



GALAXY
AGRICO EXPORTS LTD.

ANNUAL REPORT 2012 - 2013

COMPANY INFORMATION

BOARD OF DIRECTORS

JAYANTILAL PATEL
MANOJBHAI SHAH
SANJAYBHAI PATEL
BHARAT SHAH
AJAY PATEL
SHASHIKANT BHALODI

MANAGING DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

COMPANY SECRETARY

MINAL D SHAH

AUDITORS

ARUN M. KOTHARI
4-Jay Gujarat Society,
Opp: Police Comm. Office
Shahibaug, Ahmedabad (Gujarat) India

REGISTER AND SHARE TRANSFER AGENT

MAIN OFFICE

Link Intime India Pvt. Ltd.
C-13 Pannalal Silk Mill Compound,
LBS Road, Bhandup (West)
Mumbai-400078 (MAHARASHTRA) INDIA

AHMEDABAD BRANCH

Link Intime India Pvt. Ltd.
303, Shopper's Plaza, -V,
Opp: Municipal Market,
Off: C G Road, Navrangapura,
Ahmeabad-380009 (GUJARAT) INDIA
ahmedabad@linkintime.co.in

REGISTERED OFFICE

S.NO.236 Jaikishan Ind. Estate,
Behind Murlidhar Weigh Bridge,
Veraval (Shapar)
Dist. Rajkot-360024
(GUJARAT) INDIA



DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting the **NINETEENTH ANNUAL REPORT** and Audited Accounts of your company for the year ended **31st March, 2013**.

Financial Performance

[` In Lakhs]

| Particulars | 2012-13 | 2011-12 |
|---|----------------|---------------|
| Revenue From Operations (Net) | 546.24 | 583.59 |
| Earnings before Interest, Depreciation and Tax | (9.28) | 72.09 |
| Less: Finance Costs | (41.46) | (32.86) |
| Depreciation | (36.30) | (36.80) |
| Add: Other Income | 7.82 | 20.87 |
| Profit / (Loss) Before Tax | (79.22) | 23.31 |
| Less: Tax Expense | | |
| Net Current Tax | - | 0.19 |
| Deferred Tax | 4.36 | 10.38 |
| Short provision for tax of previous year | 0.01 | 0.02 |
| Profit / (Loss) After Tax | (83.59) | 12.73 |
| Add: Surplus brought forward from previous years | 206.00 | 193.27 |
| Surplus Carried Forward | 122.39 | 206.00 |

Dividend

The directors do not recommend any dividend for the year ended 31st March, 2013.

Operations

Your Company recorded a Net Revenue of ` **546.24 Lakhs** as compared to ` 583.59 Lakhs in the previous year, thus showing a decrease of 6.4%. It made Loss after tax of ` **83.59 Lakhs** as compared to Profit of ` 12.73 Lakhs in the previous year.

Subsidiary

A wholly-owned subsidiary under the name "Accumax Rings Limited" has been incorporated in the month of April 2013. The subsidiary has been established to focus on the Forged Rings segment of your Company and thus your Company will transfer all its segmental assets and liabilities pertaining to the Forged Rings to the wholly-owned subsidiary. Your Company will thereafter focus on the Agriculture Equipments & Trading business.

Directors

Shri Shashikant Bhalodi and Shri Sanjay Patel retire by rotation and being eligible, offer themselves for re-appointment.



Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- the Annual Accounts for the year ended 31st March, 2013 have been prepared in accordance with all the applicable Accounting Standards except AS-15 "Employee Benefits" to the extent mentioned in Note-H of Statement on Significant Accounting Policies;
- such Accounting Policies have been selected and applied consistently supported by management judgments and estimates, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- proper and sufficient care had been taken for the maintenance of adequate accounting records, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

Corporate Governance

The Company has been pro-active in following the principles and practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges are complied within letter and spirit. A certificate regarding compliance of conditions of corporate governance is appended to this report.

Audit Committee

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

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

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

Auditor and Auditor's Report

Arun M. Kothari, Chartered Accountant, the Auditor of the Company will retire at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment for F.Y. 2013-14. Arun M. Kothari has indicated his willingness to act as such and has confirmed that his re-appointment, if made, would be within the limits specified under Section 224(1-B) of the Companies Act, 1956.

The observation made by the Auditor in his report with regards to Accounting Standard 15 "Employee Benefits" has been clarified in the relevant Note-H of Statement on Significant Accounting Policies forming part of the financial statements, which is self-explanatory.



Conservation of energy, Technology absorption and Foreign exchange earnings and outgo

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

A. Power & Fuel Consumption

| | Particulars | 2012-13 | 2011-12 |
|-----|----------------------------|-----------|-----------|
| (i) | Electricity | | |
| | Units (Numbers) | 14,20,630 | 15,00,398 |
| | Total Amount (` in Lakhs) | 123.29 | 108.45 |
| | Rate/Unit (`) | 8.68 | 7.23 |

B. Foreign Exchange Earnings and Outgo

[` in lakhs]

| | Particulars | 2012-13 | 2011-12 |
|--|-------------------------------|---------|---------|
| | Total foreign Exchange earned | 23.02 | 170.11 |
| | Total foreign Exchange used | 2.44 | -- |

C. Technology Absorption

The Company has not taken any new technology in particular or entered into any technology agreement during the period hence the information required is not applicable.

The technology used by the Company is indigenously developed and no technology has been imported.

Environment

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

Particulars of Employees

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

Acknowledgement

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

For and on behalf of the Board,

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

Manoj H. Shah
Manoj H. Shah
Director

Rajkot, 28th May, 2013



CORPORATE GOVERNANCE REPORT

"Governance" - This includes the Board of Director and senior Management setting a tone at the top and providing compliance and ethics programs with the necessary resources, independence, standing and authority to be effective

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is all about commitment to values and ethical business conduct. At our Company the Good Corporate Governance is intrinsic to the management of Company in a fair and transparent manner. As a responsible corporation, these values set the framework to maintain accountability in all our affairs and employ democratic and open process.

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

2. BOARD OF DIRECTORS

49 A (i)

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

49 A (ii)

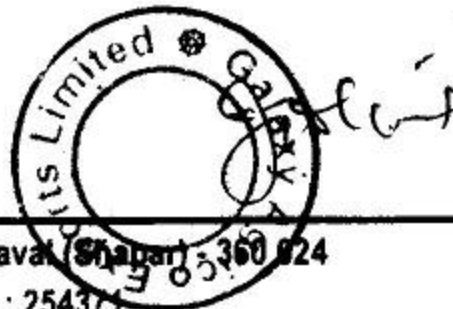
The Chairman of the company is Jayantilal Patel who is a Managing Director. Further board is comprised of Three Independent Director which is 50 % of total strength of the Board of Director.

