.88	2.13
Applicable loss/ (gain) on foreign currency transactions and translations	(0.33)	2.50
TOTAL	48.02	33.13
 28 Contingent Liabilities and Claims not provided for		
(a) Counter Guarantees given to Banks	34.43	7.48
(b) Corporate Guarantees given to bank on behalf of subsidiary	171.36	139.89
(c) Export Bills Discounted (Including factored debts with recourse option of Rs. 50.25 Crores (Previous Year Rs. Nil))	64.28	7.04
(d) LC outstanding	14.49	27.54
(e) Claims against the Company not acknowledged as debts, but disputed in appeals		
- Excise Duty	0.22	0.01
- Income Tax	6.15	5.39
 29 Estimated amount of contracts remaining to be executed on Capital Account		
Contracts remaining to be executed (net of advances)	0.69	13.26
	2012-2013	2011-2012
 30 Other details		
(a) Earnings in Foreign Currencies		
Export of Goods on F.O.B basis	788.96	738.60
Guarantee Commission Received	0.97	0.53
Interest Received	1.71	0.35

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013**



Figures in Rs. Crores

	2012-13	2011-12
(b) Value of Imports on CIF basis		
Traded Goods	2.03	4.81
Raw Materials and Packing Materials	575.15	474.86
Capital Goods	2.69	5.35
Spares & Others	0.69	0.39
(c) Expenditure in Foreign Currency		
Foreign Travel	0.54	0.70
Commission Exports	0.61	0.72
Professional Fees	0.46	0.40
Exhibitions, Subscription & Membership, Training and Seminar	0.97	0.54
Interest and Processing Charges on Borrowings	4.68	3.42
Registration Expenses under REACH Regulations	0.07	0.13
Miscellaneous Expenses	3.04	1.39

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

	2012-2013	2011-2012
Opening Balance	2.06	1.59
<u>Additions during the Year</u>		
Interest & Other Finance Charges	-	5.07
Personnel Cost	-	1.06
Travelling & Conveyance	-	0.40
Rates and Taxes	-	0.34
Power and Fuel	-	0.52
Insurance Charges	-	0.06
Rent	-	0.06
Miscellaneous Expenses	-	0.41
Total Pre-operative Expenses	2.06	9.51
Less: Capitalised during the year	2.06	7.45
Balance as at the year end	-	2.06

32 Derivative Instruments:

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

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

Forward Exchange Contracts outstanding as at year end:

Figures in Crores

Currency	Buy or Sell	Cross Currency	31st March 2013	31st March 2012
USD	Sell	Indian Rupees (INR)	0.40	0.08
EUR	Sell	Indian Rupees (INR)	0.02	0.04
USD	Buy	Indian Rupees (INR)	-	0.54

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Currency Option contracts outstanding as at the year end:

Currency	Buy or Sell	Cross Currency	31 st March 2013	31 st March 2012
USD	Buy	Indian Rupees (INR)	0.67	0.97

Figures in Crores

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

Particulars	Currency	31 st March 2013		31 st March 2012	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade receivables	USD	3.12	169.59	2.76	140.50
	EUR	0.20	13.78	0.23	15.50
	GBP	- *	0.01	-	-
Other Receivable	USD	0.05	2.79	0.07	3.70
Cash & Bank Balances		-	-	-	-
	USD	- *	0.05	- *	0.04
	EUR	- *	0.15	-	-
	TRL	- *	- *	-	-
	THB	0.03	0.05	0.01	0.02
Trade Payables	USD	1.35	73.50	1.42	72.02
	EUR	- *	- *	-	-
	GBP	- *	0.01	-	-
	CHF	- *	0.03	-	-
Borrowings	USD	0.78	42.30	0.94	48.06
	EUR	0.14	9.48	0.16	10.74

Figures in Crores

33 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

34 Earnings per Share

Particulars	2012-13	2011-12
Profit after Tax (Rs. Crores)	34.28	43.64
The weighted average no. of equity shares for Basic EPS	3,54,54,752	3,54,54,752
Nominal Value of Equity Shares (Rs.)	10	10
Earnings per Share (Basic) (Rs.)	9.67	12.31
Profit after Tax for Basic EPS (Rs. Crores)	34.28	43.64
Add: Interest cost on Term Loan (net of taxes) (Rs. Crores)	-	0.64
Profit after Tax for Diluted EPS (Rs. Crores)	34.28	44.28
The weighted average no. of equity shares for Basic EPS	3,54,54,752	3,54,54,752
Add: Adjustments for conversion of Term Loan (nos.)	-	2,09,30,000
The weighted average no. of equity shares for Diluted EPS	3,54,54,752	5,63,84,752
Earnings per Share (Diluted) (Rs.)	9.67	7.85

Figures in Rs. Crores

*Figure less than Rs. 1,00,000

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

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

a) Defined Contribution Plan:

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Company has recognised Rs. 2.47 Crores (Previous year Rs. 2.12 Crores) being Company's contribution to Provident Fund and ESIC contribution, as an expense and included in Personnel Costs [Refer note 25] in the Statement of Profit and Loss.

b) Defined Benefit Plans:

General Description of Defined Benefit Plans

Gratuity Plan

Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation, 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 five years of service gets a gratuity on resignation @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

Leave Plan

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

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

Balance Sheet

a) Reconciliation of opening and closing balance of Defined Benefit Obligation:

Particulars	Figures in Rs. Crores			
	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
<u>Changes in the Present Value of Obligation:</u>				
Present Value of the Obligation as at beginning of the year	6.87	5.66	3.43	2.88
Interest Cost	0.58	0.47	0.28	0.23
Past Service Cost	-	-	-	-
Current Service Cost	0.58	0.52	0.17	0.22
Curtailement Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	(0.11)	(0.18)	(0.26)	(0.35)
Actuarial (gain) / loss on obligations	0.82	0.40	(0.41)	0.45
Present Value of the Obligation as at end of the year	8.74	6.87	3.21	3.43

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

b) Reconciliation of opening and closing balance of fair value of Plan Assets:

