



ANNUAL REPORT 2013 – 2014

COMPANY INFORMATION

BOARD OF DIRECTORS

NATHABHAI J. SADARIA
MANOJ H. SHAH
SANJAY J. 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
SHAHIBAG, AHMEDABAD (GUJARAT) INDIA

REGISTERED AND SHARE TRANSFER AGENET

MAIN OFFICE

LINK INTIME INDIA PVT. LTD
C-13 PANALAL SILK MILL COMPOUND,
LBS MARG, BHANDUP (W),
MUMBAI-400078 (MAHARASHTRA) INDIA

AHMEDABAD BRANCH

LINK INTIME INDIA PVT. LTD
303 SHOPPERS PLAZA-V,
OPP: MUNICIPAL MARKET,
OFF: C.G. ROAD, NAVRANGAPURA,
AHMEDABAD-380009 (GUJARAT) INDIA
ahmedabad@linkintime.co.in

REGISTRERED OFFICE

236 JAIKISHAN IND. ESTATE,
BEHIND MURLIDHR WEIGH BRIDGE,
VERAVAL (SHAPAR)-360024
DIST. RAJKOT
(GUJARAT) INDIA



NOTICE

Notice is hereby given that Twentieth Annual General Meeting of the Members of **GALAXY AGRICO EXPORTS LIMITED** will be held on **Tuesday, 30TH September 2014** at 11.00 a.m. at registered office of the Company situated at 236 Jai Kishan Industrial Estate, Behind Murlidhar Weigh Bridge, Veraval- Shapar 360024, Dist: Rajkot 360024 (Gujarat) India to transact the following business:

ORDINARY BUSINESS:

1. To Receive, Consider and Adopt the Audited Balance Sheet as on 31st March, 2014 and Statement of Profit and Loss and Cash Flow for the year ended on that date together with reports of Board of Directors and independent Auditors thereon.
2. To appoint Director in place of Mr. Manoj Harsukhlal Shah (Din: 02173383) who retires by rotation and being eligible to offer himself for re-appointment.
3. To appoint Director in place of Mr. Ajaykumar Ramjibhai Patel (DIN- 00167284) who retires by rotation and being eligible to offer himself for re-appointment.
4. **To consider and if thought fit, to pass with or without modification(s), the Following Resolution as an ordinary resolution.**

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 (Act) and other applicable provisions if any of the Act and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s ARUN M KOTHARI., Chartered Accountants (M. No. 108669), the retiring Auditors of the Company, be and are hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty Third Annual

General Meeting, and subject to ratification by Members every year on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Ajaykumar Ramjibhai Patel (DIN- 00167284), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, who shall not be liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Kirankumar Bhavanjibhai Govani (DIN-01294557), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, who shall not be liable to retire by rotation.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Mansukhlal Nathabhai Govani (DIN- 02167809), an Independent Director of the Company, in respect of whom the Company has received a notice from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, who shall not be liable to retire by rotation.

8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution**:

RESOLVED that the consent of the Members of the Company under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and its underlying rules as may be amended from time to time and the relevant provisions of the Articles of Association of the Company, be and is hereby accorded to the borrowings by the Board of Directors of the Company from time to time, of all moneys deemed by them to be requisite or proper for the purpose of carrying on the business of the Company, so however, that apart from deposits accepted in the ordinary course of business, temporary loans repayable on demand or within six months from the date of the loan or temporary loans, if any, obtained from the Company’s bankers, the total amount of such borrowings outstanding at any time shall not exceed 6.00 Crore (Rupees Six Crore) notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (including temporary loans, if any, obtained for the purpose of financing expenditure of a capital nature) will exceed the aggregate of the paid-up share capital of the Company and its free reserves.

RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient, to give effect to this resolution.

For and on Behalf of the Board,

GALAXY AGRICO EXPORTS LIMITED

**Sd/-
Director**

**Sd/-
Director**

Registered Office:

236 Jai Kishan Industrial Estates,
Behind Murlidhar Weigh Bridge,
Veraval-Shapar, Dist: Rajkot 360024
(Gujarat) India

Date: **06/09/2014**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL, INSTEAD OF HERSELF/ HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate member are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
3. Members or Proxy should fill in the attendance slip for attending the Meeting.
4. In the case of the Joint holders attending the Meeting. Only such joint holders who are higher in the order of names will be entitled to vote.
5. The Statutory Register under the Companies Act, 2013 (Register under Section 170 and Section 189 of the Companies Act, 2013) is available for inspection at the Registered Office of

the Company during business hours between 11.00 am to 6.00 pm except on holidays and will be made available at the venue of the meeting.

6. The Register of Member and Share Transfer books will remain close from Wednesday, September 24, 2014 to Tuesday, September 30, 2014 (Both days inclusive)
7. Members are requested to forward their queries on Annual Accounts or other Sections of the Annual Report to the Company Secretary at address of the registered office of the Company at least 7days in advance for enabling the Company to furnish appropriate details.
8. Members are requested to bring their copy of the Annual report at the Meeting.
9. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking reappointment at the General Meeting are annexed with this notice.
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
14. Electronic copy of the Notice of the 20th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository

Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 20th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

The instructions for members for voting electronically are as under:-

:→ In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.
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- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Place: Veraval - Shapar (Rajkot)

Date: 06/09/2014

The Information as required to be disclosed under Clause 49 (IV) (E) and 49 (IV) (G) (i) of the Listing Agreement regarding the Directors proposed to be appointed / re-appointed:

Sr. No.	Reappointment	Appointment	Appointment	Appointment
Full Name	Manoj Harsukhlal Shah	Mr. Ajay Ramjibhai Patel	Mr. Kirankumar Bavanjibhai Govani	Mr. Mansukhlal Nathabhai Govani
Din Number	02173383	00167284	01294557	02167809
Date of Birth	15/06/1964	26/12/1974	07/10/1966	05/10/1955
Date of Previous Appointment if Any	01/07/2008	23/03/2003	NA	NA
Expertise Area	Marketing & Finance	Finance	Production	Account and Finance
Directorship in Other Company	1) Accumax Rings Limited	Nil	Diamond Tools Private Limited	Diamond Tools Private Limited
Member in Committee	3		NIL	NIL
No. of Share held as on 01 st July 2014	149600	Nil	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

ITEM NO. 5

As per the provision of the Companies Act, 2013 (Act), an Ordinary Resolution for appointment of Mr. Ajaykumar Ramjibhai Patel as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, it is proposed for consideration and approval of the shareholders.

Mr. Ajaykumar Patel aged 39 Years, Completed his study from Virani Science School, Rajkot. Mr. Ajaykumar Patel is engaged with reality development business since last 14 Years.

In the opinion of the Board, Mr. Ajaykumar Ramjibhai Patel fulfils the Conditions specified as per the Companies Act, 2013 for such an appointment.

The Company has received a declaration from Ajaykumar Patel that he meets with the criteria of Independence under sub-section (6) of section 149 of the Act.

No other director, Key Managerial Person or their relative is interested in the resolution.

ITEM NO. 6

As per the provision of the Companies Act, 2013 (Act), an Ordinary Resolution for appointment of Kirankumar Bavanjibhai Govani as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, it is proposed for consideration and approval of the shareholders.

Mr. Kirankumar Bavanjibhai Govani aged about 48 Years, He has a 15 (Fifteen) years experience in forging industries in Production Field. He is also engaged as Partner & share holder in several Partnership Firm and Company. He does not hold any Shares in the Company.

The Company has received Notice along with requisite deposit from a member under section 160 of the Act proposing the candidature of Mr. Kirankumar Bavajibhai Govani as a Director of the Company.

In the opinion of the Board, Mr. Kirankumar Bavajibhai Govani fulfils the Conditions specified as per the Companies Act, 2013 for such an appointment.

The Company has received a declaration from Mr. Kirankumar Bavajibhai Govani that he meets with the criteria of Independence under sub-section (6) of section 149 of the Act.

No other director, Key Managerial Person or their relative is interested in the resolution.

ITEM NO. 7

As per the provision of the Companies Act, 2013 (Act), an Ordinary Resolution for appointment of Mr. Mansukhlal Nathabhai Govani as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, it is proposed for consideration and approval of the shareholders.

Mr. Mansukhlal Nathabhai Govani is graduate in commerce. He is aged about 59 years. He has 20 years Experience in Forging Industries in field of Account and Finance. He is also engaged as partner in several Partnership firm and hold share in other private Limited. He does not hold any Shares in this Company.

The Company has received Notice along with requisite deposit from a member under section 160 of the Act proposing the candidature of Mr. Mansukhlal Nathabhai Govani as a Director of the Company.

In the opinion of the Board, Mr. Mansukhlal Nathabhai Govani fulfils the Conditions specified as per the Companies Act, 2013 for such an appointment.

The Company has received a declaration from Mr. Mansukhlal Nathabhai Govani that he meets with the criteria of Independence under sub-section (6) of section 149 of the Act.

No other director, Key Managerial Person or their relative is interested in the resolution.

ITEM NO. 8

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1)(c) which corresponds to Section 293(1)(d) of the Companies Act, 1956 read with Articles of Association of the Company, borrowings by the Company (apart from the deposits accepted in the ordinary course of business by the Company, temporary loans repayable on demand or within six months from the date of the loan, and temporary loans, if any, obtained from the Company's bankers, other than loans raised for the purpose of financing expenditure of a capital nature), in excess of the paid-up capital of the Company and its free reserves, require the approval of the Members by way of special resolution.