49 A (iv)

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

49 B

No fees/compensation, sitting fees paid to non-executive directors, including independent Directors so there is no any previous approval of shareholders in general meeting



Page 1 of 9



49 C (i) (ii)

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

During the year ended March 2012- 13 meeting was held on the following dates:

| | | | |
|------------|------------|------------|------------|
| 28/04/2012 | 25/05/2012 | 18/06/2012 | 28/07/2012 |
| 04/08/2012 | 30/09/2012 | 27/10/2012 | 15/12/2012 |
| 28/01/2013 | 30/03/2013 | | |

| Name | Category Of Directorship | Total No. of Directorship | Membership/ Chairmanship of any other Committee | | Board Meeting | | Last AGM attended or not |
|-----------------------------------|---------------------------------|---------------------------|---|--------|---------------|----------|--------------------------|
| | | | Chairman | Member | Held | Attended | |
| Shri Jayantilal Devjibhai Patel | Managing director Executive | 1 | 2 | 0 | 10 | 7 | Yes |
| Shri Sanjay Jayntilal Patel | Whole Time Director - Executive | 2 | 0 | 2 | 10 | 10 | Yes |
| Shri Manoj Harsukhlal Shah | Whole Time Director- Executive | 1 | 0 | 3 | 10 | 10 | Yes |
| Shri Bharat Trambaklal Shah | Independent -Non Executive | 1 | 1 | 1 | 10 | 8 | Yes |
| Shri Ajay Ramjibhai patel | Independent-Non Executive | 1 | 1 | 1 | 10 | 8 | Yes |
| Shri Shashikant Jadavbhai Bhalodi | Independent-Non Executive | 1 | 0 | 1 | 10 | 7 | Yes |

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

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

49 C (iv)

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





COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors has constituted Four Committee

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

3. AUDIT COMMITTEE

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

| Sr. No. | Name of Director | Status |
|---------|-----------------------------|--|
| 01 | Shri Bharat Trambaklal Shah | Chairman- Independent –Non Executive |
| 02 | Shri Manoj Harsukhlal Shah | Whole time Director (Executive Director) |
| 03 | Shri Ajay Ramjibhai Patel | Independent-Non Executive |

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

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

Main Scope of Audit Committee in existing year.

- Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
- Review of the half-yearly and annual financial statements before submission to the Board.
- Review and take on record the un-audited quarterly results of the Company before publication.
- Supervision of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management the annual financial statements before submission to the Board.
- Urgent implementation of any change in Accounting standard of policy by any Act, Rules, Regulation, Listing Agreement, Accounting Standard.





- Compliance with accounting standards.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Review and compliance of Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

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

- Reviewing the company's financial and risk management policies.

4. REMUNERATION COMMITTEE

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

The Committee consisting of following Director

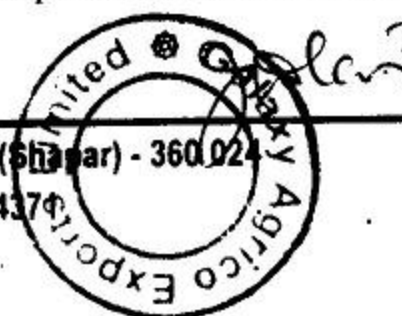
Remuneration and sitting fees of the Director

| Name | Salary Perquisite and Allowance |
|-----------------------------|---------------------------------|
| Shri Jayantilal Patel | Nil |
| Shri Sanjay Jayntilal Patel | 20000/ Month |
| Shri Manoj Harsukhlal Shah | 20000/ Month |
| Shri Shashikant Bhalodi | Nil |
| Shri Bharat Shah | Nil |
| Shri Ajay Patel | Nil |

5. INVESTORS GRIEVANCE COMMITTEE

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

The Committee mainly engaged with Redressing of Shareholders and Investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.





Composition of Investor Grievance Committee:

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

Status of Complaints

| Complaint Received | Complained Solved | Complaint pending |
|--------------------|-------------------|-------------------|
| NIL | NIL | NIL |

The meeting of committee was held Eight times on

| | | | |
|------------|------------|------------|------------|
| 28/04/2012 | 16/06/2012 | 31/07/2012 | 06/08/2012 |
| 01/11/2012 | 17/12/2012 | 01/01/2013 | 01/03/2013 |

6. SHARE TRANSFER COMMITTEE

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

Composition of Share Transfer Committee:

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

The meeting of committee was held Twenty four times on

| | | | | | |
|------------|------------|------------|------------|------------|------------|
| 15.04.2012 | 30.04.2012 | 15.05.2012 | 31.05.2012 | 15.06.2012 | 30.06.2012 |
| 15.07.2012 | 30.07.2012 | 16.08.2012 | 30.08.2012 | 15.09.2012 | 30.09.2012 |
| 15.10.2012 | 30.10.2012 | 15.11.2012 | 30.11.2012 | 15.12.2012 | 30.12.2012 |
| 15.01.2013 | 31.01.2013 | 15.02.2013 | 28.02.2013 | 15.03.2013 | 30.03.2013 |





7. GENERAL BODY MEETING

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

| Financial Year | Date And Time | Location of the Meeting |
|----------------|---------------|----------------------------------|
| 2009-2010 | 31/08/2010 | Registered office of the Company |
| 2010-2011 | 09/09/2011 | Registered office of the Company |
| 2011-2012 | 20/09/2012 | Registered office of the Company |

* There was no Extra Ordinary General Meeting held during the year.

DISCLOSURE

a) Related Party Transaction

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

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

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

b) Disclosure on accounting treatment

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

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

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

d) Compliance by the company

During the last three years, there were no penalties, strictures imposed by either SEBI or any statutory authority for non-compliance of any matter related to the capital market. The Company has duly paid penalty for late filing of various forms to Registrar of Companies, if any.

e) CEO/CFO Certification

Mr. Jayantilal Devjibhai Patel issued a certificate to the board as prescribed under sub-clause V of Clause 49 of the listing agreement. The said certificate is attached with the Corporate Governance Report.





f) **Quarterly Corporate Governance Report**

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

8. MEANS OF COMMUNICATION

- a. Annual, Half Yearly, Quarterly results are communicated to all the stock exchanges, whereby the company's share are listed, immediately after the board of director meeting. Results are published in Economic Times (in English Language) and Economic Times (in vernacular language). However quarterly and half year results are not sent to individual share holders.
- b. The Company has its own web side www.galaxyagrico.com and the information provided in the website is duly complied with the listing agreement.
- c. The management Discussion and Analysis is forming the part of director's report at present.
- d. At present the Company does not make presentation to Institutional Investors and Analysts.

9. GENERAL SHAREHOLDERS INFORMATION

1. Date time and venue of AGM : 30th September 2013
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
Veraval (Shapar)
Dist: Rajkot 360024
2. Financial Calendar : 01st April 2012 to 31st March 2013
3. Date of book closure : 24/09/2013 to 30/09/2013
4. Dividend Payment date : Not Applicable
5. Listing on Stock Exchange : The Bombay Stock Exchange, Mumbai
6. Stock code : 531911

Page 7 of 9





7. Market price data, High, Low :
during each month in last
Financial year

The High and Low Price information during
the last year is as under

| Sr No. | Month | High | Low |
|--------|----------|-------|-------|
| 01 | April 12 | 13.52 | 13.52 |
| 02 | May 12 | 13.52 | 13.52 |
| 03 | June 12 | 13.52 | 13.52 |
| 04 | July 12 | 13.00 | 13.00 |
| 05 | Aug 12 | 13.00 | 13.00 |
| 06 | Sep 12 | 13.65 | 13.65 |
| 07 | Oct 12 | 13.65 | 13.65 |
| 08 | Nov 12 | 13.65 | 13.65 |
| 09 | Dec 12 | 13.65 | 13.65 |
| 10 | Jan 13 | 18.25 | 14.00 |
| 11 | Feb 13 | 37.45 | 19.15 |
| 12 | Mar 13 | 38.95 | 38.15 |