Particulars	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
<u>Changes in Fair Value of Plan Assets:</u>				
<u>Assets:</u>				
Present Value of Plan Assets as at beginning of the year	4.13	3.27	-	-
Expected Return on Plan Assets	0.42	0.33	-	-
Actuarial Gain / (Loss) on Plan Assets	- *	- *	-	-
Contributions made by the Company	0.97	0.72	-	-
Benefits Paid	(0.10)	(0.18)	-	-
Fair Value of Plan Assets as at end of the year	5.42	4.13	-	-
<u>Actual Return on Plan Assets:</u>				
Expected Return on Plan Assets	0.42	0.33	-	-
Actuarial gain / (loss) on Plan Assets	- *	- *	-	-
Actual Return on Plan Assets	0.42	0.32	-	-
<u>The actual return on Plan Assets:</u>				
Actual Returns on Plan Assets administered by LIC of India	0.42	0.32	-	-

c) Reconciliation of fair value of assets and obligation:

Particulars	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
<u>Obligation and the Fair Value of Assets:</u>				
Present Value of the Funded obligation as at end of the year	8.74	6.87	-	-
Fair Value of Plan Assets as at end of the year	5.42	4.13	-	-
Present Value of the Unfunded obligation as at end of the year	-	-	3.21	3.43
Net Liability recognized in the Balance Sheet	3.32	2.74	3.21	3.43

d) Investment details:

Particulars	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
<u>Plan Assets as at the end of the Year:</u>				
Administered by LIC of India	100%	100%	-	-

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

e) Expenses recognised during the year:

Particulars	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
Expenses Recognized in the Statement of Profit and Loss:				
Current Service Cost	0.58	0.52	0.17	0.22
Interest Cost	0.58	0.47	0.28	0.24
Expected Return on Plan Assets	(0.42)	(0.33)	-	-
Net Actuarial (gain)/ loss to be recognised	0.81	0.41	(0.41)	0.45
Total Expenses recognised in the Statement of Profit and Loss	1.55	1.07	0.04	0.91

f) Actuarial Assumptions:

Particulars	Gratuity		Leave Encashment	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
Actuarial Assumptions for the year:				
Discount Rate	8.00%	8.50%	8.00%	8.50%
Expected Rate of Return on Plan Assets	9.25%	9.25%	-	-
Proportion of Employees opting for early retirement	0.00%	0.00%	0.00%	0.00%
Average Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%

g) Amounts of Current and previous four periods are as follows :

Particulars	31 st March 2013	31 st March 2012	31 st March 2011	31 st March 2010	31 st March 2009
Gratuity					
Defined benefit obligation	8.74	6.87	5.66	4.45	3.57
Fair Value of Plan Assets	5.42	4.13	3.27	2.65	2.12
Surplus / (deficit)	(3.32)	(2.74)	(2.39)	(1.80)	(1.45)
Actuarial adjustments on plan liabilities Loss / (Gains)	0.54	0.40	0.53	0.25	0.80
Actuarial adjustments on plan assets Loss / (Gains)	- *	- *	0.01	- *	- *
Leave Encashment					
Defined benefit obligation	3.21	3.43	2.88	2.32	1.78
Actuarial adjustments on plan liabilities Loss / (Gains)	(0.41)	0.45	0.40	0.26	0.28

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

36 Segment Reporting (Accounting Standard 17):

a. Primary Segment: Business Segment
The Company is engaged in the manufacture of speciality chemicals which is considered as the only business segment.

b. Secondary Segment: Geographical Segment

	2012-13	<i>Figures in Rs. Crores</i> 2011-12
Segment Revenues		
A. Revenues within India	640.13	594.71
B. Revenues outside India	847.38	782.12
Gross Sales of Products	1,487.51	1,376.83

37 Disclosure as per Accounting Standard 18 – Related Parties

a. Names of the Related Parties and nature of relationship:

Direct Subsidiaries

Galaxy Chemicals Inc.
Galaxy Holdings (Mauritius) Ltd.

Step down Subsidiaries

Galaxy Chemicals (Egypt) S.A.E
Rainbow Holdings GmbH
TRI-K Industries Inc.
Maybrook Inc. (Merged with TRI-K Industries Inc. w.e.f 1st April, 2012)

Key Management Personnel [Whole-time Directors] and their relatives:

Key Management Personnel [Whole-time Directors]	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife Mr. Karthik Shekhar, Son Ms. Nandini Shekhar, Daughter
Mr. S. R. Shanbhag	Mrs. Vandana Shanbhag, Wife Mrs. Sneha Salil Save, Daughter Mr. Pranav Shanbhag, Son
Mr. G. Ramakrishnan	Mrs. Jayashree Ramakrishnan, Wife Mr. Amit Ramakrishnan, Son Mr. Akaash Ramakrishnan, Son
Mr. U. K. Kamat	Mrs. Dhanvanti Kamat, Wife Mr. Paresh Kamat, Son Ms. Mallika Kamat, Daughter

Entities over which Key Management Personnel [Whole-time Directors] are able to exercise significant influence:

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013



b. The related party transactions are as under:

Figures in Rs. Crores

Particulars	Subsidiary Companies		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 Income:								
a Sales								
TRI-K Industries Inc.	30.85	28.02	-	-	-	-	-	-
Galaxy Chemicals (Egypt) S.A.E.	147.13	53.07	-	-	-	-	-	-
b Commission Received								
Galaxy Chemicals (Egypt) S.A.E.	0.97	0.53	-	-	-	-	-	-
c Interest received								
Galaxy Chemicals (Egypt) S.A.E.	1.68	0.28	-	-	-	-	-	-
TRI-K Industries Inc.	0.03	0.06	-	-	-	-	-	-
2 Expenditure:								
a Purchases								
TRI-K Industries Inc.	0.83	0.43	-	-	-	-	-	-
b Managerial Remuneration								
U. Shekhar	-	-	-	-	0.87	1.06	-	-
G. Ramakrishnan	-	-	-	-	0.86	1.05	-	-
S. R. Shanbhag	-	-	-	-	0.85	1.08	-	-
U.K.Kamat	-	-	-	-	0.90	1.08	-	-
c Interest paid on Loans/Fixed Deposits								
Galaxy Chemicals	-	-	0.14	-	-	-	-	-
U. Shekhar	-	-	-	-	0.60	0.40	-	-
Others	-	-	-	-	-*	-*	0.34	0.18
d Dividend Paid								
Galaxy Chemicals	-	-	2.28	0.68	-	-	-	-
Galaxy Emulsifiers Pvt. Ltd.	-	-	0.14	0.04	-	-	-	-
Galaxy Surfactants' Limited - Employees' Welfare Trust	-	-	0.07	0.02	-	-	-	-
U. Shekhar	-	-	-	-	1.03	0.31	-	-
S. R. Shanbhag	-	-	-	-	1.01	0.30	-	-
Others	-	-	-	-	0.61	0.18	0.51	0.15
3 Unsecured Loans:								
a Loans/ Fixed Deposit Received								
Galaxy Chemicals	-	-	1.90	-	-	-	-	-
U. Shekhar	-	-	-	-	1.65	0.80	-	-
Miss. Nandini Shekhar	-	-	-	-	-	-	0.05	0.20
Karthik Shekhar	-	-	-	-	-	-	0.14	0.40
Others	-	-	-	-	-	-	0.97	-