The Members of the Company had approved the excess borrowing limit under the Companies Act, 1956 and applicable rules under the Companies act, 1956. The Ministry of Corporate Affairs (MCA) has *vide* its Circular dated March 25, 2014 clarified that the resolution passed under Section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be effective for a period of one year from the date of notification of Section 180 of the Act which would be September 11, 2014.

Pursuant to the above clarification, it is proposed to seek a fresh approval of the Members under Section 180 of the Companies Act, 2013. Considering the substantial growth in business and operations of the Company, present and future requirements, your approval is being sought to increase the borrowing limits up to 6.00 Crores (Rupees Six Crore).

No director, Key Managerial Person or their relative is interested in the resolution

For and on Behalf of the Board,

GALAXY AGRICO EXPORTS LIMITED

Place : Veraval – Shapar

**Sd/-
Director**

**Sd/-
Director**

Date : 06/09/2014

DIRECTORS' REPORT

To,
The Members,
GALAXY AGRICO EXPORTS LIMITED

The Directors have pleasure in presenting the TWENTIETH ANNUAL REPORT and Audited Accounts of your company for the year ended 31st March, 2014.

Financial Performance
Lakhs]

[Rs. In

Particulars	2013-14	2012-13
Revenue From Operations (Net)	576.30	546.24
Earnings before Interest, Depreciation and Tax	61.19	(9.28)
Less: Finance Costs	(40.92)	(41.46)
Depreciation	(41.52)	(36.30)
Add: Other Income	5.23	7.82
Profit / (Loss) Before Tax	(15.99)	(79.22)
Less: <u>Tax Expense</u>		
Net Current Tax	-	-
Deferred Tax	(4.03)	4.36
Short provision for tax of previous year	-	0.01
Profit / (Loss) After Tax	(11.97)	(83.59)

Dividend

The directors do not recommend any dividend for the year ended 31st March, 2014.

Performance

Your Company recorded a Net Revenue of Rs.576.30 Lakhs as compared to Rs.546.24 Lakhs in the previous year, thus showing a increase of 5.50%. It incurred Net Loss of Rs.11.97 Lakhs as compared to Net Loss of Rs.83.59 Lakhs in the previous year.

Subsidiary

A wholly-owned subsidiary in the name of "Accumax Rings Limited" was incorporated in the month of April, 2013. The subsidiary was established to focus on the Forged Rings business and your Company was to transfer its segmental assets and liabilities pertaining to the Forged Rings to its wholly-owned subsidiary. The reason to transfer this business to the subsidiary was to focus on its core activities of manufacturing and export of agriculture implements.

However since last one year, the export market for the agricultre implements has remained subdued. Your company, which was largely focused on the US markets for its agriculture implement business, is facing stiff competition leading to a very moderate growth in the said business.

(2)

Further under the newly elected Government, the domestic business sentiments have also changed for the better as it takes the right steps to provide an impetus to economy and industry, reignite industry demand even while enforcing fiscal prudence and contain inflation. This will also help the automobile industry which will lead to increased business of Forged rings where your company is taking steps to increase its footprints

In view of the above, your board feels that it would be in the long term interest of all the stakeholders to continue the bearing ring manufacturing business in the company itself and not to transfer the same to its subsidiary.

Directors

During the year under review, Shri Jayantibhai D. Patel (DIN – 00243132), Managing Director of the company passed away. The company would like to place on record the contribution made by Late Shri Jayantibhai D. Patel during his tenure as the Managing Director of the Company. The Company has appointed Shri Nathabhai J. Sadaria (DIN – 00167254) as the Managing Director of the company. Shri Manoj H. Shah (DIN – 02173383) and Mr. Ajay R. Patel (DIN- 00167284) retires by rotation and being eligible, offers himself for re-appointment.

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:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and of the Loss of the Company for that year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (to the extent notified) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts 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 with in 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. Bharat T. Shah

Mr. Manoj H. 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.

Auditors

Arun M. Kothari, Chartered Accountant, auditor of the company will retire at the ensuing Annual General Meeting and is eligible for re-appointment. Arun M. Kothari has indicated his willingness to act as such and has confirmed that his re-appointment, if made, shall be within the limits of Section 141(3)(g) of the Companies Act, 2013.

The observation made by the Auditor in his report with regards to Accounting Standard 15 "Employee Benefits" has been clarified in the relevant Note-J 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 while making technical selection of machinery and shall continue to do the same in all the areas in future.

A. Power & Fuel Consumption

	Particulars	2013-14	2012-13
(i)	Electricity		
	Units (Numbers)	15,34,470	14,20,630
	Total Amount (Rs. in Lakhs)	138.59	123.29
	Rate/Unit (Rs.)	9.03	8.68

B. Foreign Exchange Earnings and Outgo
lakhs]

[Rs. in

Particulars	2013-14	2012-13
Total foreign Exchange earned	68.09	23.02
Total foreign Exchange used	-	2.44

C. Technology Absorption

The Company has not taken any new technology in particular nor 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 read with the Companies (Particulars of Employees) Rules, 1975

Appreciation

Your Directors place on record their sincere appreciation of the services rendered by the employees of the Company. Your Directors also place on record their gratitude to Shareholders & Bankers for their valued support.

For and on behalf of the Board,

Sd/-
Nathabhai J. Sadariya
Managing Director

Sd/-
Manoj H. Shah
Director

Rajkot, 28th May, 2014

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 outlook is very positive in long run, we don't see any challenges in near future.

b. Opportunities & Threats

The demand for automobile products in India is expected to grow at a good pace for the year 2014-15. 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 unorganized market.

c. Segment / Product wise performance

Your company has a single manufacturing segment viz. Forged Rings while it only trades in Agricultural tools and equipment's. 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. 2013-14. 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.

CORPORATE GOVERNANCE REPORT

“Corporate Governance” - set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders.

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is to ensure commitment of the board in managing the company in a transparent manner for maximizing long- term value of the company for its shareholders and all other partners. Galaxy Agrico Exports Limited is committed to conducting its business based on highest standard of Corporate Governance. The Company promotes a culture that is based on the principles of good corporate governance – integrity, equity, fairness, individual accountability and commitment values towards organization and stakeholders.

The Company emphasizes on the highest level of Transparency and accountability in all its transactions in order to protect the interest of all its stakeholders. The Board of Directors work as Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis. The Company believes in principle of equity i.e the rights of all shareholders are protected whether large or small shareholder.

Galaxy Agrico Exports Limited believes that the governance process should ensure that resources are utilized in a manner that meets stakeholders’ aspirations and societal expectations. The Senior Management promotes honest and ethical conduct of the business along with applicable laws, rules and regulations. They abide by the policies and procedures – Both Legal as well as Social – so as to ensure its commitment to compliance and create and maintain Stakeholder value.

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

ROLES OF VARIOUS ENTITIES

I. BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholder value. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth. The Board, as part and parcel of its functioning, also periodically reviews its role.

II. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures efficiency and effectiveness of operations, both domestic and overseas and safeguarding of assets and adequacy of provisions for all liabilities and compliance with all relevant statutes.

III. INVESTOR GRIEVANCE COMMITTEE

The Investor Grievance Committee of the Board also works as "Investor Services Committee", oversee redressal of shareholder and investor grievances, and, inter alia, approves sub- division/ consolidation/ transmission of shares, issue of duplicate share certificates and issue & allotment of shares.

IV. 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.

DISCLOSURE ABOUT MANDATORY REQUIREMENTS

1. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders.

COMPOSITION

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 Nathabhai Jerambhai Sadaria, 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 not been 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.

MEETING AND ATTENDANCE

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 2013-'14 meeting was held on the following dates:

MEETINGS BOARD OF DIRECTORS'			
15/04/2013	27/04/2013	27/05/2013	27/06/2013
30/07/2013	01/08/2014	06/09/2013	12/11/2013
16/12/2013	13/02/2014	30/03/2014	

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	
Mr. Jayantilal Devjibhai Patel	Managing director Executive (Till 21.07.2013)	1	2	0	11	2	No
Mr. Nathabhai Jerambhai Sadaria	Managing director Executive (Appointed on 30.09.2013)	1	1	1	11	4	No
Mr. Sanjay Jayantilal Patel	Whole Time Director - Executive	2	0	2	11	9	Yes
Mr. Manoj Harsukhlal Shah	Whole Time Director- Executive	1	0	3	11	8	Yes
Mr. Bharat Trambaklall Shah	Independent -Non Executive	1	1	1	11	6	Yes
Mr. Ajay Ramjibhai Patel	Independent-Non Executive	1	2	1	11	8	Yes
Mr. Shashikant Jadavbhai Bhalodi	Independent-Non Executive	1	0	1	11	7	No

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:

- i. Audit Committee
- ii. Investor Grievance Committee
- iii. Remuneration Committee
- iv. Share Transfer Committee

The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. Signed minutes of Board Committee meetings are placed for the information of the Board. Matters requiring the Board's attention / approval are generally placed in the form of notes to the Board from the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

I. AUDIT COMMITTEE

COMPOSITION

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	Mr. Bharat Trambaklal Shah	Chairman- Independent –Non Executive
02	Mr. Manoj Harsukhlal Shah	Member - Executive Director
03	Mr. Ajay Ramjibhai Patel	Member - 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.

MEETING AND ATTENDANCE

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. The details of meeting held are as under;

MEETINGS OF COMMITTEE :			
20/04/2014	20/05/2014	21/07/2013	25/10/2014
22/01/2014	27/03/2014	-----	-----

MAIN SCOPE OF AUDIT COMMITTEE

- :→ Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
- :→ Review of the quarterly 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.
- :→ Reviewing the company's financial and risk management policies.