8. Register and Transfer agent : MAIN OFFICE :

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound,
Lbs Road, Bhandup (West)
Mumbai 400078

AHMEDABAD BRANCH:

Link Intime India Pvt Ltd
303, Shopper's Plaza, - V ,
Opp Municipal Market ,
Off C G Road, Navrangpura ,
Ahmedabad - 380009
Phone : 079 - 26465179,
ahmedabad@linkintime.co.in

9. Distribution of share holding : Share holding Pattern as on 31st March 2013
is As per under

| Sr. No. | Category | No. of Shares | % of Total Shares |
|---------|-----------------------------------|----------------|-------------------|
| 01 | Promoters | 2000020 | 73.22 |
| 02 | Person acting in Concert | 0 | 0 |
| 03 | Institution Investors | 0 | 0 |
| 04 | Mutual funds and UTI | 0 | 0 |
| 05 | Banks, Financial Institution ets. | 0 | 0 |
| 06 | FII's | 50000 | 1.83 |
| 07 | Private Bodies Corporate | 1852 | 0.07 |
| 08 | Clearing Member | 673 | 0.02 |
| 09 | Indian Public | 580575 | 21.25 |
| 10 | Non Resident Indians | 98500 | 3.61 |
| | TOTAL | 2731620 | 100 % |

Page 8 of 9





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

10. Demat of share and liquidity : As on 31st March 2013

| | No. of Shares | % of Shares |
|-------------------------------------|---------------|-------------|
| Held in dematerialized form in CDSL | 1454585 | 29.09 % |
| Held in dematerialized form in NSDL | 914635 | 18.29 % |
| Held in Physical form | 362400 | 7.25 % |
| Sub Total | 2731620 | 54.63 % |
| Forfeited Shares | 2268400 | 45.37 % |
| Total | 5000020 | 100 % |

11. Plant location : Galaxy Agrico Exports Limited
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
(Shapar) Veraval
Dist: Rajkot 360024

12. Correspondence address : Galaxy Agrico Exports Limited
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
(Shapar) Veraval
Dist: Rajkot 360024

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

FOR GALAXY AGRICO EXPORTS LTD

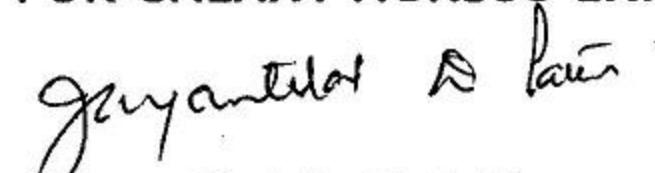
Place: Veraval - Shapar
Date: 28.05.2013

Jayantiben A. Jain
MANAGING DIRECTOR

**DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE
LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2013.

FOR GALAXY AGRICO EXPORTS LIMITED



(Jayantilal D. Patel)

Managing Director

Place : Vearval – Shapar (Rajkot)

Date : 28.05.2013

CEO / MD CERTIFICATION UNDER CLAUSE NO. 49

To

The Board of Directors

GALAXY AGRICO EXPORTS LIMITED

Rajkot.

I, Jayantilal D. Patel, Managing Director of Galaxy Agrico Exports Limited, certify that

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

For GALAXY AGRICO EXPORTS LIMITED

Jayantilal D. Patel

JAYANTILAL D. PATEL
Chairman & Managing Director

Rajkot, 27th May, 2013

COMPLIANCE CERTIFICATE UNDER CLAUSE 49 (VII) OF LISTING AGREEMENT

TO

The Members
Galaxy Agrico Exports Limited
Rajkot

We have examined the compliance of the conditions of Corporate Governance by Galaxy Agrico Exports Limited for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

CS Piyush Jethva
Practising Company Secretary
FCS: 6377 CP No. : 5452

Place: Rajkot

Date: 28/05/2013

MANAGEMENT DISCUSSION & ANALYSIS:

a. Industry Structure & Developments

Forged Rings (Bearings) find extensive application across a wide range of industries in the economy, with the automobile industry being its largest user. Though the output is positive in long run, industry faces challenges in near future due to high inflation and uncertainty in the Indian and global economic situations.

b. Opportunities & Threats

The demand for automobile products in India is expected to grow steadily after a general economic slowdown in F.Y. 2012-13. The Company has got good opportunities for growth, both in domestic and export markets. The Company faces stiff competition with new companies being established and with the players in the unorganised market.

c. Segment / Product wise performance

Your company has a single manufacturing segment viz. Forged Rings while it only trades in Agricultural tools and equipments. The detailed segment-wise performance has been given separately in the note on "Segment Reporting" forming part of financial statements.

d. Industrial Outlook

The Bearing industry was affected by the slowdown in the growth of auto industry in F.Y. 2012-13. Your company will continue to focus on expanding the domestic market as well as look for new pastures in the export market developing new products for Original Equipment Manufacturers.

e. Risk & Concerns

As in all business, ours is also grown to external and internal risks. However, to counter as many risks as possible, your company has written risk policy and the same is reviewed at a regular intervals and effective measures are put in place from time to time for minimizing these risks.

f. Internal control systems & their adequacy

The Company has in place an effective and independent internal control system covering all areas of operations. A regular review is done in respect of the financial and operating controls at various locations of the company. The audit committee at its periodic meetings reviews observations and recommendations contained in internal audit reports, where both statutory as well as internal auditors participate. Independent opinions are expressed on issues of concern and the consequential corrective actions are reviewed by the audit committee.

g. Discussion on financial performance vis-a-vis operational performance

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

h. Material development in human resources and industrial relation front

The Company continued its efforts towards strengthening of human resources by providing employees with better working atmosphere, by giving proper training and recognition at all the levels.

Industrial relations remained cordial throughout the year.

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
GALAXY AGRICO EXPORTS LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **GALAXY AGRICO EXPORTS LIMITED**, which comprises the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year the ended on that date, 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the 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 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



INDEPENDENT AUDITOR'S REPORT

[[2]]

Emphasis of Matter

I draw attention to Note - H of Statement on Significant Accounting Policies relating to Employee Benefits. The treatment of Gratuity is on payment basis and not in accordance with AS-15 "Employee Benefits". The amount of Gratuity liability has not been ascertained and therefore not quantified.

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 sub-section (4A) of section 227 of the Act, I 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, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as it appears from my 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 my 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 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.



For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669

Ahmedabad, 28th May, 2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the head "**Report on other legal and regulatory requirements**" of my report of even date)

To,
The Members,
GALAXY AGRICO EXPORTS LIMITED

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to me, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a substantial part of its fixed assets and the going concern status of the company is not affected.
- (ii) (a) As explained to me, the inventories have been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- (b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory. As explained to me, there was no material discrepancy noticed on physical verification of inventories as compared to the book records.
- (iii) As explained to me, the Company has not granted any loans, secured or unsecured, to or from Companies, firms, or other parties covered in the Register maintained under section 301 of the Act. Accordingly, the provisions of clauses (iii)(a) to (iii)(d) of Para 4 of the Order are not applicable to the Company.
- (e) The Company has accepted unsecured loans from three parties covered in the register maintained under section 301 of the Act. Maximum amount involved during the year was ₹84.88 lakhs and the year-end balance was ₹71.38 lakhs.
- (f) In my opinion, rate of interest and other terms and conditions on which loans have been taken from parties covered in the register maintained under section 301 of the Act are not, *prima facie*, prejudicial to the interest of the company.
- (g) According to the information and explanations given to me, no stipulations for repayment of principal amount and payment of interest have been specified and accordingly the question of regularity in payment does not arise.



