

**INDEPENDENT AUDITORS' REPORT**  
**To The Members of Galaxy Chemicals Inc.**  
**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Galaxy Chemicals Inc. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements, for inclusion in the consolidated financial statements of Galaxy Surfactants Limited Group, that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Indian Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the accounting and auditing standards applicable in India.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's



judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive incomes, its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

- a) The comparative financial information of the Company for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 included in these Ind AS financial statements, are based on the financial statements prepared in accordance with the accounting principles generally accepted in India dated 25<sup>th</sup> May 2017 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March 2017 dated 23<sup>rd</sup> June 2017 expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS.

### **Other Reporting Requirements**

We further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statements.
- b) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Ind AS financial statements.



**Restriction in Use**

This report is provided to you solely for the information and for the purposes of preparation of Consolidated Financial Statements of the Galaxy Surfactants Limited Group for the year ended March 31, 2018. It should not be distributed to any other third party without our written consent.

**For S. V. PINGE & Co.**  
Chartered Accountants  
(Firm's Registration No. 122667W)



A handwritten signature in blue ink that reads "S. V. Pinge".

**S. V. Pinge**  
Proprietor  
(Membership No. 44276)

Place: Navi Mumbai  
Date: 2<sup>nd</sup> May, 2018

# Galaxy Chemicals Inc.

Balance Sheet as at 31st March, 2018, 31st March, 2017 and 1st April, 2016

Particulars	Note	31st MARCH 2018	31st MARCH 2017	1st APRIL 2016
		USD		
<b>I. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	2	-	-	-
		-	-	-
<b>CURRENT ASSETS</b>				
(a) Financial Assets				
(i) Cash and Cash Equivalents	3	46,056	46,809	52,065
		<b>46,056</b>	<b>46,809</b>	<b>52,065</b>
<b>Total Assets</b>		<b>46,056</b>	<b>46,809</b>	<b>52,065</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	4A	120	120	120
(b) Other Equity	4B	36,686	(68,373)	(62,867)
		<b>36,806</b>	<b>(68,253)</b>	<b>(62,747)</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Trade Payables	5	-	-	-
(ii) Other Financial Liabilities	6	-	-	-
		-	-	-
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Trade Payables	5	9,250	4,500	4,250
(ii) Other Financial Liabilities	6	-	1,10,562	1,10,562
		<b>9,250</b>	<b>1,15,062</b>	<b>1,14,812</b>
<b>Total Equity and Liabilities</b>		<b>46,056</b>	<b>46,809</b>	<b>52,065</b>

The accompanying notes 1 to 11 are an integral part of the Financial Statements  
In terms of our report attached.

For S. V. PINGE & Co.  
Chartered Accountants  
Firm Registration No. 122667W



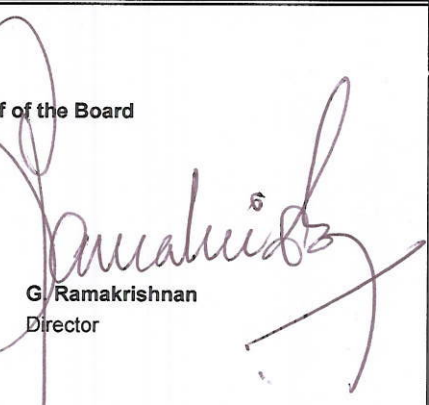
S. V. Pinge  
Proprietor  
Membership No. 44276

Place : Navi Mumbai  
Date : 2nd May, 2018



For and on behalf of the Board

  
U. Shekhar  
Director

  
G. Ramakrishnan  
Director

# Galaxy Chemicals Inc.

Statement of Profit and Loss for the year ended 31st March, 2018 and 31st March, 2017