II. 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. Ajay Patel Non executive directors is handling the committee.

FUNCTION OF 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

Name	Designation
Mr. Ajaykumar Ramjibhai Patel	Chairman, Independent Director
Mr. Sanjay Jayantilal Patel	Whole Time Director – Executive
Mr. 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 the following dates:

MEETINGS OF COMMITTEE :			
27/04/2013	17/06/2013	31/07/2013	06/08/2013
01/11/2013	16/12/2013	01/01/2014	01/03/2014

II. REMUNERATION COMMITTEE

COMPOSITION AND FUNCTION

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.

COMPOSITION

Name	Designation
Mr. Ajaykumar Ramjibhai Patel	Chairman – Independent Director
Mr. Nathabhai Jerambhai Sadaria	Member – Executive Director
Mr. Bharat Trambaklal Shah	Member – Independent Director
Mr. Shashikant Jadavji Bhaloid	Member – Independent Director

The reference of the remuneration committee are to recommend the Company's Policy on remuneration packages for the Managing Director/Whole time Directors

Executive Directors reviewing the structures, design and implementation of remuneration policy in respect of key management personnel, Remuneration and sitting fees of the Directors

Name	Salary, Perquisite and Allowance.
Late Jayantilal Patel (Till 21.07.2013)	Nil
Mr. Nathalal Sadaria (Appointed as Managing Director on 30.09.2013)	Nil
Mr. Sanjay Jayantilal Patel	20000/ Month + Bonus 19992/ Month
Mr. Manoj Harsukhlal Shah	20000/ Month + Bonus 19992/ Month
Mr. Shanshikant Bhalodi	Nil
Mr. Bharat Shah	Nil
Mr. Ajay Patel	Nil

IV. 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:

Name	Designation
Mr. Nathabhai Jerambhai Sadaria	Chairman – Executive Director
Mr. Sanjay Jayantilal Patel	Whole Time Director - Executive
Mr. Manoj Harsukhlal Shah	Whole Time Director-Executive

MEETING OF COMMITTEE :					
15.04.2013	30.04.2013	14.05.2013	31.05.2013	15.06.2013	30.06.2013
15.07.2013	30.07.2013	16.08.2013	30.08.2013	16.09.2013	30.09.2013
15.10.2013	31.10.2013	15.11.2013	30.11.2013	14.12.2013	30.12.2013
15.01.2014	31.01.2014	15.02.2014	28.02.2014	15.03.2014	29.03.2014

2. 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
2010-2011	09/09/2011	Registered office of the Company
2011-2012	20/09/2012	Registered office of the Company
2012-2013	30/09/2013	Registered office of the Company

* The Resolution was passed on 18.05.2013 (Through Postal Ballot) during the year.

3. **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. Nathabhai Jerambhai Sadaria 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.

4. NON - MANDATORY RECOMMENDATIONS UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

A. SHAREHOLDER RIGHTS:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's corporate website. Significant events are also posted on this website.

B. TRAINING OF BOARD MEMBERS:

The Board is equipped to perform its role of business assessment through inputs from time to time. Directors are fully briefed on all business related matters, risk assessment & minimization procedures, and new initiatives proposed by the Company. Directors are also updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic environment.

C. MECHANISM FOR EVALUATION OF NON-EXECUTIVE DIRECTORS:

The role of the Board of Directors is to provide direction and exercise overall supervision to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board has so far evaluated Non-Executive Directors collectively to reinforce the principle of collective responsibility.

i. GENERAL SHAREHOLDER INFORMATION

Provided in the 'Shareholder Information' section of the Report and Accounts.

ii. COMPLIANCE CERTIFICATE OF THE AUDITORS

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the Report of the Directors & Management Discussion and Analysis. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

6. 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 Newspaper of Vernacular language as well as newspaper of English Language. However quarterly and half year results are not sent to individual share holders.
- b. The Company has its own web site www.galaxyagrigo.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.

7. GENERAL SHAREHOLDERS INFORMATION

- 1. Date time and venue of AGM : 30^h September 2014, At: 11.00 A.M
S. NO. 236, Jai kishan Industrial Estate,
Behind Murlidhar Weighbridge
Veraval (Shapar), Dist: Rajkot 360024
Gujarat (India)
- 2. Financial Calendar : 01st April 2013 to 31st March 2014
- 3. Date of book closure : 24/09/2014 to 30/09/2014
- 4. Dividend Payment date : Not Applicable
- 5. Listing on Stock Exchange : The Bombay Stock Exchange, Mumbai
- 6. Stock code : 531911
- 7. Market price data, High, Low : The High and Low Price information during
each month in last Financial year during the last year is as under

Sr No.	Month	High	Low
01	April 13	39.70	39.70
02	May 13	39.70	39.70
03	June 13	41.60	37.75
04	July 13	41.60	37.75
05	Aug 13	41.60	37.75
06	Sep 13	41.60	37.75
07	Oct 13	41.60	37.75
08	Nov 13	39.55	39.55
09	Dec 13	39.55	39.55
10	Jan 14	39.55	39.55
11	Feb 14	37.65	29.20
12	Mar 14	27.75	27.75

Source: www.bseindia.com

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. Demat of share and liquidity : As on 31st March 2014

	No. of Shares	% of Shares
Held in dematerialized form in CDSL	1456346	29.13%
Held in dematerialized form in NSDL	935374	18.70%
Held in Physical form	339900	6.80%
Sub Total	2731620	54.63 %
Forfeited Shares	2268400	45.37 %
Total	5000020	100 %

Source: Company records

10. Distribution of share holding : Share holding Pattern as on 31st March 2014 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	1537	0.06
08	Clearing Member	550	0.02
09	Indian Public	581013	21.26
10	Non Resident Indians	98500	3.61
	TOTAL	2731620	100 %

Note: The above given percentage exclude the shares forfeited by the company on 05/01/2006 which is not re-issued after forfeiture till date.

- 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 LIMITED

Sd/-

Place: Veraval – Shapar
Date: 28/05/2014

[MANAGING DIRECTOR]

Sd/-

[WHOLE TIME 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, 2014.

FOR GALAXY AGRICO EXPORTS LIMITED

Sd/-

(Nathalal Jerambhai Sadaria)

Managing Director

Place : Vearval – Shapar (Rajkot)

Date : 28/05/2014

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, 2014, 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 : 28/05/2014

CERTIFICATE OF MD/ CEO ABOUT FINANCIAL STATEMENT OF THE
COMPANY

To
Board of Directors,
Galaxy Agrico Exports Limited,

I, Nathalal J. Sadaria Chairman & Managing Director certify that:

1. I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and all notes of accounts thereon and to the best of our 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 the existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct;
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of the internal control systems of the Company with respect to financial reporting, and deficiencies in the design or operation of internal controls, if any, have been disclosed to the Auditors and the Audit Committee. They have been intimated about the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee of
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year; the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting.

FOR GALAXY AGRICO EXPORTS LIMITED

Sd/-

(Nathalal Jerambhai Sadaria)

Managing Director

Place : Vearval – Shapar (Rajkot)

Date : 28/05/2014

ARUN M. KOTHARI
Chartered Accountant

4, Jay Gujarat Society,
Opp. Police Comm. Office,
Shahibaug, AHMEDABAD-

INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors,
GALAXY AGRICO EXPORTS LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of Galaxy Agrico Exports Limited ("the Company"), its Subsidiary (Collectively referred as "The Group") which comprises the Balance Sheet as at 31st March, 2014, 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted our 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidate Cash Flow Statement, of the cash flows for the year ended on that date

ARUN M. KOTHARI

Chartered Accountant

4, Jay Gujarat Society,

Opp. Police Comm. Office,
Shahibaug, AHMEDABAD-

INDEPENDENT AUDITOR'S REPORT

[[2]]

Emphasis of Matter

I draw attention to Note - L 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.

For Arun M. Kothari,
Chartered Accountant

Sd/-
Arun M. Kothari
Proprietor
Membership No. 108669

Ahmedabad, 28th May, 2014

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) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been 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 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 Rs.158.38 lakhs and the year-end balance was Rs.111.38 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) In respect of transactions covered under Section 301 of the Companies Act, 1956;
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Accordingly, the provisions of Clause (vi) of paragraph 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 Companies Act, 1956 in respect of goods manufactured by the Company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, 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 payment of provident fund.
 - (b) 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, 2014 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, 2014 on account of any dispute.
- (x) The company has no accumulated losses at the end of the financial year. It has not incurred cash loss during the financial year covered by my audit. However it has incurred cash loss in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. Accordingly, paragraph 4(xi) of the Order is not applicable to the Company.

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. Accordingly, 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. Accordingly, 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. Accordingly, 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. Accordingly, 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 and on an overall examination, the company has not raised any term loan during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable to the Company.
- (xvii) In my opinion and according to the information and explanations given to me and on an overall examination, the company has not raised any fund on short term basis. Accordingly, paragraph 4(xvi) of the Order is not applicable to the Company.
- (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. Accordingly, 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. Accordingly, 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

Sd/-
Arun M. Kothari
Proprietor
Membership No. 108669

Ahmedabad, 28th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Balance Sheet as at 31st March, 2014

[Figures in Rs.]