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the head **"Report on other legal and regulatory requirements"** of my report of even date)

- (iv) In my opinion and according to the information and explanations given to me, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal controls.
- (v) According to the information and explanation given to me, I am of the opinion that there were no transactions that were required to be entered in the register maintained under section 301 of the Act. Therefore, the provisions of clause (v) of Para 4 of the Order are not applicable to the Company.
- (vi) According to information and explanations given to me, the Company has not accepted any deposits from the Public. Therefore, the provisions of clause (vi) of Para 4 of the Order are not applicable to the Company.
- (vii) The company has no formal internal audit system. However, its control procedures ensure reasonable internal checking of its financial and other records.
- (viii) The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Act in respect of goods manufactured by the Company. I have broadly reviewed the accounts and records of the Company in this connection and am of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, I have not made a detailed examination of the same.
- (ix) According to the information and explanations given to me, in respect of statutory dues;
- (a) The Company has been generally regular in depositing undisputed statutory dues including Provident fund, Income tax, Central Sales Tax, Value added tax, Service tax, Excise duty, Cess and other material statutory dues applicable to it with the appropriate authorities except delay in one case of provident fund.
- There were no undisputed amounts payable in respect of Provident fund, Income tax, Central Sales Tax, Value added tax, Service tax, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of exceeding six months from the date they became payable.
- (b) There were no dues in respect of Income tax, Central Sales Tax, Value added tax, Service tax, Excise duty, Cess and other material statutory dues applicable to it that have not been deposited as at 31st March, 2013 on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year. It has incurred cash loss during the financial year covered by my audit. However it has not incurred any cash loss in the immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to any financial institution or bank.



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the head "**Report on other legal and regulatory requirements**" of my report of even date)

- (xii) In my opinion and according to the information and explanations given to me, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities. Therefore, provisions of clause (xii) of Para 4 of the Order are not applicable to the company.
- (xiii) In my opinion, the company is not a *Chit Fund* or a *Nidhi* Mutual benefit fund/society. Therefore, provisions of Clause (xiii) of Para 4 of the Order are not applicable to the company.
- (xiv) In my opinion and according to the information and explanations given to me, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, provisions of Clause (xiv) of Para 4 of the Order are not applicable to the company.
- (xv) In my opinion and according to the information and explanations given to me, the company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, provisions of Clause (xv) of Para 4 of the Order are not applicable to the company.
- (xvi) In my opinion and according to the information and explanations given to me, the term loan has been applied by the Company for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that funds raised on short-term basis to the extent of ₹44.9 lakhs have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to me, the company has not issued any debentures till date. Therefore, provisions of Clause (xix) of Para 4 of the Order are not applicable to the company.
- (xx) The company has not raised any money by way of public issues during the year. Therefore, provisions of Clause (xx) of Para 4 of the Order are not applicable to the company.
- (xxi) In my opinion and according to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the year under review.

For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



GALAXY AGRICO EXPORTS LIMITED

Balance Sheet as at 31st March, 2013

[Figures in ₹]

| Particulars | Note No. | As at 31st March, 2013 | As at 31st March, 2012 |
|--------------------------------|----------|------------------------|------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 39,136,200 | 39,136,200 |
| Reserves and Surplus | 2 | 12,489,929 | 20,849,381 |
| | | 51,626,129 | 59,985,581 |
| Non-current Liabilities | | | |
| Long-term Borrowings | 3 | 19,932,706 | 20,140,033 |
| Deferred Tax Liability (Net) | 4 | 8,372,820 | 7,937,311 |
| | | 28,305,526 | 28,077,344 |
| Current Liabilities | | | |
| Short-term Borrowings | 5 | 9,532,540 | 6,870,014 |
| Trade Payables | 6 | 1,045,635 | 1,799,505 |
| Other Current Liabilities | 7 | 5,298,852 | 4,943,781 |
| Short-term Provisions | 8 | 30,988 | 473,057 |
| | | 15,908,015 | 14,086,357 |
| | | 95,839,670 | 102,149,282 |
| ASSETS | | | |
| Non-current Assets | | | |
| Fixed Assets | 9 | | |
| - Tangible Assets | | 65,812,401 | 65,089,985 |
| - Capital work-in-progress | | 991,450 | 4,045,083 |
| Non-current Investments | 10 | 24,056 | 24,056 |
| Long-term Loans and Advances | 11 | 736,191 | 2,004,450 |
| Other Non-current Assets | 12 | 4,336,644 | 3,936,528 |
| | | 71,900,742 | 75,100,102 |
| Current Assets | | | |
| Inventories | 13 | 9,885,078 | 11,153,946 |
| Trade Receivables | 14 | 9,985,883 | 8,505,713 |
| Cash and Cash Equivalents | 15 | 1,128,338 | 836,161 |
| Short-term Loans and Advances | 16 | 1,257,774 | 3,826,726 |
| Other Current Assets | 17 | 1,681,855 | 2,726,635 |
| | | 23,938,928 | 27,049,180 |
| | | 95,839,670 | 102,149,282 |

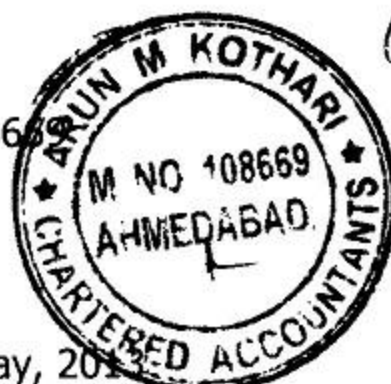
See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



Ahmedabad, 28th May, 2013

For and on behalf of the Board,

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

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Rajkot, 27th May, 2013

GALAXY AGRICO EXPORTS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

[Figures in ₹]

| Particulars | Note No. | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|--|----------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from operations (Gross) | 18 | 59,305,862 | 60,481,688 |
| Less: Excise Duty collected on sales | | (4,680,952) | (2,122,073) |
| Revenue from operations (Net) | | 54,624,910 | 58,359,615 |
| Other Income | 19 | 781,687 | 2,087,744 |
| | | 55,406,597 | 60,447,359 |
| EXPENSES | | | |
| Cost of Materials Consumed | 20 | 24,776,336 | 17,593,828 |
| Purchase of Stock-in-trade | 21 | 1,820,160 | 9,835,876 |
| Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade | 22 | 1,293,318 | (1,770,423) |
| Employee Benefit Expenses | 23 | 7,147,027 | 6,072,334 |
| Finance Costs | 24 | 4,146,054 | 3,286,335 |
| Depreciation | 9 | 3,630,450 | 3,680,410 |
| Other Expenses | 25 | 20,515,996 | 19,418,127 |
| | | 63,329,341 | 58,116,487 |
| PROFIT / (LOSS) BEFORE TAX | | (7,922,744) | 2,330,871 |
| TAX EXPENSE: | | | |
| Current tax | | - | 450,122 |
| Add: MAT credit entitlement / (availed) | | - | (431,212) |
| Net current tax | | - | 18,910 |
| Deferred tax | | 435,509 | 1,037,549 |
| (Excess) / Short provision of prior year tax | | 1,199 | 1,729 |
| | | 436,708 | 1,058,188 |
| PROFIT / (LOSS) AFTER TAX | | (8,359,452) | 1,272,683 |
| EARNINGS PER SHARE: Basic and Diluted | 26 | (3.06) | 0.47 |
| (Face Value per share is ₹10.00) | | | |