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

b. The related party transactions are as under:

Particulars	Subsidiary Companies		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
b Loans/Fixed Deposit Repaid								
Others	-	-	-	-	-	-	0.01	0.02
c Loans/Fixed Deposits as at 31st March								
Galaxy Chemicals	-	-	1.90	-	-	-	-	-
U. Shekhar	-	-	-	-	5.10	3.45	-	-
Karthik Shekhar	-	-	-	-	-	-	0.68	0.54
Miss. Nandini Shekhar	-	-	-	-	-	-	0.50	0.45
Others	-	-	-	-	0.01	0.01	1.75	0.79
4 Investments:								
a Investments made during the year								
Galaxy Holdings (Mauritius) Ltd.	27.15	27.34	-	-	-	-	-	-
b Investments as at 31st March								
Galaxy Chemicals Inc	0.46	0.46	-	-	-	-	-	-
Galaxy Holdings (Mauritius) Ltd.	119.27	92.12	-	-	-	-	-	-
5 Trade Receivables:								
a Balance as at year end								
TRI-K Industries Inc.	5.44	6.20	-	-	-	-	-	-
Galaxy Chemicals (Egypt) S.A.E.	49.83	35.05	-	-	-	-	-	-
6 Loans and Advances:								
a Expenses incurred on behalf of Related Parties								
Galaxy Chemicals (Egypt) S.A.E.	1.28	3.76	-	-	-	-	-	-
TRI-K Industries Inc.	0.04	-	-	-	-	-	-	-
Galaxy Chemicals	-	-	-*	-	-	-	-	-
Galaxy Estates & Holdings	-	-	-*	-	-	-	-	-
b Expenses recovered								
Galaxy Chemicals (Egypt) S.A.E.	5.20	3.13	-	-	-	-	-	-
c Balance as at year end								
Galaxy Chemicals (Egypt) S.A.E.	2.70	3.68	-	-	-	-	-	-
Galaxy Surfactants Ltd - Employees' Welfare Trust	-	-	1.58	1.58	-	-	-	-
TRI-K Industries Inc.	0.09	0.02	-	-	-	-	-	-
Galaxy Chemicals	-	-	-*	-	-	-	-	-
Galaxy Estates & Holdings	-	-	-*	-	-	-	-	-

*Figure less than Rs. 1,00,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

b. The related party transactions are as under:

Particulars	Subsidiary Companies		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
7 Trade Payable:								
a Balance as at year end								
Galaxy Chemicals Inc.	-	0.69	-	-	-	-	-	-
TRI-K Industries Inc.	0.51	0.11	-	-	-	-	-	-
8 a Interest accrued but not due on Loans/Fixed Deposits:								
Galaxy Chemicals	-	-	0.14	-	-	-	-	-
U. Shekhar	-	-	-	-	0.60	0.71	-	-
Others	-	-	-	-	-	-	0.23	0.24
9 a Corporate Guarantee given during the Year on behalf of Related Parties:								
Galaxy Chemicals (Egypt) S.A.E.	31.47	139.89	-	-	-	-	-	-
b Corporate Guarantee as at year end								
Galaxy Chemicals (Egypt) S.A.E.	171.36	139.89	-	-	-	-	-	-

38. Operating Leases:

Assets taken on Operating Lease:

The Company has entered into Operating Lease agreements towards use of godowns, offices and residential premises for its employees. Most of the lease agreements provide for cancellation by either party with a notice period of 30 days. Lease rental payments recognised in the Statement of Profit and Loss for the year are Rs. 1.79 Crores (Previous Years Rs. 0.91 Crore).

39. Previous Year Figures:

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

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

S. R. SHANBHAG

Whole-Time Director

G. RAMAKRISHNAN

Director

Home & Personal Care (Global)

U. K. KAMAT

Executive Director -
Finance

G. KAMATH

Head - Resource Mobilisation & Utilisation
Process & Company Secretary

Navi Mumbai

Date : June 29, 2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF GALAXY SURFACTANTS LIMITED AND ITS SUBSIDIARIES

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Galaxy Surfactants Limited (the Company), and its subsidiary companies, hereinafter referred to as 'the Group' as at 31st March, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information on that date, in which are incorporated the accounts of the subsidiary companies, audited by other auditors.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India and in accordance with the auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED
FINANCIAL STATEMENTS OF GALAXY SURFACTANTS
LIMITED AND ITS SUBSIDIARIES**



Other Matter

We did not audit the financial statements of the subsidiary companies whose financial statements reflect total assets (net) of Rs. (25.55) Crores as at 31st March, 2013 (Previous year Rs. 1.85 Crores) and total loss for the year of Rs. 33.99 Crores for the year ended on that date (Previous year loss of Rs. 10.69 Crores). These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary companies is based solely on the report of the other auditors.

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

Navi Mumbai
Date: June 29, 2013

D. P. Sapre
Partner
Membership No. 40740

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Figures in Rs. Crores

	Note	31 st March 2013	31 st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Capital	1	35.45	35.45
Reserves and Surplus	2	201.72	199.00
Non-Current Liabilities			
Long Term Borrowings	3	221.51	218.10
Deferred Tax Liability (Net)	4	23.78	20.66
Other Long Term Liabilities	5	1.67	0.63
Long Term Provisions	6	5.12	5.22
Current Liabilities			
Short Term Borrowings	7	152.18	147.38
Trade Payables	8	181.05	218.59
Other Current Liabilities	9	125.07	90.92
Short Term Provisions	10	6.74	16.20
TOTAL		954.29	952.15
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	453.62	425.36
Intangible Assets	11	2.09	2.99
Capital Work-in-Progress at cost (Refer Note 30)		26.95	44.80
Non-Current Investments	12	0.03	0.03
Long Term Loans and Advances	13	20.10	19.68
Other Non-Current Assets	14	-	-
Current Assets			
Inventories	15	185.92	225.66
Trade Receivables	16	176.71	156.34
Cash and Bank Balances	17	13.85	12.38
Short Term Loans and Advances	18	73.32	62.20
Other Current Assets	19	1.70	2.71
TOTAL		954.29	952.15