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	39,136,200	39,136,200
Reserves and Surplus	2	11,293,409	12,489,929
		50,429,609	51,626,129
Non-current Liabilities			
Long-term Borrowings	3	18,406,041	19,932,706
Deferred Tax Liability (Net)	4	7,969,625	8,372,820
		26,375,666	28,305,526
Current Liabilities			
Short-term Borrowings	5	7,863,035	9,532,540
Trade Payables	6	2,669,211	2,062,023
Other Current Liabilities	7	5,102,849	4,313,452
Short-term Provisions	8	2,400	-
		15,637,495	15,908,015
		92,442,770	95,839,670
ASSETS			
Non-current Assets			
Fixed Assets	9		
- Tangible Assets		62,215,279	65,812,401
- Capital work-in-progress			991,450
Non-current Investments	10	1,084,056	24,056
Long-term Loans and Advances	11	652,622	736,191
Other Non-current Assets	12	3,932,106	4,349,611
		67,884,063	71,913,709
Current Assets			
Inventories	13	9,790,947	9,885,078
Trade Receivables	14	9,884,564	10,478,656
Cash and Cash Equivalents	15	1,490,474	1,128,338
Short-term Loans and Advances	16	1,566,062	1,257,774
Other Current Assets	17	1,826,660	1,176,115
		24,558,707	23,925,961
		92,442,770	95,839,670

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun M. Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



Nathabhai J. Sadariya

Nathabhai J. Sadariya
Managing Director

For and on behalf of the Board,

Manoj H. Shah

Manoj H. Shah
Director

Minal D. Shah

Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

[Figures in Rs.]

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
INCOME			
Revenue from operations (Gross)	18	60,015,505	59,305,862
Less: Excise Duty collected on sales		(2,385,224)	(4,680,952)
Revenue from operations (Net)		57,630,281	54,624,910
Other Income	19	523,843	781,687
		58,154,125	55,406,597
EXPENSES			
Cost of Materials Consumed	20	14,393,645	24,776,336
Purchase of Stock-in-trade	21	7,442,304	1,820,160
Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	22	565,213	1,293,318
Employee Benefit Expenses	23	7,521,626	7,147,027
Finance Costs	24	4,091,829	4,146,054
Depreciation	9	4,152,025	3,630,450
Other Expenses	25	21,587,197	20,515,996
		59,753,839	63,329,341
PROFIT / (LOSS) BEFORE TAX		(1,599,715)	(7,922,744)
TAX EXPENSE:			
Current tax		-	-
Add: MAT credit entitlement / (availed)		-	-
Net current tax		-	-
Deferred tax		(403,195)	435,509
(Excess) / Short provision of prior year tax		-	1,199
		(403,195)	436,708
PROFIT / (LOSS) AFTER TAX		(1,196,520)	(8,359,452)
EARNINGS PER SHARE: Basic and Diluted (Face Value per share is Rs.10.00)	26	(0.44)	(3.06)

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun M. Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board,

Nathabhai J. Sadariya
Nathabhai J. Sadariya
Managing Director

Manoj M. Shah
Manoj M. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Cash Flow Statement for the year ended 31st March, 2014

[Figures in ₹]

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(1,599,715)	(7,922,744)
<i>Adjustment for:</i>		
Depreciation	4,152,025	3,630,450
Finance Costs	4,091,829	4,146,054
Interest Income	(409,855)	(402,605)
Loss / (Profit) on sale of fixed assets	471,112	864,045
Operating Cash flow before Working Capital Changes	6,705,397	315,200
<i>Adjustment for:</i>		
Movement in Loans and Advances	69,174	4,131,104
Movement in Inventories	94,131	1,268,868
Movement in Trade and other receivables	(41,951)	(422,423)
Movement in Trade and other payables	806,027	(958,556)
Movement in Provisions	2,400	(400,967)
Cash generated from Operations	7,635,178	3,933,225
Less : Direct Taxes (Paid) / Refunds	(293,893)	(367,182)
Net Cash flow from Operating Activities [A]	7,341,285	3,566,043
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(742,067)	(3,983,278)
Sale of Fixed Assets	707,500	1,820,000
Purchase of Investments	(1,060,000)	-
Movement In Bank Deposits	417,505	(413,083)
Interest Received	395,355	402,605
Net Cash flow from / (used in) Investing Activities [B]	(281,708)	(2,173,756)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Movement in Long-term Borrowings	(1,049,055)	231,741
Movement in Short-term Borrowings	(1,669,505)	2,662,526
Finance Costs	(3,978,881)	(3,951,377)
Net Cash flow from / (used in) Financing Activities [C]	(6,697,441)	(1,100,110)
Net Increase in Cash and Cash Equivalents [A+B+C]	362,136	292,177
Opening Cash and Cash Equivalents	1,128,338	836,161
Closing Cash and Cash Equivalents	1,490,474	1,128,338

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,

Nathabhai J. Sadarlya
Nathabhai J. Sadarlya
Managing Director

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

• **Company Profile:**

The company is engaged in manufacturing and trading activity and has two business segments, viz. Agricultural Equipments and Bearings (Forged Rings). It trades in Agricultural Equipments while manufactures as well as does job work of Bearings.

A. Basis of preparation of financial statements

The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards notified under section 211(3C) of Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the entity.

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 (including Contingent Liabilities) on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period.

Estimates and Assumptions used in the preparation of the Financial Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.

Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed assets

Fixed Assets are stated at cost net of recoverable taxes less accumulated depreciation, except free hold land which is carried at cost. The cost of fixed assets comprises of its purchase price, freight charges, adjustments arising from exchange rate variations, and all incidental expenditure attributable to bringing the asset to their working conditions for its intended use.

D. Depreciation

Depreciation on fixed assets is provided on Written Down Value method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date of acquisition / installation / when the asset is put to use. In respect of asset sold or disposed off during the year, depreciation is provided till the date of sale/disposal/adjustment of the assets

E. Impairment of Asset

An asset is treated as Impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

F. Investments

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



GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

G. Inventories

Inventories are valued at cost and net realizable value whichever is lower, as certified by the management of the Company.

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

H. 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.

I. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in Statement of Profit & Loss. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognized in the Statement of Profit & Loss.

J. Employee Benefits

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.

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.

K. Income Tax

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



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures In Rs.]

The previous year figures have been regrouped / reclassified, wherever necessary, in order to conform to the current year presentation.

1. Share Capital

1.1 Details relating to Authorised, Issued, Subscribed and Paid up Share Capital

Particulars	As at 31st March, 2014	As at 31st March, 2013
Authorised Share Capital		
55,00,000 Equity Shares of Rs.10 each	55,000,000	55,000,000
Issued Share Capital		
50,00,020 Equity Shares of Rs.10 each	50,000,200	50,000,200
Subscribed and Paid-up Share Capital		
27,31,620 Equity Shares of Rs.10 each, fully paid up	27,316,200	27,316,200
Add: Shares Forfeited	11,820,000	11,820,000
	39,136,200	39,136,200

The Company has only one class of shares referred to as ordinary equity shares having a face value of Rs.10. Each

1.2 Reconciliation of number of shares

Particulars	As at 31st March, 2014	As at 31st March, 2013 and 31st March, 2012
	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	2,731,620	2,731,620
Add: Shares issued/(bought-back) during the year	-	-
Shares outstanding as at the end of the year	2,731,620	2,731,620

1.3 Details of shareholders holding more than 5% ordinary equity shares

Name of the shareholders	As at 31st March, 2014 & 2013	
	No. of shares	% of Shareholding
Manoj H. Shah	149,600	5.48%
Jayesh K. Patel	143,000	5.23%
Hemali S. Patel	139,500	5.11%
Jitendra H. Shah	139,410	5.10%

1.4 Details of forfeited shares as on Balance Sheet date

Class of shares	As at 31st March, 2014	As at 31st March, 2013 and 31st March, 2012
	No. of shares	No. of shares
Ordinary Equity Shares	2,268,400	2,268,400



GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

Deferred Tax: Deferred tax liability or assets is recognized on timing differences being the difference 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 recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

L. Prior Period Items

Material items of prior period expenses, non-recurring and extra-ordinary items are disclosed separately.

M. Provisions,

Provisions involve substantial degree of estimation in measurement and are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. These are reviewed at each balance sheet date to reflect the current best estimate

N. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future event beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying future economic benefits will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are neither recognized nor disclosed in the financial statements following the principal of conservatism.

O. Cash Flow Statements

Cash flow statement is reported using Indirect method, whereby Profit / (Loss) before tax is adjusted for the effects of transaction of non-cash in nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, Investing and financing activities of the company are segregated based on available information. Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investment with original maturity of three months or less



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

2. Reserves and Surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
General Reserve	250,000	250,000
Surplus in Statement of Profit and Loss		
Opening Balance	12,239,929	20,599,381
Add: Profit / (Loss) for the year	(1,196,520)	(8,359,452)
Closing Balance	11,043,409	12,239,929
	11,293,409	12,489,929

3. Long-term Borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
Term Loans		
<u>Secured</u>		
From Banks		
Rajkot Nagrik Sahakari Bank	6,371,040	10,482,705
[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	11,650,001	9,450,001
Intercompany Borrowings	385,000	-
	18,406,041	19,932,706

Term loan from Rajkot Nagrik Sahakari Bank

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

Maturity period from Balance sheet date: 34 months;

Interest Rate: 12.50% on the outstanding principal



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

4. Deferred Tax Liability (Net)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening balance	8,372,820	7,937,311
Deferred Tax Liability for the year	(403,195)	435,509
Net Deferred Tax Liability	7,969,625	8,372,820

Refer Note No. 31

5. Short-term Borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
Loans repayable on demand		
Secured		
From Banks		
Rajkot Nagrik Sahakari Bank - Cash Credit	7,863,035	9,532,540
[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.]		
	7,863,035	9,532,540