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun Kothari
Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board,

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

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2013

Rajkot, 27th May, 2013

GALAXY AGRICO EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2013

[Figures in ₹]

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|--|--------------------------------|--------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) Before Tax | (7,922,744) | 2,330,871 |
| Adjustment for: | | |
| Depreciation | 3,630,450 | 3,680,410 |
| Finance Costs | 4,146,054 | 3,286,335 |
| Interest Income | (402,605) | (253,255) |
| Loss / (Profit) on sale of fixed assets | 864,045 | (828,117) |
| Operating Cash flow before Working Capital Changes | 315,200 | 8,216,244 |
| Adjustment for: | | |
| Movement in Loans and Advances | 4,131,104 | (680,027) |
| Movement in Inventories | 1,268,868 | (2,166,745) |
| Movement in Trade and other receivables | (422,423) | (442,697) |
| Movement in Trade and other payables | (989,544) | 1,484,374 |
| Movement in Provisions | (369,979) | (400,509) |
| Cash generated from Operations | 3,933,225 | 6,010,641 |
| Less : Direct Taxes (Paid) / Refunds | (367,182) | (418,902) |
| Net Cash flow from Operating Activities [A] | 3,566,043 | 5,591,739 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (3,983,278) | (16,744,894) |
| Sale of Fixed Assets | 1,820,000 | 1,641,200 |
| Purchase of Investments | - | (24,056) |
| Movement In Bank Deposits | (400,116) | (3,656,688) |
| Interest Received | 389,638 | 190,980 |
| Net Cash flow from / (used in) Investing Activities [B] | (2,173,756) | (18,593,458) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Movement in Long-term Borrowings | 231,741 | 11,782,421 |
| Movement in Short-term Borrowings | 2,662,526 | 3,836,719 |
| Finance Costs | (3,994,377) | (3,100,193) |
| Net Cash flow from / (used in) Financing Activities [C] | (1,100,110) | 12,518,947 |
| Net Increase in Cash and Cash Equivalents [A+B+C] | 292,177 | (482,772) |
| Opening Cash and Cash Equivalents | 836,161 | 1,318,933 |
| Closing Cash and Cash Equivalents | 1,128,338 | 836,161 |

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as mentioned in Accounting Standard 3: "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board,

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

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2013

Rajkot, 27th May, 2013

GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

A. Basis of preparation of financial statements

The financial statements have been prepared on accrual basis and under the historical cost convention, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of financial statements have been consistently applied.

B. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

C. Tangible Fixed assets and Depreciation

Tangible Assets are stated at cost including directly attributable cost of bringing the assets to their working conditions for intended use, net of recoverable taxes, less accumulated depreciation, if any.

Depreciation on tangible fixed assets has been provided on pro-rata basis and according to Straight Line Method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on addition to fixed assets is provided for as and when the asset is put to use.

D. Investments

Long-term Investments are stated at cost less amount written off, where there is a diminution in its value of long-term nature.

E. Inventories

Inventories are valued at Cost or Net realizable value whichever is lower. Cost of inventories comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

F. Revenue Recognition

Sales are recognised on dispatch of goods to customers.

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

Other operating income comprises of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.



GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

G. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

H. Employee Benefits

(a) Short-term employee benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

(b) Defined Contribution Plans

Contribution to provident fund is charged to the Statement of Profit and Loss for the year in which it becomes due.

Gratuity at present is being charged to the Statement of Profit and Loss in the year in which the payment is made to the employee.

I. Income Tax

(a) Current Tax

Provision is made for income tax on yearly basis, under the tax payable method, based on tax liability, as computed after taking credit for allowances, exemptions and deductions as per the provisions of Income Tax Act, 1961.

(b) Deferred Tax

Deferred tax liabilities or assets are recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only to the extent that there is virtual certainty that sufficient taxable income will be available to realise these assets. All other deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

J. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

2. Reserves and Surplus

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| General Reserve | 250,000 | 250,000 |
| Surplus in Statement of Profit and Loss | | |
| Opening Balance | 20,599,381 | 19,326,698 |
| Add: Profit / (Loss) for the year | (8,359,452) | 1,272,683 |
| Closing Balance | 12,239,929 | 20,599,381 |
| | 12,489,929 | 20,849,381 |

3. Long-term Borrowings

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Term Loans | | |
| <u>Secured</u> | | |
| From Banks | | |
| Rajkot Nagrik Sahakari Bank | 10,482,705 | 14,140,032 |
| [The above term loan is Secured by way of Equitable mortgage of Factory Land & Building and hypothecation of Moveable & Current Assets of the company. There is personal guarantee of Whole Time Directors for this loan.] | | |
| Loans and Advances from related parties | | |
| <u>Unsecured</u> | | |
| From Directors and their relatives | 7,650,001 | 4,200,001 |
| [No terms and conditions are stipulated for the repayment of above loans; Interest rate: 12% p.a.] | | |
| Loans from others | 1,800,000 | 1,800,000 |
| <u>Unsecured</u> | | |
| [No terms and conditions are stipulated for the repayment of above loans; Interest rate: 12% p.a.] | | |
| | 19,932,706 | 20,140,033 |

Term loan from Rajkot Nagrik Sahakari Bank

Repayment terms: Moratorium period of 6 months, repayable in 60 EMI of ₹4,35,000/- each commencing from February 2012;

Maturity period from Balance sheet date: 46 months;

Interest Rate: 12.50% on the outstanding principal

4. Deferred Tax Liability (Net)

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|-------------------------------------|---------------------------|---------------------------|
| Opening balance | 7,937,311 | 6,899,762 |
| Deferred Tax Liability for the year | 435,509 | 1,037,549 |
| Net Deferred Tax Liability | 8,372,820 | 7,937,311 |

Refer Note No. 31



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

5. Short-term Borrowings

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Loans repayable on demand | | |
| <u>Secured</u> | | |
| From Banks | | |
| Rajkot Nagrik Sahakari Bank - Cash Credit | 9,532,540 | 6,870,014 |
| [The above loan is secured by way of equitable mortgage of Factory Land & Building and hypothecation of Moveable & Current Assets of the company. There is personal guarantee of Whole Time Directors of the Company for this loan.] | | |
| | 9,532,540 | 6,870,014 |

6. Trade Payables

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|------------------------|---------------------------|---------------------------|
| Other than Acceptances | 1,045,635 | 1,799,505 |
| | 1,045,635 | 1,799,505 |