Particulars	Note	Year Ended 31 March, 2018	Year Ended 31 March, 2017
		USD	
<b>INCOME</b>			
Other Income	7	1,10,562	-
<b>Total Income</b>		<b>1,10,562</b>	<b>-</b>
<b>EXPENSES</b>			
Other expenses	8	5,503	5,506
<b>Total Expenses</b>		<b>5,503</b>	<b>5,506</b>
<b>Profit before tax</b>		<b>1,05,059</b>	<b>(5,506)</b>
Tax Expense			
Current Tax	9	-	-
Deferred Tax	9	-	-
<b>Profit for the year</b>		<b>1,05,059</b>	<b>(5,506)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified to profit or loss			
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>1,05,059</b>	<b>(5,506)</b>
<b>Earnings per equity share :</b> (Face value \$ 0.01 per share)			
Basic	10	8.75	(0.46)
Diluted	10	8.75	(0.46)

The accompanying notes 1 to 11 are an integral part of the Financial Statements

In terms of our report attached.

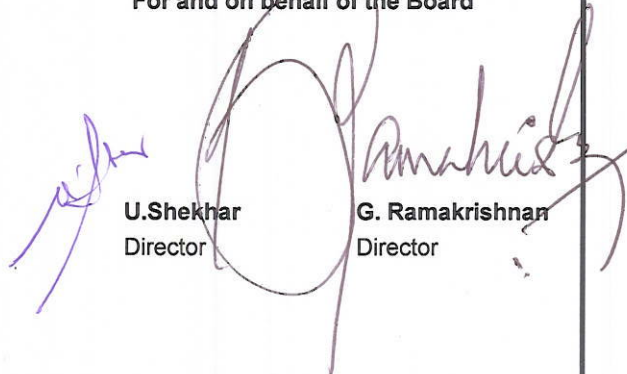
For S. V. PINGE & Co.  
Chartered Accountants  
Firm Registration No. 122667W



S. V. Pinge  
Proprietor  
Membership No. 44276



For and on behalf of the Board



U. Shekhar  
Director

G. Ramakrishnan  
Director

Place : Navi Mumbai  
Date : 2nd May, 2018

# Galaxy Chemicals Inc.

Cash Flow Statement for the year ended 31st March 2018 and 31st March 2017

Particulars	USD	
	2017-2018	2016-2017
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit After Tax	1,05,059	(5,506)
Operating Profit before Working Capital changes	1,05,059	(5,506)
Changes in :		
Increase in trade payables & Other Liabilities	(1,05,812)	250
	(1,05,812)	250
Cash generated from operations	(753)	(5,256)
Income Taxes Paid	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(753)</b>	<b>(5,256)</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(753)</b>	<b>(5,256)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>46,809</b>	<b>52,065</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>46,056</b>	<b>46,809</b>

The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard (INDAS) 7 - Statement of Cash flow.

The accompanying notes are an integral part of the Financial Statements  
In terms of our report attached.


For S. V. PINGE & Co.  
Chartered Accountants  
Firm Registration No. 122667W



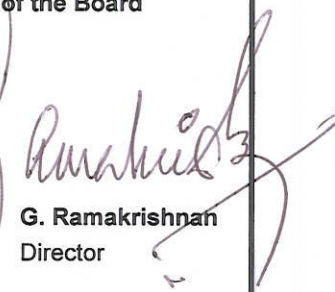
S. V. Pinge  
Proprietor  
Membership No. 44276



For and on behalf of the Board



U. Shekhar  
Director



G. Ramakrishnan  
Director

Place : Navi Mumbai  
Date : 2nd May, 2018

# Galaxy Chemicals Inc.

Statement of Changes in Equity for the year ended 31st March 2018

## A) Equity Share Capital

USD

Particulars	31st MARCH 2018	31st MARCH 2017	1st APRIL 2016
Issued and Subscribed :			
Balance as at the beginning of the year	120	120	120
Balance as at the end of the year	120	120	120

## B) Other Equity

USD

Particulars	Securities Premium Account	Retained Earnings	Total
As at 1st April 2016	99,900	(1,62,767)	(62,867)
Profit / (Loss) for the period		(5,506)	(5,506)
Other Comprehensive Income / (Loss)			-
<b>Total Comprehensive Income for the year</b>	-	(5,506)	(5,506)
As at 31st March 2017	99,900	(1,68,273)	(68,373)
Profit / (Loss) for the period		1,05,059	1,05,059
Other Comprehensive Income / (Loss)			-
<b>Total Comprehensive Income for the year</b>	-	1,05,059	1,05,059
As at 31st March 2018	99,900	(63,214)	36,686

The accompanying notes 1 to 11 are an integral part of the Financial Statements  
In terms of our report attached.