6. Trade Payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Other than Acceptances	2,669,211	2,062,023
	2,669,211	2,062,023



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

7. Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Current maturity of long-term borrowings		
Term Loan		
Secured		
From Banks	4,141,616	3,664,006
Interest accrued and due on borrowings	112,948	151,677
Other Payables		
Statutory Liabilities		
Excise Duty	178,235	70,799
Professional Tax	149,720	68,930
Provident Fund Contribution	9,100	29,370
T.D.S. and T.C.S.	179,424	148,983
V.A.T.	161,204	169,687
Payables on purchase of fixed assets	160,601	-
Audit Fees Payable	10,000	10,000
	5,102,849	4,313,452

8. Short-term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provisions - Others		
Professional Tax	2,400	-
	2,400	-

10. Non-Current Investments

Particulars	As at 31st March, 2014	As at 31st March, 2013
(At Cost)		
Other Investments - Unquoted, fully paid up		
Investments in Subsidiary	500,000	-
50,000 equity shares of Rs. 10 each in Accumax Rings Limited		
Investment in Equity Shares		
4 shares of Rs. 6,014 each in Rajkot Nagrik Sahakari Bank	24,056	24,056
11,200 shares of Rs. 50 each in Rajkot Nagrik Sahakari Bank	560,000	-
	1,084,056	24,056



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.,]

9. Fixed Assets

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31st March, 2013	Addition	Disposal / Adjustment	As at 31st March, 2014	As at 31st March, 2013	Charge for the year	Eliminated on disposal of assets	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Tangible Assets										
Land	1,241,216	-	-	1,241,216	-	-	-	-	1,241,216	1,241,216
Building	18,479,493	9,114	-	18,488,607	5,355,121	617,444	-	5,972,565	12,516,042	13,124,372
Plant and Equipments	59,189,469	1,585,932	2,128,563	58,646,858	14,619,908	2,865,032	949,951	16,534,989	42,111,869	44,569,581
Dies and Tools	181,618	-	-	181,618	119,965	20,541	-	140,506	41,112	61,653
Electric Installations	8,274,011	-	-	8,274,011	2,676,006	393,016	-	3,069,022	5,204,989	5,598,005
Furniture and Fixtures	1,533,362	41,984	-	1,575,346	908,644	97,564	-	1,006,208	569,138	624,718
Vehicles	757,382	-	-	757,382	361,277	71,951	-	433,228	324,154	396,105
Office Equipments	1,347,643	96,486	-	1,444,329	1,151,092	86,476	-	1,237,568	206,761	196,751
	91,004,414	1,733,516	2,128,563	90,609,367	25,192,013	4,152,025	949,951	28,394,087	62,215,280	65,812,401
Capital work-in-progress										
Plant and Equipments	991,450	-	991,450	-	-	-	-	-	-	991,450
	991,450	-	991,450	-	-	-	-	-	-	991,450
TOTAL	91,995,864	1,733,516	3,120,013	90,609,367	25,192,013	4,152,025	949,951	28,394,087	62,215,280	66,803,851
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	56,683,668



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

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	408,440	-	5,355,121	13,124,372	8,868,218
Plant and Equipments	62,435,880	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	82,154
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	670,266
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



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

11. Long-term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured, considered good)		
Security Deposits		
Electricity Deposits	188,843	272,412
Gas Deposit	3,020	3,020
Telephone Deposits	29,547	29,547
Other loans and advances		
MAT Credit Entitlement	431,212	431,212
	652,622	736,191

12. Other Non-Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
Bank Deposits		
Corporation Bank F.D.	347,172	336,074
Rajkot Nagrik Sahakar Bank F.D.	3,584,935	4,013,537
	3,932,106	4,349,611

13. Inventories

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	3,958,904	4,014,498
Work-in-progress	2,474,577	3,039,790
Stock-in-trade	998,889	998,889
Dies, Tools and Other Materials	2,358,577	1,831,901
	9,790,947	9,885,078

14. Trade Receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured, considered good)		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	3,432	165,708
Other Trade Receivables	9,881,132	10,312,948
	9,884,564	10,478,656



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

15. Cash and Cash Equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash on hand	57,784	48,497
Balances with Banks In Current Accounts	1,432,690	1,079,841
	1,490,474	1,128,338

16. Short-term Loans and Advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured, considered good)		
Loans and Advances to employees	340,710	273,674
Balances with Statutory Authorities		
Service Tax Receivables	8,364	26,054
Income Tax Refund (A.Y. 2013-14)	293,893	293,893
TDS & TCS Receivables (A.Y. 2014-15)	506,485	
Income Tax Refund (A.Y. 2000-01)	55,000	55,000
Income Tax Refund (A.Y. 2009-10)	31,179	31,179
Others		
Advance to Suppliers and others	205,986	113,323
Prepaid Expenses	124,445	464,651
	1,566,062	1,257,774

17. Other Current Assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accruals		
Forward Exchange Contract - MSFL	317,062	-
Interest Accrued on Deposits	14,500	-
Subsidy receivable	164,840	-
License Fees Receivables	1,330,258	1,176,115
	1,826,660	1,176,115



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

18. Revenue from Operations

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Revenue from sale of products	30,542,534	41,120,117
Revenue from sale of services	24,022,135	12,730,626
Other Operating Income	5,450,836	5,455,119
Revenue From Operations (Gross)	60,015,505	59,305,862
Less: Excise Duty collected on sales	(2,385,224)	(4,680,952)
Revenue From Operations (Net)	57,630,281	54,624,910

18.1 Sale of Products comprises

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<u>Manufactured Goods</u>		
Forged Rings	21,775,131	38,573,529
<u>Traded Goods</u>		
Agricultural Equipments	8,767,403	2,546,588
	30,542,534	41,120,117

18.1 Sale of Services comprises

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Job work Income - Forged Rings	24,022,135	12,730,626
	24,022,135	12,730,626

18.1 Other operating income comprises

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Import Entitlements	200,000	52,732
Rate Difference	1,528,632	-
Scrap Sales	3,722,204	5,402,387
	5,450,836	5,455,119

19. Other Income

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest on:		
Bank Deposits	409,855	402,605
Electricity Deposits	14,500	14,408
Income Tax Refund	-	23,812
Net Gain on foreign currency transactions	13,354	110,983
Other non-operating income		
Discount Received	69,414	184,992
Sundry balances written off	16,720	44,887
	523,843	781,687



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

20. Cost of Materials Consumed

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
(Indigenous)		
Raw Material Consumed (ALLOY STEEL)		
Opening Stock	4,014,498	4,077,333
Add: Purchases	11,801,016	22,030,708
Less: Closing Stock	3,958,904	4,014,498
	11,856,610	22,093,543
Dies, Tools and Other Materials Consumed		
Opening Stock	1,831,901	1,744,616
Add: Purchases	3,063,711	2,770,078
Less: Closing Stock	2,358,577	1,831,901
	2,537,035	2,682,793
	14,393,645	24,776,336

21. Purchase of Stock-in-Trade

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Agricultural Equipments	7,442,304	1,820,160
	7,442,304	1,820,160

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Inventories at the beginning of the year		
Finished Goods	-	3,072,166
Work-in-Progress	3,039,790	1,029,942
Stock-in-trade	998,889	1,229,689
	4,038,679	5,331,997
Inventories at the end of the year		
Finished Goods	-	-
Work-in-Progress	2,474,577	3,039,790
Stock-in-trade	998,889	998,889
	3,473,466	4,038,679
	565,213	1,293,318



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

23. Employee Benefit Expenses

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries and Wages	7,321,238	6,675,136
Contribution to provident fund	147,162	274,569
Staff welfare expenses	53,226	197,322
	7,521,626	7,147,027

24. Finance Costs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest expenses on:		
Borrowings		
Cash Credit	1,057,224	853,076
Term loan	1,547,216	1,967,276
Unsecured Loans	1,371,830	1,325,702
Other Borrowing Costs	115,559	-
	4,091,829	4,146,054

25. Other Expenses

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Manufacturing and Other Direct Expenses		
Increase / (decrease) of excise duty on inventory	-	(388,423)
Job Work Charges	1,709,178	1,894,613
Power & Fuel Expenses	13,989,315	12,329,233
Repairs and Maintenance - Machinery	1,796,208	2,723,447
Transportation and Freight Expenses	653,509	642,851
Factory and other expenses	233,305	124,279
	18,381,514	17,326,000
Administrative and Selling Expenses		
Auditor's Remuneration		
Statutory and Tax Audit Fees	10,000	10,000
Donation	-	16,600
Insurance	36,924	24,976
Legal and Professional Charges	701,379	768,442
Listing and Re-instatement Charges	-	29,595
Net loss on sale of fixed assets	471,112	864,045
Repairs and Maintenance - Others	490,462	35,538
Rates and Taxes	2,463	212,101
Other administrative and selling expenses	1,493,342	1,228,699
	3,205,683	3,189,996
	21,587,197	20,515,996



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

26. Earnings Per Share (EPS)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(1,196,520)	(8,359,452)
Weighted Average number of equity shares used as denominator for calculating EPS	2,731,620	2,731,620
Basic and Diluted Earnings per share	(0.44)	(3.06)
Face Value per share	10.00	10.00

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Contingent liabilities		
Forward U.S. Dollar Contracts with Marwadi Shares & Finance Limited	4,525,188	

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Foreign Exchange Earnings		
Exports (F.O.B. Value)	8,767,403	2,202,208
Foreign Exchange Outgo - Foreign Travelling Expense	154,424	-



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

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, 2014

(i) Primary Segment Information:

[Figures In Rs.]