7. Other Current Liabilities

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Current maturity of long-term borrowings | | |
| Term Loan | | |
| <u>Secured</u> | | |
| From Banks | 3,664,006 | 3,224,938 |
| Interest accrued but not due on borrowings | 151,677 | 186,142 |
| Other Payables | | |
| Statutory Liabilities | | |
| Excise Duty | 70,799 | - |
| Professional Tax | 68,930 | 56,390 |
| Provident Fund Contribution | 29,370 | 55,300 |
| T.D.S. and T.C.S. | 148,983 | 141,461 |
| V.A.T. | 169,687 | 47,453 |
| Payables on purchase of fixed assets | - | 329,620 |
| Employee benefit expenses | 985,400 | 902,346 |
| Advances from customers | - | 131 |
| Audit Fees Payable | 10,000 | - |
| | 5,298,852 | 4,943,781 |

8. Short-term Provisions

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Provisions - Others | | |
| Provision for Income Tax (As at 31.03.2012: Net of T.D.S. ₹3,77,901 and TCS ₹131) | - | 72,090 |
| Other Provisions | | |
| Audit Fees | - | 5,000 |
| Expenses | 30,988 | 7,544 |
| Excise Duty on Closing Stock of Finished Goods | - | 388,423 |
| | 30,988 | 473,057 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

9. Fixed Assets

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|---------------------------------|------------------------------|-------------------|--------------------------|------------------------------|------------------------------|---------------------------|---|------------------------------|------------------------------|------------------------------|
| | As at 31st March, 2012 | Addition | Disposal / Adjustment | As at 31st March, 2013 | As at 31st March, 2012 | Charge for the year | Eliminated on disposal of assets | As at 31st March, 2013 | As at 31st March, 2013 | As at 31st March, 2012 |
| Tangible Assets | | | | | | | | | | |
| Land | 1,241,216 | - | - | 1,241,216 | - | - | - | - | 1,241,216 | 1,241,216 |
| Building | 13,724,899 | 4,754,594 | - | 18,479,493 | 4,856,681 | 498,440 | - | 5,355,121 | 13,124,372 | 8,868,218 |
| Plant and Equipments | 62,439,880 | 1,588,272 | 4,838,663 | 59,189,489 | 13,975,821 | 2,798,705 | 2,154,618 | 14,619,908 | 44,569,581 | 48,464,059 |
| Dies and Tools | 181,618 | - | - | 181,618 | 99,424 | 20,541 | - | 119,965 | 61,653 | 82,194 |
| Electric Installations | 7,697,766 | 576,245 | - | 8,274,011 | 2,545,746 | 130,260 | - | 2,676,006 | 5,598,005 | 5,152,020 |
| Furniture and Fixtures | 1,482,762 | 50,600 | - | 1,533,362 | 812,494 | 96,150 | - | 908,644 | 624,718 | 670,268 |
| Vehicles | 757,382 | - | - | 757,382 | 293,736 | 67,541 | - | 361,277 | 396,105 | 463,646 |
| Office Equipments | 1,280,643 | 67,200 | - | 1,347,843 | 1,132,279 | 18,813 | - | 1,151,092 | 196,751 | 148,364 |
| | 88,806,166 | 7,036,911 | 4,838,663 | 91,004,414 | 23,716,181 | 3,630,450 | 2,154,618 | 25,192,013 | 65,812,401 | 65,089,985 |
| Capital work-in-progress | | | | | | | | | | |
| Building | 2,159,288 | 2,595,306 | 4,754,594 | - | - | - | - | - | - | 2,159,288 |
| Plant and Equipments | 1,610,202 | 30 | 618,782 | 991,450 | - | - | - | - | 991,450 | 1,610,202 |
| Electric Installations | 275,593 | 300,289 | 575,882 | - | - | - | - | - | - | 275,593 |
| | 4,045,083 | 2,895,625 | 5,949,258 | 991,450 | - | - | - | - | 991,450 | 4,045,083 |
| TOTAL | 92,851,249 | 9,932,536 | 10,787,921 | 91,995,864 | 23,716,181 | 3,630,450 | 2,154,618 | 25,192,013 | 66,803,851 | 69,135,068 |
| Previous Year | 77,424,993 | 16,744,894 | 1,318,638 | 92,851,249 | 20,541,325 | 3,680,410 | 505,555 | 23,716,180 | 69,135,069 | 56,883,668 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

10. Non-Current Investments

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| (At Cost) | | |
| Other Investments - Unquoted, fully paid up | | |
| Investment in Equity Shares | | |
| 4 (As at 31.03.2012: 4) shares of ₹ 6,014 each in Rajkot Nagrik Sahakari Bank | 24,056 | 24,056 |
| | 24,056 | 24,056 |

11. Long-term Loans and Advances

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---------------------------------------|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Security Deposits | | |
| Electricity Deposits | 272,412 | 1,539,171 |
| Gas Deposit | 3,020 | 3,020 |
| Telephone Deposits | 29,547 | 29,547 |
| IOL Ltd. Trade Deposit | - | 1,500 |
| Other loans and advances | | |
| MAT Credit Entitlement | 431,212 | 431,212 |
| | 736,191 | 2,004,450 |

12. Other Non-Current Assets

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|----------------------------------|---------------------------|---------------------------|
| Bank Deposits | | |
| Corporation Bank F.D. | 323,107 | 300,702 |
| Rajkot Nagrik Sahakari Bank F.D. | 4,013,537 | 3,635,826 |
| | 4,336,644 | 3,936,528 |

13. Inventories

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---------------------------------|---------------------------|---------------------------|
| Raw Materials | 4,014,498 | 4,077,333 |
| Work-in-progress | 3,039,790 | 1,029,942 |
| Finished Goods | - | 3,072,166 |
| Stock-in-trade | 998,889 | 1,229,889 |
| Dies, Tools and Other Materials | 1,831,901 | 1,744,616 |
| | 9,885,078 | 11,153,946 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

14. Trade Receivables

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Trade Receivables outstanding for a period exceeding six months from the date they were due for payment | 165,708 | 286,430 |
| Other Trade Receivables | 9,820,175 | 8,219,283 |
| | 9,985,883 | 8,505,713 |

15. Cash and Cash Equivalents

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---------------------|---------------------------|---------------------------|
| Cash on hand | 48,497 | 24,146 |
| Balances with Banks | | |
| In Current Accounts | 1,079,841 | 776,227 |
| In EEFC Account | - | 35,788 |
| | 1,128,338 | 836,161 |

16. Short-term Loans and Advances

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| (Unsecured, considered good) | | |
| Loans and Advances to employees | 273,674 | 388,405 |
| Balances with Statutory Authorities | | |
| Excise Receivables | - | 187,513 |
| Excise RG 23A Part II Receivables | - | 544,679 |
| Excise RG 23C Part II Receivables | - | 538,260 |
| Excise PLA | - | 91,340 |
| Service Tax Receivables | 26,054 | 39,711 |
| TDS & TCS Receivables (A.Y. 2013-14) | 293,893 | - |
| Income Tax Refund (A.Y. 2000-01) | 55,000 | 55,000 |
| Income Tax Refund (A.Y. 2009-10) | 31,179 | 31,179 |
| Income Tax Refund (A.Y. 2010-11) | - | 369,508 |
| Others | | |
| Advance to Suppliers and others | 113,323 | 1,524,779 |
| Prepaid Expenses | 464,651 | 56,352 |
| | 1,257,774 | 3,826,726 |