*Figure less than Rs. 1,00,000

Notes A, B and 1 to 34 form an integral part of the Consolidated Financial Statements

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

Mem. No. 40740

U. SHEKHAR

Managing Director

S. R. SHANBHAG

Whole-Time Director

G. RAMAKRISHNAN

Director

Home & Personal Care (Global)

U. K. KAMAT

Executive Director -
Finance

G. KAMATH

Head - Resource Mobilisation & Utilisation
Process & Company Secretary

Navi Mumbai

Date : June 29, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	Note	31 st March 2013	31 st March 2012
INCOME			
Revenue from Operations (Gross)	20	1,658.98	1,442.71
Less : Excise Duty		79.41	68.79
Less : Sales during Trial Production		-	1.42
Revenue from Operations (Net)		1,579.57	1,372.50
Other Income	21	2.70	2.07
TOTAL REVENUE		1,582.27	1,374.57
EXPENDITURE			
Cost of Materials consumed	22	1,104.87	1,024.27
Purchase of Traded Goods	23	41.29	46.42
Changes in Inventories of Finished Goods, Work-in-process and Stock in trade	24	27.51	(41.89)
Employee Benefit Expense	25	89.61	70.22
Other Manufacturing, Selling and Administrative Expenses	26	198.17	158.27
TOTAL EXPENSES		1,461.45	1,257.29
Profit Before Interest, Tax, Depreciation and Amortization		120.82	117.28
Finance Costs	27	52.12	33.72
Profit Before Tax, Depreciation and Amortization		68.70	83.56
Depreciation and Amortization	11	49.98	28.48
Profit Before Tax		18.72	55.08
Tax Expenses			
Current Tax		15.38	18.92
MAT Credit		-	(1.06)
Deferred Tax		3.05	4.12
Prior Year Tax Adjustments		-	0.15
Total Tax Expenses		18.43	22.13
Profit for the year		0.29	32.95
Earnings per Share			
31			
Equity Shares of Face Value Rs. 10 each			
Basic in Rs.		0.08	9.29
Diluted in Rs.		0.08	5.96

Notes A, B and 1 to 34 form an integral part of the Consolidated Financial Statements

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board
Chartered Accountants

D. P. SAPRE
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Process & Company Secretary

Navi Mumbai
Date : June 29, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31 st March 2013		31 st March 2012	
<i>Figures in Rs. Crores</i>				
A. Cash Flow from Operating Activities				
Net Profit before Tax as per Statement of Profit and Loss		18.72		55.08
Adjustments for:				
Add:				
Depreciation	49.98			28.48
Finance Cost	52.12			33.72
Bad debts written off/ Provision for doubtful debts	0.22			0.01
Wealth Tax	0.02			0.02
Loss on Sale/ discarding of Assets	0.19	102.53	<u>0.83</u>	63.06
Less:				
Dividend Income	(0.01)			(0.01)
Interest Income	(0.50)	(0.51)	<u>(0.59)</u>	(0.60)
Operating Profit before Working Capital Changes		120.74		117.54
Working Capital Changes				
Adjusted for:				
Inventories	39.74			(84.37)
Trade Receivables	(20.59)			(23.56)
Loans and Advances and Other assets	(10.26)			5.11
Trade Payables and Other Liabilities	(54.23)			85.85
Other Provisions	0.39	(44.95)	<u>1.07</u>	(15.90)
Cash generated from Operations		75.79		101.64
Taxes Paid		(21.02)		(17.89)
Net Cash Flow from Operating Activities (a)		54.77		83.75
B. Cash Flow from Investing Activities				
Capital Expenditure		(49.00)		(221.28)
Sale of Fixed Assets		0.70		0.22
Foreign Currency Translation Reserve		(4.79)		11.95
Dividend Income		0.01		0.01
Changes in Investments		- *		-
Interest Income		0.50		0.59
Net Cash Flow used in Investing Activities (b)		(52.58)		(208.51)
C. Cash Flow from Financing Activities				
Share Issue Expenses				(3.21)
Net borrowings		60.09		168.40
Finance Cost		(52.11)		(33.48)
Equity Dividend Paid (including Dividend Tax)		(10.30)		(3.09)
Net Cash Flow from/ (used in) Financing Activities (c)		(2.32)		128.62
Net Increase/(Decrease) in Cash and Cash Equivalents (a+b+c)		(0.13)		3.86
Cash and Cash Equivalents - Opening Balance		11.90		8.04
Unrealised Foreign Exchange Gain/ (Loss)		0.03		0.02
Cash and Cash Equivalents - Closing Balance		11.74	11.77	11.88
Net Increase/ (Decrease) in Cash and Cash Equivalents		(0.13)		3.86

*Figure less than Rs. 1,00,000

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board

Chartered Accountants

D. P. SAPRE

Partner

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Head - Resource Mobilisation & Utilisation
Process & Company Secretary

Navi Mumbai

Date : June 29, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



A. Basis of Consolidation

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

(a) Basis of Accounting:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company, i.e., for the year ended 31st March, 2013.
- (ii) The financial statements of the Group have been prepared in accordance with the applicable Accounting Standards in India and other generally accepted accounting principles.

(b) Principles of Consolidation:

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

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

(c) Particulars of subsidiaries:

Name of the Company	Country of Incorporation	Percentage of Voting Power as at 31 st March, 2013
Galaxy Chemicals Inc.	USA	100%
Galaxy Holdings (Mauritius) Ltd.	Mauritius	100%
Galaxy Chemicals (Egypt) S.A.E.	Egypt	100%
Rainbow Holdings GmbH	Germany	100%
TRI-K Industries Inc.	USA	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

(a) Basis for preparation of Financial Statements:

(i) Accounting Convention:

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of Estimates:

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

(b) Revenue Recognition:

(i) Sale of Goods:

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

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

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

(ii) Other Income:

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

(c) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation or amortisation. The cost of fixed assets includes all costs incidental to acquisition or construction including taxes, duties (net of CENVAT and set-off), cost of installation and commissioning, interest on specific borrowings obtained for the purposes of acquiring the fixed assets and other indirect expenses incurred upto the trial run.

(d) Depreciation:

Depreciation is provided on straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions during the year is provided on pro-rata basis from/upto the date of such addition/deletion.