Particulars	BUSINESS SEGMENTS			
	Agricultural Equipments	Forged Rings	Unallocable	Total
1. Segment Revenue				
External Turnover	8,967,403	51,048,102	-	60,015,505
Inter-Segment Turnover	-	-	-	-
Gross Turnover	8,967,403	51,048,102	-	60,015,505
Less: Excise Duty Recovered	-	(2,385,224)	-	(2,385,224)
Net Turnover	8,967,403	48,662,878	-	57,630,281
2. Segment Result before Interest and Taxes	(815,328)	6,772,526	(4,004,998)	1,952,201
Less: Interest Expense	-	-	3,976,270	3,976,270
Add: Interest Income	-	-	424,355	424,355
Profit Before Tax [PBT]	(815,328)	6,772,526	(7,556,913)	(1,599,715)
Less: Net Current tax	-	-	-	-
Deferred tax	-	-	(403,195)	(403,195)
Prior Year Tax	-	-	-	-
Profit After Tax [PAT]	(815,328)	6,772,526	(7,153,718)	(1,196,520)
3. Other Information				
Segment Assets	7,636,103	62,200,961	22,005,706	92,442,770
Segment Liabilities	-	7,774,460	26,269,076	34,043,536
Capital Expenditure	-	969,490	3,013,788	3,983,278
Depreciation	558,417	2,327,157	1,266,451	4,152,025

(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	48,561,030
Outside India	9,069,251



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

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	(6,126,842)	(7,922,744)
Less: Net Current tax	-	-	-	-
Deferred tax	-	-	435,509	435,509
Prior Year Taxes	-	-	1,199	1,199
Profit After Tax [PAT]	(1,985,549)	189,647	(6,563,550)	(8,359,452)
3. Other Information				
Segment Assets	6,947,208	64,639,915	24,239,580	95,826,703
Segment Liabilities	-	5,726,029	30,114,692	35,840,721
Capital Expenditure	-	96,490	301,378	3,983,278
Depreciation	337,540	2,481,706	811,204	3,630,450

(ii) **Secondary Segment Information:**

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

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 Rs.]

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.	Lata Shri Jayantibhai D. Patel* (Till 21/7/13)	Key Management Personnel (KMP)
2.	Nathabhai J. Sadariya	
3.	Sanjay J. Patel	
4.	Manoj H. Shah	
5.	Jitendra H. Shah	Relative of KMP

*Passed away on 21/7/2013

30.2 Transactions during the year with related parties and year-end balances [Figures in Rs.]

Particulars	Key Management Personnel (KMP)	Subsidiary	Relative of KMP
<u>Nature of Transactions</u>			
Equity Investments Made		500,000	
Salary	480,000 <i>480,000</i>		-
Loans Accepted	8,276,259 <i>5,832,592</i>	385,000	-
Loans Repaid	6,076,259 <i>2,382,592</i>		-
Interest paid on loans accepted	1,362,510 <i>977,592</i>		61,440
<u>Year-end balances</u>			
Equity Investments		500,000	
Unsecured Loans		385,000	
Loans and Advances	11,650,001 <i>7,138,000</i>		512,001

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

31. Deferred Tax Liability (Net) [Figures in Rs.]

Particulars	As at 31st March, 2014	Current Year Charge / (Credit)	As at 31st March, 2013
Difference between book and tax depreciation	19,232,479	1,145,559	20,378,038
Loss on sale of fixed assets 2008-09	(848,723)	-	(848,723)
Loss on sale of fixed assets 2009-10	(1,897,780)	-	(1,897,780)
Profit on sale of fixed assets 2010-11	940,805	-	940,805
Profit on sale of fixed assets 2011-12	703,899	-	703,899
Loss on sale of fixed assets 2012-13	(864,045)	-	(864,045)
Loss as per Income Tax Act, 1961 & Loss on Sale of Fixed Assets	-	(2,450,396)	(2,450,396)
Net Timing Difference	17,266,635	(1,304,837)	15,961,798
Net Deferred Tax Liability	8,372,820	(403,195)	7,969,625



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

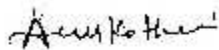
32. Other Disclosures

- 32.1 The outstanding balances as at 31st March, 2014 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

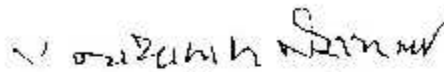
For Arun M. Kothari,
Chartered Accountant



Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board



Nathabhai J. Sadariya
Managing Director



Manoj H. Shah
Director



Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED
(Consolidated)

RAJKOT

ANNUAL REPORT

2013-14

INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors,
GALAXY AGRICO EXPORTS LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **Galaxy Agrico Exports Limited** ("the Company"), its Subsidiary (Collectively referred as "The Group") which comprises the Balance Sheet as at 31st March, 2014, 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted our 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Consolidate Cash Flow Statement, of the cash flows for the year ended on that date.



ARUN M. KOTHARI

Chartered Accountant

4, Jay Gujarat Society,

Opp. Police Comm. Office,
Shahibaug, AHMEDABAD-4

INDEPENDENT AUDITOR'S REPORT

[[2]]

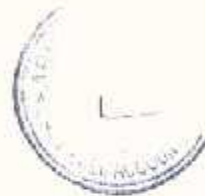
Emphasis of Matter

I draw attention to Note - L 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.

For Arun M. Kothari,
Chartered Accountant

Arun Kothari

Arun M. Kothari
Proprietor
Membership No. 108669



Ahmedabad, 28th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Consolidated Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31st March, 2014
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1	39,136,200
Reserves and Surplus	2	11,229,124
		50,365,324
Non-current Liabilities		
Long-term Borrowings	3	18,021,041
Deferred Tax Liability (Net)	4	7,969,625
		25,990,666
Current Liabilities		
Short-term Borrowings	5	7,863,035
Trade Payables	6	2,698,411
Other Current Liabilities	7	5,102,849
Short-term Provisions	8	9,900
		15,674,245
		92,030,235
ASSETS		
Non-current Assets		
Fixed Assets	9	
- Tangible Assets		62,215,279
- Capital work-in-progress		-
Non-current Investments	10	584,056
Long-term Loans and Advances	11	652,622
Other Non-current Assets	12	3,932,106
		67,384,063
Current Assets		
Inventories	13	9,790,947
Trade Receivables	14	9,884,564
Cash and Cash Equivalents	15	1,577,939
Short-term Loans and Advances	16	1,566,062
Other Current Assets	17	1,826,660
		24,646,172
		92,030,235

See accompanying Statement on Significant accounting policies & Notes to accounts

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant

Arun M. Kothari
Arun M. Kothari
Proprietor
Membership No. 108669



For and on behalf of the Board,

Nathabhai J. Sadariya
Nathabhai J. Sadariya
Managing Director

Manoj R. Shah
Manoj R. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March,
2014

Particulars	Note No.	Year ended 31st March, 2014
INCOME		
Revenue from operations (Gross)	18	60,015,505
Less: Excise Duty collected on sales		<u>(2,385,224)</u>
Revenue from operations (Net)		57,630,281
Other Income	19	<u>523,843</u>
		<u>58,154,125</u>
EXPENSES		
Cost of Materials Consumed	20	14,393,645
Purchase of Stock-in-trade goods,	21	7,442,304
Work-in-progress and Stock-in-trade	22	565,213
Employee Benefit Expenses	23	7,521,626
Finance Costs	24	4,091,829
Depreciation	9	4,152,025
Other Expenses	25	<u>21,651,482</u>
		<u>59,818,124</u>
PROFIT / (LOSS) BEFORE TAX		(1,664,000)
TAX EXPENSE:		
Current tax		-
Add: MAT credit entitlement / (availed)		-
Net current tax		-
Deferred tax		(403,195)
(Excess) / Short provision of prior year tax		-
		<u>(403,195)</u>
PROFIT / (LOSS) AFTER TAX		<u>(1,260,805)</u>
EARNINGS PER SHARE: Basic and Diluted	26	25.12
(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,

Nathabhai J. Sadariya
Nathabhai J. Sadariya
Managing Director

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014

GALAXY AGRICO EXPORTS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2014

Particulars	Year ended 31st March,
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit / (Loss) Before Tax	(1,656,500)
<i>Adjustment for:</i>	
Depreciation	4,152,025
Finance Costs	4,091,829
Interest Income	(409,855)
Loss / (Profit) on sale of fixed assets	471,112
Operating Cash flow before Working Capital Changes	6,648,612
<i>Adjustment for:</i>	
Movement in Loans and Advances	(315,826)
Movement in Inventories	94,131
Movement in Trade and other receivables	(41,951)
Movement in Trade and other payables	835,277
Movement in Provisions	2,400
Cash generated from Operations	7,222,643
Less : Direct Taxes (Paid) / Refunds	(293,893)
Net Cash flow from Operating Activities [A]	6,928,750
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(742,067)
Sale of Fixed Assets	707,500
Purchase of Investments	(560,000)
Movement In Bank Deposits	417,505
Interest Received	395,355
Net Cash flow from / (used in) Investing Activities [B]	218,292
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Equity Shares Issued	-
Movement in Long-term Borrowings	(1,049,055)
Movement in Short-term Borrowings	(1,669,505)
Finance Costs	(3,978,881)
Net Cash flow from / (used in) Financing Activities [C]	(6,697,441)
Net Increase in Cash and Cash Equivalents [A+B+C]	449,601
Opening Cash and Cash Equivalents	1,128,338
Closing Cash and Cash Equivalents	1,577,939

Note: The above Cash Flow Statement has been prepared under the 'Indirect Method' as mentioned in

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,

Nathabhai J. Sadariya
Nathabhai J. Sadariya
Managing Director

Manoj H. Shah
Manoj H. Shah
Director

Minal D. Shah
Minal D. Shah
Company Secretary

GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

• **Company Profile:**

The company is engaged in manufacturing and trading activity and has two business segments, viz. Agricultural Equipments and Bearings (Forged Rings). It trades in Agricultural Equipments while manufactures as well as does job work of Bearings.