17. Other Current Assets

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Accruals | | |
| Interest Accrued on Electricity Deposits | 12,967 | 62,275 |
| Job Work Receivables | 492,773 | 1,488,245 |
| License Fees Receivables | 1,176,115 | 1,176,115 |
| | 1,681,855 | 2,726,635 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

18. Revenue from Operations

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|--|--------------------------------|--------------------------------|
| Revenue from sale of products | 41,120,117 | 38,790,356 |
| Revenue from sale of services | 12,730,626 | 16,342,265 |
| Other Operating Income | 5,455,119 | 5,349,067 |
| Revenue From Operations (Gross) | 59,305,862 | 60,481,688 |
| Less: Excise Duty collected on sales | (4,680,952) | (2,122,073) |
| Revenue From Operations (Net) | 54,624,910 | 58,359,615 |

18.1 Sale of Products comprises

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---------------------------|--------------------------------|--------------------------------|
| <u>Manufactured Goods</u> | | |
| Forged Rings | 38,573,529 | 24,059,532 |
| <u>Traded Goods</u> | | |
| Agricultural Equipments | 2,546,588 | 14,730,824 |
| | 41,120,117 | 38,790,356 |

18.2 Sale of Services comprises

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| Job work Income - Agricultural Equipments | - | 233,640 |
| Job work Income - Forged Rings | 12,730,626 | 16,108,625 |
| | 12,730,626 | 16,342,265 |

18.3 Other operating income comprises

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---------------------|--------------------------------|--------------------------------|
| Import Entitlements | 52,732 | 768,167 |
| Rate Difference | - | 13,303 |
| Scrap Sales | 5,402,387 | 4,567,597 |
| | 5,455,119 | 5,349,067 |

19. Other Income

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| Interest on: | | |
| Bank Deposits | 402,605 | 253,255 |
| Electricity Deposits | 14,408 | 69,195 |
| Income Tax Refund | 23,812 | - |
| Net Gain on foreign currency transactions | 110,983 | 819,129 |
| Other non-operating income | | |
| Discount Received | 184,992 | 100,985 |
| Net profit on sale of fixed assets | - | 828,117 |
| Sundry balances written off | 44,887 | 17,063 |
| | 781,687 | 2,087,744 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

20. Cost of Materials Consumed

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| (Indigenous) | | |
| Raw Material Consumed (ALLOY STEEL) | | |
| Opening Stock | 4,077,333 | 3,021,641 |
| Add: Purchases | 22,030,708 | 14,183,579 |
| Less: Closing Stock | 4,014,498 | 4,077,333 |
| | 22,093,543 | 13,127,887 |
| Dies, Tools and Other Materials Consumed | | |
| Opening Stock | 1,744,616 | 2,403,986 |
| Add: Purchases | 2,770,078 | 3,806,571 |
| Less: Closing Stock | 1,831,901 | 1,744,616 |
| | 2,682,793 | 4,465,941 |
| | 24,776,336 | 17,593,828 |

21. Purchase of Stock-in-Trade

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|-------------------------|--------------------------------|--------------------------------|
| Agricultural Equipments | 1,820,160 | 9,835,876 |
| | 1,820,160 | 9,835,876 |

22. Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| <u>Inventories at the beginning of the year</u> | | |
| Finished Goods | 3,072,166 | 239,743 |
| Work-in-Progress | 1,029,942 | 1,629,942 |
| Stock-in-trade | 1,229,889 | 1,691,889 |
| | 5,331,997 | 3,561,574 |
| <u>Inventories at the end of the year</u> | | |
| Finished Goods | - | 3,072,166 |
| Work-in-Progress | 3,039,790 | 1,029,942 |
| Stock-in-trade | 998,889 | 1,229,889 |
| | 4,038,679 | 5,331,997 |
| | 1,293,318 | (1,770,423) |

23. Employee Benefit Expenses

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|--------------------------------|--------------------------------|--------------------------------|
| Salaries and Wages | 6,675,136 | 5,549,353 |
| Contribution to provident fund | 274,569 | 390,078 |
| Staff welfare expenses | 197,322 | 132,903 |
| | 7,147,027 | 6,072,334 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

24. Finance Costs

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|------------------------------|--------------------------------|--------------------------------|
| Interest expenses on: | | |
| Borrowings | | |
| Cash Credit | 853,076 | 153,516 |
| Term loan | 1,967,276 | 1,276,831 |
| Vehicle Loan | - | 3,933 |
| Unsecured Loans | 1,325,702 | 1,105,618 |
| Other Borrowing Costs | - | 746,437 |
| | 4,146,054 | 3,286,335 |

25. Other Expenses

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| Manufacturing and Other Direct Expenses | | |
| Increase / (decrease) of excise duty on inventory | (388,423) | 317,125 |
| Job Work Charges | 1,894,613 | 915,565 |
| Power Consumption | 12,329,233 | 10,845,447 |
| Repairs and Maintenance - Machinery | 2,723,447 | 3,016,921 |
| Transportation and Freight Expenses | 642,851 | 635,253 |
| Factory and other expenses | 124,279 | 80,048 |
| | 17,326,000 | 15,810,359 |
| Administrative and Selling Expenses | | |
| Auditor's Remuneration | | |
| Statutory and Tax Audit Fees | 10,000 | 5,000 |
| Donation | 16,600 | 151,500 |
| Electric Connection Charges | - | 542,289 |
| Insurance | 24,976 | 21,153 |
| Legal and Professional Charges | 768,442 | 421,503 |
| Listing and Re-instatement Charges | 29,595 | 993,375 |
| Net loss on sale of fixed assets | 864,045 | - |
| Repairs and Maintenance - Building | 35,538 | 39,347 |
| Rates and Taxes | 212,101 | 9,595 |
| Other administrative and selling expenses | 1,228,699 | 1,424,006 |
| | 3,189,996 | 3,607,768 |
| | 20,515,996 | 19,418,127 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

26. Earnings Per Share (EPS)

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders | (8,359,452) | 1,272,683 |
| Weighted Average number of equity shares used as denominator for calculating EPS | 2,731,620 | 2,731,620 |
| Basic and Diluted Earnings per share | (3.06) | 0.47 |
| Face Value per share | 10.00 | 10.00 |

27. Contingent liabilities and commitments (to the extent not provided for)

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| Contingent liabilities | - | - |
| Estimated amount of Contracts remaining to be executed on Capital Account | - | - |

28. Earnings And Outgo of Foreign Exchange, CIF Value of Imports

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|----------------------------------|--------------------------------|--------------------------------|
| <u>Foreign Exchange Earnings</u> | | |
| Exports (F.O.B. Value) | 2,202,208 | 14,776,116 |
| Foreign Exchange Outgo | - | - |
| CIF Value of Imports | - | - |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

29. Segment Information

The company has identified Business Segments as its primary segment and Geographic Segments as its secondary segment.

Business Segments include: Agricultural Equipments and Forged Rings (Bearings).