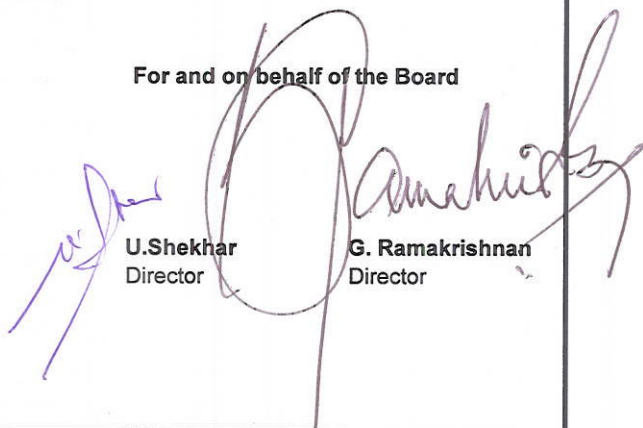
For S. V. PINGE & Co.  
Chartered Accountants  
Firm Registration No. 122667W



S. V. Pinge  
Proprietor  
Membership No. 44276



For and on behalf of the Board



U. Shekhar  
Director

G. Ramakrishnan  
Director

Place : Navi Mumbai  
Date : 2nd May, 2018

## GALAXY CHEMICALS INC.

### 1 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

**A. Corporate Information**

Galaxy Chemicals Inc was incorporated on April 24<sup>th</sup>, 2003 in the State of New Jersey, United States of America and is a wholly owned subsidiary of Galaxy Surfactants Limited. The Company is engaged in the business of liasoning and marketing of chemicals for home and personal care industry.

**B. Accounting policies adopted in preparation of financial statements:**

**i. Basis of Preparation of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements are reported in United States Dollars (USD) which is the functional currency of the Company as that is the primary economic environment in which the entity operates. The presentation currency for these financial statements is also United States Dollars (USD).

**ii. Revenue Recognition:**

Revenue /income and cost/expenditure are generally accounted on accrual basis as they are earned or incurred, except in case of significant uncertainties.

**iii. Property, Plant and Equipment:**

Property, Plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any.

**iv. Depreciation on Fixed Assets:**

Depreciation is provided on straight line basis at the following rates which is based on useful life of assets

Computers - 33.33%

Office Equipment - 33.33%

**v. Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the Opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:**

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognised assets and liabilities





# Galaxy Chemicals Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

## 2 Property, Plant and Equipment

Particulars	USD		
	Computers	Office Equipment	Total
<b>(I) Cost</b>			
Balance as at 1st April 2016	4,232	2,507	6,739
Other Adjustments during the year	-	-	-
Balance as at 31st March 2017	4,232	2,507	6,739
Other Adjustments during the year	-	-	-
Balance as at 31st March 2018	4,232	2,507	6,739
<b>(II) Accumulated depreciation</b>			
Balance as at 1st April 2016	4,232	2,507	6,739
Other Adjustments during the year	-	-	-
Balance as at 31st March 2017	4,232	2,507	6,739
Other Adjustments during the year	-	-	-
Balance as at 31st March 2018	4,232	2,507	6,739
<b>Carrying amount(I-II)</b>			
Balance as at 1st April 2016	-	-	-
Balance as at 31st March 2017	-	-	-
Balance as at 31st March 2018	-	-	-



**Galaxy Chemicals Inc.**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

**3 Cash and Bank Balances**

USD

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
Cash and cash equivalents			
Balances with banks			
- On Current Accounts	46,056	46,809	52,065
<b>Total Cash and cash equivalent</b>	<b>46,056</b>	<b>46,809</b>	<b>52,065</b>