Leasehold Land is amortised over the primary period of lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



(e) Inventories:

Inventories are valued at lower of cost and net realisable value. Cost of inventories is ascertained on the weighted average basis and includes, in the case of finished goods and work-in-process, production overheads at pre-determined rates and excise duty, where applicable.

(f) Investments:

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

(g) Foreign Currency Transactions:

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

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

(h) Research and Development:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss of the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to relevant Fixed Assets.

(i) Employee Benefits:

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

(j) Borrowing Costs:

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

(k) Taxation:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

(l) Earnings per Share:

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

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

(m) Prior Period Items:

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustment Account".

(n) Impairment of Assets:

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

(o) Provision and Contingent Liabilities:

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	31 st March 2013	31 st March 2012
1 Share Capital		
Authorised:		
5,00,00,000 Equity Shares of Rs. 10/- each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of Rs. 10/- each)	50.00	50.00
Issued, Subscribed and Paid-up:		
3,54,54,752 Equity Shares of Rs. 10/- each, fully paid-up		
(Previous Year : 3,54,54,752 Equity Shares of Rs. 10/- each, fully paid-up)	35.45	35.45
TOTAL	35.45	35.45

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

Equity Shares	31 st March 2013		31 st March 2012	
	No. of Shares	Rs. Crores	No. of Shares	Rs. Crores
Opening Balance	3,54,54,752	35.45	1,77,27,376	17.727
Add: Issue of bonus shares during the period	-	-	1,77,27,376	17.727
Outstanding at the end of the period	3,54,54,752	35.45	3,54,54,752	35.45

b. Terms/Rights attached to Equity Shares:

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

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

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

Particulars	Aggregate Number of Shares	
	31 st March 2013	31 st March 2012
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium and General Reserves	2,62,91,064	2,62,91,064

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

Name of Shareholders	31 st March 2013		31 st March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
U. Shekhar, G. Ramakrishnan, S. R. Shanbhag & Sudhir D. Patil as Partners of M/s Galaxy Chemicals	91,29,664	25.75	91,24,464	25.74
Unnathan Shekhar	41,13,440	11.60	41,13,440	11.60
Sudhir D. Patil	41,06,040	11.58	41,06,040	11.58
Shashikant R. Shanbhag	40,58,084	11.45	40,58,084	11.45
Gopalkrishnan Ramakrishnan	23,30,108	6.57	23,30,108	6.57
Jayashree Ramakrishnan	17,92,972	5.06	17,92,972	5.06

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	31 st March 2013	31 st March 2012
2 Reserves and Surplus		
Capital Reserve:		
Capital Subsidy received from the Government of Maharashtra under the Package Scheme of Incentive, balance as per last year	2.11	2.11
(A)	2.11	2.11
Capital Reserve on Consolidation:		
Balance as per last year	3.11	3.11
(B)	3.11	3.11
Securities Premium:		
Balance as per last year	0.20	7.14
Less: Capitalised during the year for Issue of Bonus Shares	-	3.73
Less: Utilised during the year for expenses on issue of shares	-	3.21
(C)	0.20	0.20
Foreign Currency Translation Reserve:		
Balance as per last year	8.56	(3.81)
Add: Net adjustment for the year	6.58	12.37
(D)	15.14	8.56
General Reserve:		
Balance as per last year	14.60	24.23
Less: Capitalised during the year for Issue of Bonus Shares	-	14.00
Add: Transfer during the year from Statement of Profit and Loss	3.43	4.37
(E)	18.03	14.60
Profit and Loss Account:		
Balance as per last year	170.42	152.14
Profit for the year from Continuing operations	0.29	32.95
Less: Appropriations		
Amount Transferred to General Reserve	3.43	4.37
Proposed Equity Dividend	3.55	8.86
[Amount per share Re. 1 (Previous Year Rs. 2.50)]		
Dividend Distribution Tax on Equity Dividend	0.60	1.44
(F)	163.13	170.42
TOTAL (A+B+C+D+E+F)	201.72	199.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 3.4 Fixed deposits include cumulative and non-cumulative fixed deposits from public with maturity periods ranging from 2 years to 3 years and carrying interest from 9% to 12% p.a. Interest on cumulative deposits is paid on maturity on half yearly compounding basis and interest in respect of non-cumulative deposits is paid quarterly.
- 3.5 Sales Tax Deferral denotes interest-free Sales Tax Deferral under the Package Schemes of Incentives of 1993 and 1998 formulated by the Government of Maharashtra. The same is repayable after 10 years from the year of deferral in 5 annual installments in case of deferral under the 1993 Scheme and after 12 years from the year of deferral in 6 annual installments in case of deferral under the 1998 Scheme.

Figures in Rs. Crores

	31 st March 2013	31 st March 2012
4 Deferred Tax Liability (Net)		
Deferred Tax Liabilities:		
Fixed Assets and Depreciation	26.66	22.55
Deferred Tax Assets:		
Retirement Benefits	(1.99)	(1.87)
Others	(0.89)	(0.02)
TOTAL	23.78	20.66
5 Other Long Term Liabilities		
Interest accrued but not due on fixed deposits	1.11	0.53
Unsecured Deposits	0.09	0.09
Capital Lease Obligation	-	0.01
Other Liabilities	0.47	-
TOTAL	1.67	0.63
6 Long Term Provisions		
Provision for Retirement Benefits		
Provision for Leave Encashment	2.62	3.25
Provision for Gratuity	2.50	1.97
TOTAL	5.12	5.22
7 Short Term Borrowings		
Working Capital Loans from Banks		
Secured:		
Rupee Loans (See Note 7.1 below)	64.38	37.77
Foreign Currency Loans (See Note 7.1 and 7.2 below)	87.79	109.09
	152.17	146.86
Unsecured:		
Rupee Loans	0.01	0.52
TOTAL	152.18	147.38

- 7.1 Working Capital Loans from banks are secured by first pari passu charge created/ to be created by hypothecation of current assets, both present & future, and second pari passu charge created/ to be created by mortgage of immovable properties located at Taloja, Jhagadia and specified properties located at Tarapur and hypothecation of present and future movable assets.
- 7.2 Foreign currency working capital loans in respect of subsidiary companies are secured by:
- a. first charge created/ to be created on inventories and insurance policies on the inventories and second charge by way of commercial mortgage created/ to be created on movable assets of the subsidiary company.
 - b. all accounts receivables and inventories, in case of another subsidiary.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013**