Revenues and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a particular segment have been allocated on the basis of associated revenues of the segments. All other expenses which relate to enterprise as a whole and are not attributable / allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Assets and Liabilities that are directly attributable / allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably among segments are not allocated to primary and secondary segments.

Geographical revenues are allocated based on the location of the customer. Geographical Segments of the company are "Within India" and "Outside India".

Segment Reporting for the year ended 31st March, 2013

(i) Primary Segment Information:

| Particulars | BUSINESS SEGMENTS | | | |
|--|-------------------------|-------------------|--------------------|--------------------|
| | Agricultural Equipments | Forged Rings | Unallocable | Total |
| 1. Segment Revenue | | | | |
| External Turnover | 2,599,320 | 56,706,542 | - | 59,305,862 |
| Inter-Segment Turnover | - | - | - | - |
| Gross Turnover | 2,599,320 | 56,706,542 | - | 59,305,862 |
| Less: Excise Duty Recovered | - | (4,680,952) | - | (4,680,952) |
| Net Turnover | 2,599,320 | 52,025,590 | - | 54,624,910 |
| 2. Segment Result before Interest and Taxes | (1,985,549) | 189,647 | (2,421,613) | (4,217,515) |
| Less: Interest Expense | - | - | (4,146,054) | (4,146,054) |
| Add: Interest Income | - | - | 440,825 | 440,825 |
| Profit Before Tax [PBT] | (1,985,549) | 189,647 | 2,165,266 | 369,364 |
| Less: Net Current tax | - | - | - | - |
| Deferred tax | - | - | 435,509 | 435,509 |
| Prior Year Tax | - | - | 1,199 | 1,199 |
| Profit After Tax [PAT] | (1,985,549) | 189,647 | 1,728,558 | (67,344) |
| 3. Other Information | | | | |
| Segment Assets | 6,947,208 | 64,639,915 | 24,252,547 | 95,839,670 |
| Segment Liabilities | - | 4,709,641 | 31,131,080 | 35,840,721 |
| Capital Expenditure | - | 969,490 | 3,013,788 | 3,983,278 |
| Depreciation | 337,540 | 2,481,706 | 811,204 | 3,630,450 |

(ii) Secondary Segment Information:

The following Geographic Segments individually contributed 10% or more of the Company's revenues in the previous year.

| Particulars | Segment Revenues |
|---------------|------------------|
| Within India | 52,422,702 |
| Outside India | 2,202,208 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

Segment Reporting for the year ended 31st March, 2012

(i) Primary Segment Information:

| Particulars | BUSINESS SEGMENTS | | | |
|--|-------------------------|-------------------|---------------------|-------------------|
| | Agricultural Equipments | Forged Rings | Unallocable | Total |
| 1. Segment Revenue | | | | |
| External Turnover | 15,732,631 | 44,850,042 | - | 60,582,673 |
| Inter-Segment Turnover | - | - | - | - |
| Gross Turnover | 15,732,631 | 44,850,042 | - | 60,582,673 |
| Less: Excise Duty Recovered | - | (2,122,073) | - | (2,122,073) |
| Net Turnover | 15,732,631 | 42,727,969 | - | 58,460,600 |
| 2. Segment Result before Interest and Taxes | 4,662,501 | 15,865,533 | (15,233,276) | 5,294,758 |
| Less: Interest Expense | - | - | 3,286,335 | 3,286,335 |
| Add: Interest Income | - | - | 322,450 | 322,450 |
| Profit Before Tax [PBT] | 4,662,501 | 15,865,533 | (18,197,161) | 2,330,873 |
| Less: Net Current tax | - | - | 18,910 | 18,910 |
| Deferred tax | - | - | 1,037,549 | 1,037,549 |
| Prior Year Taxes | - | - | 1,729 | 1,729 |
| Profit After Tax [PAT] | 4,662,501 | 15,865,533 | (19,255,349) | 1,272,685 |
| 3. Other Information | | | | |
| Segment Assets | 9,975,678 | 72,049,684 | 20,259,360 | 102,284,722 |
| Segment Liabilities | - | 27,121,696 | 7,240,132 | 34,361,828 |
| Capital Expenditure | - | - | - | 3,983,278 |
| Depreciation | 417,516 | 2,300,856 | 962,038 | 3,680,410 |

(ii) Secondary Segment Information:

The following Geographic Segments individually contribute 10% or more of the Company's revenues.

| Particulars | Segment Revenues |
|---------------|------------------|
| Within India | 43,591,743 |
| Outside India | 14,868,857 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in ₹]

30. Related Party Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

30.1 List of related parties with whom transactions have taken place and relationships:

| Sr. No. | Name of the Related Party | Relationship |
|---------|---------------------------|--------------------------------|
| 1. | Jayantibhai D. Patel | Key Management Personnel (KMP) |
| 2. | Sanjay J. Patel | |
| 3. | Manoj H. Shah | |
| 4. | Jitendra H. Shah | Relative of KMP |

30.2 Transactions during the year with related parties and year-end balances

| Particulars | Key Management Personnel (KMP) | Relative of KMP |
|--------------------------------------|--------------------------------|---------------------------|
| <u>Nature of Transactions</u> | | |
| Salary | 480,000 <i>480,000</i> | - - |
| Loans Accepted | 5,832,592 <i>449,774</i> | - - |
| Loans Repaid | 2,382,592 <i>5,449,774</i> | - - |
| Interest paid on loans accepted | 977,592 <i>449,774</i> | 61,440 <i>61,440</i> |
| <u>Year-end balances</u> | | |
| Loans and Advances | 7,138,000 <i>3,688,000</i> | 512,001 <i>512,001</i> |

Note: Figures in *italic* relate to the previous year

31. Deferred Tax Liability (Net)

| Particulars | As at 31st March, 2012 | Current Year Charge / (Credit) | As at 31st March, 2013 |
|--|---------------------------|--------------------------------------|------------------------------|
| Difference between book and tax depreciation | 17,152,226 | 2,080,253 | 19,232,479 |
| Loss on sale of fixed assets 2008-09 | (997,270) | 148,547 | (848,723) |
| Loss on sale of fixed assets 2009-10 | (2,232,682) | 334,902 | (1,897,780) |
| Profit on sale of fixed assets 2010-11 | 1,106,830 | (166,025) | 940,805 |
| Profit on sale of fixed assets 2011-12 | 828,117 | (124,218) | 703,899 |
| Loss on sale of fixed assets 2012-13 | - | (864,045) | (864,045) |
| Net Timing Difference | 15,857,221 | 1,409,414 | 17,266,635 |
| Net Deferred Tax Liability | 7,937,311 | 435,509 | 8,372,820 |



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

32. Other Disclosures

- 32.1 The outstanding balances as at 31st March, 2013 in respect of Trade receivables, Trade payables, Loans & Advances and other payables & receivables are subjected to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. The Management, however, does not expect any material variation.
- 32.2 The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. In the absence of this information, Company is unable to provide the details in "Trade Payables" regarding the overdues to such Enterprises.
- 32.3 According to the opinion of the management of the Company, the value of realization of Trade & Other Receivables and Loans & Advances given in the ordinary course of business would not be less than the amount at which they are stated in the Balance sheet.

Signature to the Statement on Significant Accounting Policies and Notes forming part of the financial Statements

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board

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

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2013

Rajkot, 27th May, 2013