

# CORPORATE GOVERNANCE REPORT

The Board of Directors of the company supported the broad principles of corporate governance. Given below is a report on corporate governance.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is provisional rules and guideline of managing the company. It minimizes the use of company to acquire self interest and minimize the occurrence of mistake and fraud in the company. Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Corporate Governance philosophy emerges from the belief that the business strategy and plans should be consistent with the welfare of all stakeholders and should be in line with National Economic policies of the Government of India.

The Company made conscious efforts to institutionalize Corporate Governance practices and further believe that it shall go beyond adherence to the regulatory framework. Corporate structure, business and disclosure practices have been aligned to Company's Corporate Governance Philosophy. The Company will continuously endeavour to take forward the best practices to enhance stakeholders' 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:

## 2. BOARD OF DIRECTORS

### 49 A (i)

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

### 49 A (ii)

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

49 A (iv)

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

49 B

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

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 2011 - 12 meeting was held on the following dates:

28/04/2011                      30/04/2011                      08/06/2011                      28/06/2011  
30/07/2011                      13/09/2011                      05/10/2011                      01/11/2011  
20/12/2011                      27/01/2012                      01/03/2012                      31/03/2012

Name	Category Of Directorship	Total No. of Directorship	Membership/ Chairmanship of any other Committee		Board Meeting		Last AGM attended or not
			Chairman	Member	Held	Attended	
Shri Jayantilal Devjibhai Patel	Managing director Executive	1	2	0	12	11	Yes
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive	2	0	2	12	12	Yes
Shri Manoj Harsukhlal Shah	Whole Time Director- Executive	1	0	3	12	12	Yes
Shri Bharat Trambaklal Shah	Independent –Non Executive	1	1	1	12	10	Yes
Shri Ajay Ramjibhai patel	Independent - Non Executive	1	1	1	12	11	Yes
Shri Shashikant Jadavbhai Bhalodi	Independent - Non Executive	1	0	1	12	8	Yes

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

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

49 C (iv)

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

COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors has constituted Four Committee

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

3. AUDIT COMMITTEE

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

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

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

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

Main Scope of Audit Committee in existing year

- :→ Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
- :→ Review of the half-yearly and annual financial statements before submission to the Board.
- :→ Review and take on record the un-audited quarterly results of the Company before publication.
- :→ Supervision of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- :→ Reviewing with management the annual financial statements before submission to the Board.
- :→ Urgent implementation of any change in Accounting standard of policy by any Act, Rules, Regulation, Listing Agreement, Accounting Standard.
- :→ Compliance with accounting standards.
- :→ Qualifications in draft audit report.
- :→ Significant adjustments arising out of audit.
- :→ Compliance with stock exchange and legal requirements concerning financial statements.
- :→ Review and compliance of Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- :→ Reviewing the company's financial and risk management policies.

#### 4. REMUNERATION COMMITTEE

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

The Committee consisting of following Director

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

Remuneration and sitting fees of the Director

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

## 5 INVESTORS GRIEVANCE COMMITTEE

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

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

### Composition of Investor Grievance Committee

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

### Status of Complaints

Complaint Received	Complained Solved	Complaint pending
NIL	NIL	NIL

The meeting of committee was held seven times on

30/04/2011 06/06/2011 30/07/2011 10/09/2011 01/11/2011 25/01/2012  
01/03/2012

## 6. SHARE TRANSFER COMMITTEE

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

### Composition of Share Transfer Committee

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

The meeting of committee was held Twenty four times on

15.04.2011 30.04.2011 15.05.2011 30.05.2011 15.06.2010 30.06.2011  
15.07.2011 30.07.2011 16.08.2011 30.08.2011 15.09.2011 30.09.2011  
15.10.2011 30.10.2011 15.11.2011 30.11.2011 15.12.2011 30.12.2011  
15.01.2012 30.01.2012 15.02.2012 29.02.2012 15.03.2012 30.03.2012

## 7. GENERAL BODY MEETING

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

Financial Year	Date And Time	Location of the Meeting
2008-2009	26/09/2009	Registered office of the Company
2009-2010	31/08/2010	Registered office of the Company
2010-2011	09/09/2011	Registered office of the Company

- \* The Extra Ordinary General Meeting was held on 31<sup>st</sup> March 2012 for the reappointment of Shri Jayantilal D Patel as a managing Director of the Company w.e.f 01/04/2012
- \* The Extra Ordinary General Meeting was held on 31<sup>st</sup> March 2012 specify the limit of borrowing under section 293 (1) (d) of the Companies act, 1956.

## 8. 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 paid Rs.965125.00 as re-activation fees of Bombay Stock Exchange

e) CEO/CFO Certification

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

f) Quarterly Corporate Governance Report

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

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDERS INFORMATION

1. Date time and venue of AGM : 20<sup>th</sup> September 2012  
S. NO. 236, Jai kishan Industrial Estate,  
Behind Murlidhar Weighbridge  
Veraval (Shapar)  
Dist: Rajkot 360024
2. Financial Calendar : 01<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012
3. Date of book closure : 14/09/2012 to 20/09/2012
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 suspension on trading of the script was  
during each month in last Removed from previous year.  
Financial year : The High and Low Price information during the  
Last three months is given Below

Sr No.	Month	Low	High
01	Jan 2012	11.69	12.30
02	Feb 2012	12.27	12.27
03	Mar 2012	12.88	12.88

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](mailto:ahmedabad@linkintime.co.in)

9. Distribution of share holding : Share holding Pattern as on 31<sup>st</sup> March 2012  
is As per follows

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	200	0.01
08	Indian Public	582900	21.33
09	Non Resident Indians	98500	3.61
	TOTAL	2731620	100 %

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



10. Demat of share and liquidity : As on 31<sup>st</sup> March 2012

	No. of Shares	% of Shares
Held in dematerialized form in CDSL	1435410	28.71 %
Held in dematerialized form in NSDL	912310	18.24 %
Held in Physical form	383900	7.68 %
Sub Total	2731620	54.63 %
Forfeited Shares	2268400	45.37 %
Total	5000020	100 %

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

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

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

FOR GALAXY AGRICO EXPORTS LTD

DIRECTOR

Place: Veraval - Shapar  
Date: 04/08/2012