A. Basis of consolidation

The consolidated financial statements of Accumax Rings Limited and its subsidiaries are prepared under the historical cost convention and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the parent company.

B. Principles of consolidation

The consolidated financial statements include the financial statements of Accumax Rings Limited and its subsidiaries. These have been prepared in accordance with the Accounting Standard 21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The subsidiary in these consolidated financial statements is Accumax Rings Limited

The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after eliminating inter-company transactions and balances.

C. Basis of preparation of financial statements

The Financial Statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards notified under section 211(3C) of Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the entity.

D. Use of estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including Contingent Liabilities) on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period.

Estimates and Assumptions used in the preparation of the Financial Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements, which may differ from the actual results at a subsequent date.

Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

E. Fixed assets

Fixed Assets are stated at cost net of recoverable taxes less accumulated depreciation, except free hold land which is carried at cost. The cost of fixed assets comprises of its purchase price, freight charges, adjustments arising from exchange rate variations, and all incidental expenditure attributable to bringing the asset to their working conditions for its intended use.

GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

E. Depreciation

Depreciation on fixed assets is provided on Written Down Value method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on addition to fixed assets is provided on pro-rata basis from the date of acquisition / installation / when the asset is put to use. In respect of asset sold or disposed off during the year, depreciation is provided till the date of sale/disposal/adjustment of the assets

F. Impairment of Asset

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

G. Investments

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

H. Inventories

Inventories are valued at cost and net realizable value whichever is lower, as certified by the management of the Company.

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

I. 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.

J. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in Statement of Profit & Loss. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates, and the resultant exchange difference is recognized in the Statement of Profit & Loss.



GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

K. Employee Benefits

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.

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.

L. Income Tax

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

Deferred Tax: Deferred tax liability or assets is recognized on timing differences being the difference 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 recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to realize these assets. All other deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

M. Prior Period Items

Material items of prior period expenses, non-recurring and extra-ordinary items are disclosed separately.

N. Provisions

Provisions involve substantial degree of estimation in measurement and are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. These are reviewed at each balance sheet date to reflect the current best estimate



GALAXY AGRICO EXPORTS LIMITED

Statement on Significant Accounting Policies

O. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future event beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources embodying future economic benefits will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statement.

Contingent assets are neither recognized nor disclosed in the financial statements following the principal of conservatism.

P. Cash Flow Statements

Cash flow statement is reported using Indirect method, whereby Profit / (Loss) before tax is adjusted for the effects of transaction of non-cash in nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, Investing and financing activities of the company are segregated based on available information. Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investment with original maturity of three months or less



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

The previous year figures have been regrouped / reclassified, wherever necessary, in order to

1. Share Capital

1.1 Details relating to Authorised, Issued, Subscribed and Paid up Share Capital

Particulars.	As at 31st March, 2014
Authorised Share Capital 55,00,000 Equity Shares of ₹10 each	55,000,000
Issued Share Capital 50,00,020 Equity Shares of ₹10 each	50,000,200
Subscribed and Paid-up Share Capital 27,31,620 Equity Shares of ₹10 each, fully paid up	27,316,200
Add: Shares Forfeited	11,820,000
	39,136,200

1.2 The Company has only one class of shares referred to as ordinary equity shares having a face value of ₹10. Each shareholder is entitled to

1.3 Reconciliation of number of shares

Particulars	As at 31st March, 2014 No. of shares
Shares outstanding as at the beginning of the year	2,731,620
Add: Shares issued/(bought-back) during the year	-
Shares outstanding as at the end of the year	2,731,620

1.4 Details of shareholders holding more than 5% ordinary equity shares

Name of the shareholders	As at 31st March, 2014	
	No. of shares	%
Manoj H. Shah	1,49,600	5.48%
Jayesh K. Patel	1,43,000	5.23%
Hemali S. Patel	1,39,500	5.11%
Jitendra H. Shah	1,39,410	5.10%



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

1.5 Details of forfeited shares as on Balance Sheet date

Class of shares	As at 31st March, 2014
	No. of shares
Ordinary Equity Shares	2,268,400

2. Reserves and Surplus

Particulars	As at 31st March, 2014
General Reserve	250,000
Surplus in Statement of Profit and Loss	
Opening Balance	12,239,929
Add: Profit / (Loss) for the year	(1,260,805)
Closing Balance	10,979,124
	11,229,124

3. Long-term Borrowings

Particulars	As at 31st March, 2014
Term Loans	
<u>Secured</u>	
From Banks	
Rajkot Nagrik Sahakari Bank	6,371,040
[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 [Interest rate: 12% p.a.]	11,650,001
	18,021,041

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: 34 months;

Interest Rate: 12.50% on the outstanding principal



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

4. Deferred Tax Liability (Net)

Particulars	As at 31st March, 2014
Opening balance	8,372,820
Deferred Tax Liability for the year	(403,195)
Net Deferred Tax Liability	7,969,625
<i>Refer Note No. 31</i>	

5. Short-term Borrowings

Particulars	As at 31st March, 2014
Loans repayable on demand	
<u>Secured</u>	
From Banks	
Rajkot Nagrik Sahakari Bank - Cash Credit	7,863,035
[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.]	
	7,863,035

6. Trade Payables

Particulars	As at 31st March, 2014
Other than Acceptances	2,698,461
	2,698,461



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures In Rs.]

7. Other Current Liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
Current maturity of long-term borrowings		
Term Loan		
Secured		
From Banks	4,141,616	3,664,006
Interest accrued and due on borrowings	112,948	151,677
Other Payables		
Statutory Liabilities		
Excise Duty	178,235	70,799
Professional Tax	149,720	68,930
Provident Fund Contribution	9,100	29
T.D.S. and T.C.S.	179,424	148,983
V.A.T.	161,204	169,687
Payables on purchase of fixed assets	160,601	-
Audit Fees Payable	10,000	10,000
	5,102,849	4,313,452

8. Short-term Provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provisions - Others		
Professional Tax	2,400	-
	2,400	-

10. Non-Current Investments

Particulars	As at 31st March, 2014	As at 31st March, 2013
(At Cost)		
Other Investments - Unquoted, fully paid up		
Investments in Subsidiary		
50,000 equity shares of Rs. 10 each in Accumax Rings Limited	500,000	-
Investment in Equity Shares		
4 shares of Rs. 6,014 each in Rajkot Nagrik Sahakari Bank	24,056	24,056
11,200 shares of Rs. 50 each in Rajkot Nagrik Sahakari Bank	560,000	-
	1,084,056	24,056



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

9. Fixed Assets

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 31st March, 2013	Addition	Disposal / Adjustment	As at 31st March, 2014	Charge for the year	Eliminated on disposal of assets	As at 31st March, 2014	As at 31st March, 2013
Tangible Assets								
Land	1,241,216	-	-	1,241,216	-	-	1,241,216	1,241,216
Building	18,479,493	9,114	-	18,488,607	617,444	-	12,516,042	13,124,372
Plant and Equipments	59,189,489	1,585,932	2,128,563	58,646,858	2,865,032	949,951	42,111,869	44,569,581
Dies and Tools	181,618	-	-	181,618	20,541	-	41,112	61,653
Electric Installations	8,274,011	-	-	8,274,011	393,016	-	3,069,022	5,598,005
Furniture and Fixtures	1,533,362	41,984	-	1,575,346	97,564	-	569,138	624,718
Vehicles	757,382	-	-	757,382	71,951	-	324,154	396,105
Office Equipments	1,347,843	96,486	-	1,444,329	86,476	-	206,761	196,751
	91,004,414	1,733,516	2,128,563	90,609,367	4,152,025	949,951	62,215,280	65,812,401
Capital work-in-progress								
Plant and Equipments	991,450	-	991,450	-	-	-	-	991,450
	991,450	-	991,450	-	-	-	-	991,450
TOTAL	91,995,864	1,733,516	3,120,013	90,609,367	4,152,025	949,951	62,215,280	66,803,851
Previous Year	77,424,993	16,744,894	1,318,638	92,851,249	3,680,410	505,555	69,135,069	56,883,668



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

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, 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	459,440	-	13,124,372	8,868,218
Plant and Equipments	62,439,880	1,588,272	4,838,663	59,180,489	13,975,821	2,798,795	2,154,618	44,569,581	48,464,059
Dies and Tools	181,618	-	-	181,618	99,424	20,541	-	61,653	82,194
Electric Installations	7,597,766	576,245	-	8,274,011	2,545,746	130,260	-	5,598,035	5,152,020
Furniture and Fixtures	1,482,762	50,600	-	1,533,362	812,494	96,150	-	624,718	670,268
Vehicles	757,382	-	-	757,382	293,736	67,541	-	395,105	463,546
Office Equipments	1,280,643	67,200	-	1,347,843	1,132,279	18,813	-	195,751	148,264
	88,806,166	7,036,911	4,838,663	91,004,414	23,716,181	3,630,450	2,154,618	65,812,401	65,089,985
Capital work-in-progress									
Building	2,159,288	2,595,305	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	309,289	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	66,803,851	69,135,068