Figures in Rs. Crores

	31 st March 2013	31 st March 2012
8 Trade Payables		
Due to Micro, Small and Medium Enterprises	0.51	0.14
Others (Refer Note 8.1)	180.54	218.45
TOTAL	181.05	218.59
8.1 Others include acceptances of Rs. 23.21 Crores (Previous Year Rs. 58.01 Crores)		
8.2 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') based on available information with the Company. The disclosures pursuant to the said MSMED Act are as follows:		
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
f) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
g) Further interest remaining due and payable for earlier years	-	-
9 Other Current Liabilities		
Current Maturities of Long Term Loans (Refer Note 3.1 to 3.3)	99.55	40.70
Current Maturities of Fixed Deposits (Refer Note 3.4 and 9.1)	6.31	12.97
Current Maturities of Deferral of Sales Tax (Refer Note 3.5)	0.78	0.76
Interest accrued but not due on borrowings	3.40	5.19
Advance from Customers	4.11	7.68
Unclaimed Dividends (Refer Note 9.2)	0.18	0.17
Unclaimed Redeemed 12% Preference Share Capital	0.03	0.03
Unclaimed matured deposits and interest thereon	0.07	0.41
Creditors for Capital Expenditure (Refer Note 9.3)	6.00	13.91
Statutory Payables	3.50	3.52
Other Liabilities	1.14	5.58
TOTAL	125.07	90.92
9.1 Includes Rs. 1.01 Crores (Previous Year Rs. 1.65 Crores) due to Directors		
9.2 There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end		
9.3 Includes due to Micro, Small and Medium Enterprises Rs. NIL (Previous Year Rs. 0.15 Crore) (Refer Note 8.2)		
10 Short Term Provisions		
Provision for Taxation (Net of Payments)	0.97	4.75
Provision for Wealth Tax	0.02	0.03
Proposed Dividend	3.55	8.86
Provision for Dividend Distribution Tax	0.60	1.44
Provision for Retirement Benefits		
Provision for Leave Encashment	0.78	0.35
Provision for Gratuity	0.82	0.77
TOTAL	6.74	16.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

11. Fixed Assets

Figures in Rs. Crores

Particulars	Gross Block			Depreciation / Amortisation			Net Block				
	As at 01.04.2012	Additions during the year	Adjust- ments*	Deletions during the year	As at 31.03.2013	As at 01.04.2012	Additions during the year	Deletions during the year	As at 31.03.2013	As at 31.03.2012	
Tangible Assets:											
Leasehold Land	30.46	0.08	0.23	-	30.77	2.98	0.87	0.06	3.91	26.86	27.48
Buildings	133.15	15.73	3.63	-	152.51	16.53	5.56	0.03	22.12	130.39	116.62
Plant & Equipment	378.46	42.54	7.29	0.51	427.78	122.49	38.87	0.14	161.05	266.73	255.97
Furniture & Fixtures	12.15	4.80	0.18	0.27	16.86	2.30	1.24	0.02	3.40	13.46	9.85
Vehicles	3.73	0.04	-	0.37	3.40	1.44	0.31	-	1.52	1.88	2.29
Office Equipment	18.02	3.32	0.25	0.74	20.85	4.87	2.28	0.03	6.55	14.30	13.15
Sub Total (A)	575.97	66.51	11.58	1.89	652.17	150.61	49.13	0.28	198.55	453.62	425.36
Intangible Assets:											
Software	5.52	0.34	0.09	0.65	5.30	2.53	0.85	0.01	3.21	2.09	2.99
Sub Total (B)	5.52	0.34	0.09	0.65	5.30	2.53	0.85	0.01	3.21	2.09	2.99
TOTAL (A+B)	581.49	66.85	11.67	2.54	657.47	153.14	49.98	0.29	201.76	455.71	428.35
Previous Year	321.51	262.91	0.74	3.66	581.50	126.78	28.48	0.32	153.15	428.35	194.73

* Difference due to changes in exchange rates

11.1 Addition to buildings include shares in Co-operative Society of Rs. 0.00* (Previous Year NIL) (*Figure less than Rs.1,00,000)

11.2 Addition to Plant & Equipment includes Rs. 0.33 Crore (Previous Year NIL) being duty paid on de-bonding of Export Oriented Unit (EOU) at Talaja

11.3 Addition during the year includes (a) borrowing costs amounting to Rs. 1.41 Crores (Previous Year Rs. 7.07 Crores) capitalised in accordance with the requirements of Accounting Standard 16 (AS 16), "Borrowing Costs" (Refer Note 30)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	31 st March 2013	31 st March 2012
14 Other Non-Current Assets		
Interest accrued on Term Deposits	-	- *
TOTAL	-	- *
15 Inventories		
Raw Materials	43.83	47.55
Raw Materials in Transit	21.82	33.41
Work-in-Process	40.26	52.50
Packing Materials	4.47	2.73
Packing Materials in Transit	0.29	0.17
Finished Goods	47.86	59.87
Stock in Trade	18.69	19.76
Stock in Trade in Transit	-	2.18
Consumables, Stores and Others	8.62	7.46
Consumables, Stores and Others in Transit	0.08	0.03
TOTAL	185.92	225.66
16 Trade Receivables (unsecured)		
Outstanding over 6 months from the date they were due for payment		
(i) considered good	0.78	0.44
(ii) considered doubtful	-	0.07
Others		
(i) considered good	175.93	155.90
(ii) considered doubtful	0.47	0.26
	177.18	156.67
Less : Provision for Doubtful Debts	0.47	0.33
TOTAL	176.71	156.34
17 Cash and Bank Balances		
A) Cash and Cash Equivalent		
Balance with Banks on Current Accounts	11.38	11.60
Cash on hand	0.39	0.30
	11.77	11.90
B) Other Bank Balances		
Term deposits with maturity more than 3 months but less than 12 months [#]	1.66	0.07
Term deposits with maturity more than 12 months [#]	0.21	0.21
In Unpaid Dividend Accounts	0.18	0.17
In Unpaid Preference Shares Redemption Account	0.03	0.03
	2.08	0.48
TOTAL	13.85	12.38

*Figure less than Rs. 1,00,000

[#]Includes deposits pledged with bank as lien against bank guarantees Rs. 0.17 Crore (Previous Year : Rs. 0.23 Crore) and margin money against borrowings Rs. 1.53 Crores (Previous Year : Rs. Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