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

11. Long-term Loans and Advances

Particulars	As at 31st March, 2014
(Unsecured, considered good)	
Security Deposits	
Electricity Deposits	188,843
Gas Deposit	3,020
Telephone Deposits	29,547
Other loans and advances	
MAT Credit Entitlement	431,212
	652,622

12. Other Non-Current Assets

Particulars	As at 31st March, 2014
Bank Deposits	
Corporation Bank F.D.	347,172
Rajkot Nagrik Sahakari Bank F.D.	3,584,935
	3,932,106

13. Inventories

Particulars	As at 31st March, 2014
Raw Materials	3,958,904
Work-in-progress	2,474,577
Stock-in-trade	998,889
Dies, Tools and Other Materials	2,358,577
	9,790,947

14. Trade Receivables

Particulars	As at 31st March, 2014
(Unsecured, considered good)	
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	3,432
Other Trade Receivables	9,881,132
	9,884,564



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

15. Cash and Cash Equivalents

Particulars	As at 31st March, 2014
Cash on hand	57,784
Balances with Banks In Current Accounts	1,520,155
	1,577,939

16. Short-term Loans and Advances

Particulars	As at 31st March, 2014
(Unsecured, considered good)	
Loans and Advances to employees	340,710
Balances with Statutory Authorities	
Service Tax Receivables	8,364
Income Tax Refund (A.Y. 2013-14)	293,893
TDS & TCS Receivables (A.Y. 2014-15)	506,485
Income Tax Refund (A.Y. 2000-01)	55,000
Income Tax Refund (A.Y. 2009-10)	31,179
Others	
Advance to Suppliers and others	205,986
Prepaid Expenses	124,445
	1,566,062

17. Other Current Assets

Particulars	As at 31st March, 2014
Accruals	
Forward Exchange Contract - MSFI	317,062
Interest Accrued on Deposits	14,500
Subsidy receivable	164,840
License Fees Receivables	1,330,258
	1,826,660



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

18. Revenue from Operations

Particulars	Year ended 31st March, 2014
Revenue from sale of products	30,542,534
Revenue from sale of services	24,022,135
Other Operating Income	5,450,836
Revenue From Operations (Gross)	60,015,505
Less: Excise Duty collected on sales	(2,385,224)
Revenue From Operations (Net)	57,630,281

18.1 Sale of Products comprises

Particulars	Year ended 31st March, 2014
<u>Manufactured Goods</u>	
Forged Rings	21,775,131
<u>Traded Goods</u>	
Agricultural Equipments	8,767,403
	30,542,534

18.2 Sale of Services comprises

Particulars	Year ended 31st March, 2014
Job work Income - Forged Rings	24,022,135
	24,022,135

18.3 Other operating income comprises

Particulars	Year ended 31st March, 2014
Import Entitlements	200,000
Rate Difference	1,528,632
Scrap Sales	3,722,204
	5,450,836

19. Other Income

Particulars	Year ended 31st March, 2014
Interest on:	
Bank Deposits	409,855
Electricity Deposits	14,500
Income Tax Refund	-
Net Gain on foreign currency transactions	13,354
Other non-operating income	
Discount Received	69,414
Sundry balances written off	16,720
	523,843



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

20. Cost of Materials Consumed

Particulars	Year ended 31st March, 2014
(Indigenous)	
Raw Material Consumed (ALLOY STEEL)	
Opening Stock	4,014,498
Add: Purchases	11,801,016
Less: Closing Stock	3,958,904
	11,856,610
Dies, Tools and Other Materials Consumed	
Opening Stock	1,831,901
Add: Purchases	3,063,711
Less: Closing Stock	2,358,577
	2,537,035
	14,393,645

21. Purchase of Stock-in-Trade

Particulars	Year ended 31st March, 2014
Agricultural Equipments	7,442,304
	7,442,304

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

Particulars	Year ended 31st March, 2014
<u>Inventories at the beginning of the year</u>	
Finished Goods	-
Work-in-Progress	3,039,790
Stock-in-trade	998,889
	4,038,679
<u>Inventories at the end of the year</u>	
Finished Goods	-
Work-in-Progress	2,474,577
Stock-in-trade	998,889
	3,473,466
	565,213



GALAXY AGRICO EXPORTS LIMITED

Consolidated Notes forming part of the financial statements

23. Employee Benefit Expenses

Particulars	Year ended 31st March, 2014
Salaries and Wages	7,321,238
Contribution to provident fund	147,162
Staff welfare expenses	53,226
	7,521,626

24. Finance Costs

Particulars	Year ended 31st March, 2014
Interest expenses on:	
Borrowings	
Cash Credit	1,057,224
Term loan	1,547,216
Unsecured Loans	1,371,830
Other Borrowing Costs	115,559
	4,091,829

25. Other Expenses

Particulars	Year ended 31st March, 2014
Manufacturing and Other Direct Expenses	
Job Work Charges	1,709,178
Power Consumption	13,989,315
Repairs and Maintenance - Machinery	1,796,208
Transportation and Freight Expenses	653,509
Factory and other expenses	233,305
	18,381,514
Administrative and Selling Expenses	
Auditor's Remuneration	
Statutory and Tax Audit Fees	10,000
Donation	36,924
Insurance	765,664
Legal and Professional Charges	471,112
Net loss on sale of fixed assets	490,462
Repairs and Maintenance - Others	2,463
Rates and Taxes	1,493,342
Other administrative and selling expenses	3,269,968
	21,651,482



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

[Figures in Rs.]

26. Earnings Per Share (EPS)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(1,196,520)	(8,359,452)
Weighted Average number of equity shares used as denominator for calculating EPS	2,731,620	2,731,620
Basic and Diluted Earnings per share	(0.44)	(3.06)
Face Value per share	10.00	10.00

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Contingent liabilities		
Forward U.S. Dollar Contracts with Marwadi Shares & Finance Limited	4,525,188	

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

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Foreign Exchange Earnings		
Exports (F.O.B. Value)	8,767,403	2,202,208
Foreign Exchange Outgo - Foreign Travelling Expense	154,424	-



GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

Segment Reporting for the year ended 31st March, 2014

(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	(6,126,842)	(7,922,744)
Less: Net Current tax	-	-	-	-
Deferred tax	-	-	435,509	435,509
Prior Year Taxes	-	-	1,199	1,199
Profit After Tax [PAT]	(1,985,549)	189,647	(6,563,550)	(8,359,452)
3. Other Information				
Segment Assets	6,947,208	64,639,915	24,239,580	95,826,703
Segment Liabilities	-	5,726,029	30,114,692	35,840,721
Capital Expenditure	-	969,490	301,378	3,983,278
Depreciation	337,540	2,481,706	811,204	3,630,450

(ii) Secondary Segment Information:

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

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 Rs.]

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.	Late Shri Jayantibhai D. Patel* (Till 21/7/13)	Key Management Personnel (KMP)
2.	Nathabhai J. Sadariya	
3.	Sanjay J. Patel	
4.	Manoj H. Shah	
5.	Jitendra H. Shah	Relative of KMP

*Passed away on 21/7/2013

30.2 Transactions during the year with related parties and year-end balances [Figures in Rs.]

Particulars	Key Management Personnel (KMP)	Subsidiary	Relative of KMP
<u>Nature of Transactions</u>			
Equity Investments Made		500,000	
Salary	480,000 <i>480,000</i>		
Loans Accepted	8,276,259 <i>5,832,592</i>	385,000	
Loans Repaid	6,076,259 <i>2,382,592</i>		
Interest paid on loans accepted	1,362,510 <i>977,592</i>		61,440
<u>Year-end balances</u>			
Equity Investments		500,000	
Unsecured Loans		385,000	
Loans and Advances	11,650,001 <i>7,138,000</i>		512,001

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

31. Deferred Tax Liability (Net)

[Figures in Rs.]

Particulars	As at 31st March, 2014	Current Year Charge / (Credit)	As at 31st March, 2013
Difference between book and tax depreciation	19,232,479	1,145,559	20,378,038
Loss on sale of fixed assets 2008-09	(848,723)	-	(848,723)
Loss on sale of fixed assets 2009-10	(1,897,780)	-	(1,897,780)
Profit on sale of fixed assets 2010-11	940,805	-	940,805
Profit on sale of fixed assets 2011-12	703,899	-	703,899
Loss on sale of fixed assets 2012-13	(864,045)	-	(864,045)
Loss as per Income Tax Act, 1961 & Loss on Sale of Fixed Assets	-	(2,450,396)	(2,450,396)
Net Timing Difference	17,266,635	(1,304,837)	15,961,798
Net Deferred Tax Liability	8,372,820	(403,195)	7,969,625

GALAXY AGRICO EXPORTS LIMITED

Notes forming part of the financial statements

32. Other Disclosures

32.1 The outstanding balances as at 31st March, 2014 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.

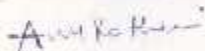
32.2 The company has requested the suppliers to give information about their status as Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. In the absence of this information, Company is unable to provide the details in "Trade Payables" regarding the overdues to such Enterprises.

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.

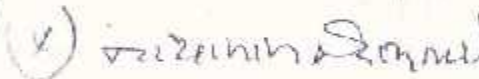
Signature to the Statement on Significant Accounting Policies and Notes forming part of the financial Statements

As per our Report of even date

For Arun M. Kothari,
Chartered Accountant



Arun M. Kothari
Proprietor
Membership No. 108569



Nathabhai J. Sadariya
Managing Director

For and on behalf of the Board



Manoj H. Shah
Director



Minal D. Shah
Company Secretary

Ahmedabad, 28th May, 2014

Rajkot, 27th May, 2014