	31 st March 2013	31 st March 2012
18 Short Term Loans and Advances		
Unsecured, considered good		
Security Deposits	1.02	0.26
Advances recoverable in cash or kind for value to be received	72.30	61.94
TOTAL	73.32	62.20
19 Other Current Assets		
Interest accrued on Term Deposits	0.08	- *
Other Receivables	1.62	2.71
TOTAL	1.70	2.71
20 Revenues from operations		
Sale of Products	1,649.08	1,435.58
Other operating revenues		
Export Incentives	9.90	7.13
Revenues from operations (Gross)	1,658.98	1,442.71
Less : Excise Duty	79.41	68.79
Less : Sales during Trial Production	-	1.42
Revenues from operations (Net)	1,579.57	1,372.50
21 Other Income		
Interest		
- On Term Deposits	0.16	0.04
- Others	0.35	0.55
Dividend on Investments	0.01	0.01
Scrap Sales	1.38	0.82
Liabilities no longer required written back	0.47	-
Miscellaneous Income	0.33	0.65
TOTAL	2.70	2.07
22 Cost of Materials Consumed		
Raw Materials [#]	1,050.70	983.56
Packing Materials	53.04	40.32
Translation difference	1.13	0.39
TOTAL	1,104.87	1,024.27
[#] Raw Material consumed for previous year is net of consumption during trial production		
23 Purchase of Traded Goods		
Specialty Chemicals	39.84	44.24
Others	0.05	-
Translation difference	1.40	2.18
TOTAL	41.29	46.42

*Figure less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

	31 st March 2013	31 st March 2012
24 (Increase)/ Decrease in Inventories		
Inventories at the beginning of the year		
Finished Goods	59.87	40.66
Work-in-Process	52.50	36.97
Traded Goods	21.95	15.55
	134.32	93.18
Inventories at the end of the year		
Finished Goods	47.86	59.87
Work-in-Process	40.26	52.50
Traded Goods	18.69	21.95
	106.81	134.32
Inter-company sale of traded goods out of opening stock	-	(0.75)
Net (Increase)/Decrease	27.51	(41.89)
25 Employee Benefit Expenses		
Salaries, Wages and Allowances	75.26	58.78
Contribution to Provident and Other Funds	6.96	5.27
Workmen & Staff Welfare Expenses	7.39	6.17
TOTAL	89.61	70.22
26 Other Manufacturing, Selling and Administration Expenses		
Consumption of stores and spare parts	4.50	2.74
Power & Fuel	42.61	36.15
Repairs & Maintenance:		
- Plant & Machinery	5.30	3.86
- Building	1.38	1.50
- Others	0.68	0.85
Rent (including storage charges)	6.72	4.04
Insurance	5.27	4.04
Rates & Taxes	4.94	2.59
Travelling & Conveyance	11.81	9.97
Freight & Forwarding (Net of Recovery)	74.92	49.56
Legal & Professional Fees	10.15	9.28
Discount and Commission	2.03	2.20
Donations	0.07	0.13
Directors' Sitting Fees	0.06	0.07
Commission to Non-executive Directors	-	0.26
Bad debts/ Provision for Doubtful debts	0.22	0.01
Loss on Sale/ Discard of assets	0.19	0.83
Foreign Exchange Differences (Net)	0.23	5.79
REACH Registration Expenses	0.10	1.64
Miscellaneous Expenses	26.99	22.76
TOTAL	198.17	158.27

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2013**



Figures in Rs. Crores
31st March 2012

	31st March 2013	31 st March 2012
27 Finance Costs		
Interest expenses	50.73	28.97
Other borrowing cost	1.72	2.25
Applicable loss/ (gain) on foreign currency transactions and translations	(0.33)	2.50
TOTAL	52.12	33.72
28 Contingent Liabilities & Claims not provided for		
(a) Counter Guarantees given to Banks	34.67	7.70
(b) Export Bills Discounted (Including factored debts with recourse option of Rs. 50.25 Crores (Previous year Rs. Nil))	64.28	7.04
(c) LC Outstanding	14.49	27.54
(d) Claims against the Company not acknowledged as debts, but disputed in appeals		
- Excise Duty	0.22	0.01
- Income Tax	6.15	5.39
29 Estimated amount of contracts remaining to be executed on Capital Account		
Contracts remaining to be executed (net of advances)	1.89	38.14
30. All pre-operative costs directly attributable to new projects undertaken are accumulated as expenditures during construction period and are capitalised in the year of completion of project. Capital work in progress as at the year end includes the following balance of expenditure during construction period as at the respective year end		

	2012-13	2011-12
Opening Balance	4.27	15.71
Additions during the Year		
Interest & Other Finance charges	1.41	8.36
Travelling & Conveyance	-	2.72
Rent	-	3.20
Personnel Cost	-	3.16
Miscellaneous Expenses	0.67	7.61
Insurance	0.13	0.75
Material Consumed	-	1.72
Power and Fuel	-	1.03
Rates and Taxes	-	0.34
Total Pre-operative Expenses	6.48	44.60
Less: Sales of Trial Production	-	1.42
Net Pre-operative Expenses	6.48	43.18
Less: Capitalised during the year	2.06	38.91
Balance as at the year end	4.42	4.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Earnings Per Share

	2012-13	2011-12
Profit after Tax (Rs. Crores)	0.29	32.95
The weighted average no. of equity shares for Basic EPS	3,54,54,752	3,54,54,752
Nominal Value of Equity Shares (Rs.)	10	10
Earnings per Share (Basic) (Rs.)	0.08	9.29
Profit after Tax for Basic EPS (Rs. Crores)	0.29	32.95
Add: Interest cost on Term Loan (net of taxes) (Rs. Crores)	-	0.64
Profit after Tax for Diluted EPS (Rs. Crores)	0.29	33.59
The weighted average no. of equity shares for Basic EPS	3,54,54,752	3,54,54,752
Add: Adjustments for conversion of Term Loan (nos.)	-	2,09,30,000
The weighted average no. of equity shares for Diluted EPS	3,54,54,752	5,63,84,752
Earnings per Share (Diluted) (Rs.)	0.08	5.96

32. Segment Reporting (Accounting Standard 17)

- a. Primary Segment: Business Segment
The Company is engaged in the manufacture of speciality chemicals which is considered as the only business segment.

- b. Secondary Segment: Geographical Segment

Figures in Rs. Crores

Segment Revenues

A. Revenues within India	640.13	594.71
B. Revenues outside India	1,008.95	840.87
Gross Sales of Products	1,649.08	1,435.58

33. Related Parties Disclosures

- a. Names of the Related Parties and nature of relationship:

Key Management Personnel [Whole-time Directors] and their relatives:

Key Management Personnel [Whole-time Directors]	Relative of Key Management Personnel
Mr. U. Shekhar	Mrs. Lakshmy Shekhar, Wife Mr. Karthik Shekhar, Son Ms. Nandini Shekhar, Daughter
Mr. S. R. Shanbhag	Mrs. Vandana Shanbhag, Wife Ms. Sneha Shanbhag, Daughter Mr. Pranav Shanbhag, Son
Mr. G. Ramakrishnan	Mrs. Jayashree Ramakrishnan, Wife Mr. Amit Ramakrishnan, Son Mr. Akaash Ramakrishnan, Son
Mr. U. K. Kamat	Mrs. Dhanvanti Kamat, Wife Mr. Paresh Kamat, Son Ms. Mallika Kamat, Daughter

Entities over which Key Management Personnel [Whole-time Directors] are able to exercise significant influence:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013



Figures in Rs. Crores

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

Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1 Expenditure:						
a Managerial Remuneration:						
U. Shekhar			0.87	1.06		
G. Ramakrishnan			0.86	1.05		
S. R. Shanbhag			0.85	1.08		
U.K.Kamat			0.90	1.08		
b Remuneration:						
Amit Ramakrishnan					0.44	0.33
c Interest paid on Loans/ Fixed Deposits:						
Galaxy Chemicals	0.14	-				
U. Shekhar			0.60	0.40		
Others			- *	- *	0.34	0.18
d Dividend Paid:						
Galaxy Chemicals	2.28	0.68				
Galaxy Emulsifiers Pvt. Ltd.	0.14	0.04				
Galaxy Surfactants' Limited - Employees' Welfare Trust	0.07	0.02				
U. Shekhar			1.03	0.31		
S. R. Shanbhag			1.01	0.30		
Others			0.61	0.18	0.51	0.15
2 Unsecured Loans:						
a Loans/ Fixed Deposit Received:						
Galaxy Chemicals	1.90	-				
U. Shekhar			1.65	0.80		
Miss. Nandini Shekhar					0.05	0.20
Kartik Shekhar					0.14	0.40
Others					0.97	
b Loans/ Fixed Deposit Repaid:						
Others					0.01	0.02
c Loans/ Fixed Deposits as at 31st March:						
Galaxy Chemicals	1.90	-				
U. Shekhar			5.10	3.45		
Karthik Shekhar					0.68	0.54
Miss. Nandini Shekhar					0.50	0.45
Others			0.01	0.01	1.75	0.79

*Figure less than Rs. 1,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Figures in Rs. Crores

Particulars	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	3 Loans and Advances:					
a Expenses incurred on behalf of Related Parties:						
Galaxy Chemicals	- *	-				
Galaxy Estates & Holdings	- *	-				
b Balance as at year end:						
Galaxy Surfactants Ltd. - Employees' Welfare Trust	1.58	1.58				
Galaxy Chemicals	- *	-				
Galaxy Estates & Holdings	- *	-				
4 Interest accrued but not due on Loans/Fixed Deposits:						
Galaxy Chemicals	0.14	-				
U. Shekhar			0.60	0.71		
Others					0.23	0.24

*Figure less than Rs. 1,00,000

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

As per our Report attached

For P.D. Kunte & Co.(Regd.) For and on behalf of the Board
Chartered Accountants

D. P. SAPRE
Partner
Mem. No. 40740

U. SHEKHAR
Managing Director

S. R. SHANBHAG
Whole-Time Director

G. RAMAKRISHNAN
Director
Home & Personal Care (Global)

Navi Mumbai
Date : June 29, 2013

U. K. KAMAT
Executive Director -
Finance

G. KAMATH
Head - Resource Mobilisation & Utilisation
Process & Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013

Sr. No.	Name of Subsidiary Company	Reporting Currency	Capital	Reserves *	Total Assets	Total Liabilities	Total Invest-ments (Other than in Subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation @	Profit After Taxation	Proposed Dividend	Country
1	Galaxy Chemicals Inc.	Rs. Crores	-*	(0.24)	0.32	0.56	-	-	(0.12)	-	(0.12)	-	USA
		USD 000's	0.12	(45.00)	58.07	102.96	-	-	(22.37)	-	(22.37)	-	
2	Galaxy Holdings (Mauritius) Ltd.	Rs. Crores	135.16	2.43	137.63	0.03	-	0.96	0.34	0.03	0.32	-	Mauritius
		USD 000's	24,900.00	448.47	25,354.68	6.22	-	177.77	63.05	4.73	58.32	-	
3	Galaxy Chemicals (Egypt) S.A.E	Rs. Crores	108.56	(48.92)	259.50	199.87	-	209.97	(36.56)	-	(36.56)	-	Egypt
		USD 000's	20,000.00	(9,013.36)	47,807.90	36,821.26	-	38,683.54	(6,734.90)	-	(6,734.90)	-	
4	Rainbow Holdings GmbH	Rs. Crores	0.17	(6.69)	6.69	13.20	-	-	(1.02)	-	(1.02)	-	Germany
		EUR 000's	25.00	(961.16)	961.39	1,897.55	-	-	(146.85)	-	(146.85)	-	
5	TRI-K Industries Inc.	Rs. Crores	0.01	36.49	52.66	16.17	-	129.67	4.08	1.62	2.46	-	USA
		USD 000's	1.00	6,721.75	9,701.52	2,978.76	-	23,888.81	752.33	299.22	453.10	-	

*Figure less than Rs. 1,00,000

The Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates under:

All subsidiaries Other than Rainbow Holdings GmbH: 1 USD = 54.28 INR (Rate as on 31st Mar 2013)

Rainbow Holdings GmbH: 1 EUR = 69.58 INR (Rate as on 31st Mar 2013)

* Reserves are net of accumulated losses, if any

(a) Provision for Taxation includes Prior Period Tax Adjustments

In-cosmetics

Paris

We participated in In-Cosmetics 2013, an international exhibition held at Paris. It is the leading global meeting place for personal care ingredients professionals. Our stall was packed with international visitors representing all the major regional and global brands.



Our Business Creation and Innovation team members interacting with local and international customers.



HPCI Mumbai

We participated in the HPCI 2013 exhibition held at Mumbai. Our stall was inaugurated by Mr. Pradeep Saha - Associate Director, Colgate Palmolive India Limited.

We had displayed a range of Mild Surfactants, Proteins and UV Filters.





Galaxy Surfactants Ltd.

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