**4A Equity Share Capital**

USD

Particulars	As at	As at	As at
	31 March 2018	31 March 2017	1 April 2016
<b>Authorised:</b>			
12,000 Equity Shares of \$ 0.01 each	120	120	120
	120	120	120
<b>Issued and Subscribed :</b>			
12,000 Equity Shares of \$ 0.01 each, fully paid-up. (Previous Year : 12,000 Shares)	120	120	120
	120	120	120

**A. Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	USD	No. of Shares	USD	No. of Shares	USD
<b>Issued and Subscribed :</b>						
Balance as at the beginning of the year	12,000	120	12,000	120	12,000	120
Balance as at the end of the year	12,000	120	12,000	120	12,000	120

**B. Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of USD 0.01 per share. Each holder of equity shares is entitled to one vote per share.

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

**C. During the period of five years immediately preceding the reporting date:**

- (i) The Company has not issued any shares pursuant to contract(s) without payment being received in cash.
- (ii) The Company has not allotted any shares as fully paid up by way of bonus shares.
- (iii) The Company has not bought back any shares.

**D. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Company :**

Name of the Shareholder	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Galaxy Surfactants Ltd	12,000	100	12,000	100	12,000	100

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

**E Details of shares held by Holding Company:**

Name of shareholder	31st March 2018		31st March 2017		1st April 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Galaxy Surfactants Ltd	12,000	100	12,000	100	12,000	100

**4B Other Equity**

USD

Particulars	As at	As at	As at 1st April
	31 March 2018	31 March 2017	2016
Securities Premium Account	99,900	99,900	99,900
Retained Earnings	(63,214)	(1,68,273)	(1,62,767)
<b>Total</b>	<b>36,686</b>	<b>(68,373)</b>	<b>(62,867)</b>



**Galaxy Chemicals Inc.**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

**5 Trade Payables** USD

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(Carried at amortised Cost)						
Trade payable - Other than micro and small enterprises	9,250		4,500		4,250	
<b>Total Trade payables</b>	<b>9,250</b>	<b>-</b>	<b>4,500</b>	<b>-</b>	<b>4,250</b>	<b>-</b>

**6 Other Financial Liabilities** USD

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Current	Non Current	Current	Non Current	Current	Non Current
(Carried at amortised Cost)						
Other liabilities			1,10,562	-	1,10,562	-
<b>Total other Non-Current financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,10,562</b>	<b>-</b>	<b>1,10,562</b>	<b>-</b>



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# Galaxy Chemicals Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

## 7 Other income USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
(a) <u>Other Non - Operating Income</u> Liabilities no longer required written back	1,10,562	
<b>Total Other Income</b>	<b>1,10,562</b>	-

## 8 Other Expenses USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Rates and taxes	750	750
Legal and professional fees	4,750	4,750
Miscellaneous expenses	3	6
<b>Total Other Expenses</b>	<b>5,503</b>	<b>5,506</b>

## 9 Income Tax recognised in profit or loss USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>Current Tax:</b> In respect of current year		
	-	-
<b>Deferred Tax:</b> In respect of current year origination and reversal of temporary differences		
	-	-
<b>Total income tax expense</b>	-	-

## 10 Earning Per Share (EPS) USD

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit for the year	1,05,059	(5,506)
Profit for the year for diluted EPS	1,05,059	(5,506)
Weighted average number of Ordinary (Equity) Shares used in computing basic EPS	12,000	12,000
Effect of potential Ordinary (Equity) Shares on employee stock options.	-	-
Weighted average number of Ordinary (Equity) Shares used in computing diluted EPS.	12,000	12,000
Basic Earnings per share	8.75	(0.46)
Diluted Earnings per share	8.75	(0.46)
(Face value \$ 0.01 per share)		



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# Galaxy Chemicals Inc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

## 11 Related Party Disclosures :

(a) Related parties where control exists :

Sl. No.	Name of the Company	Relationship
1	Galaxy Surfactants Limited, India	Holding Company
2	Galaxy Holdings (Mauritius) Ltd., Mauritius	Fellow Subsidiary
3	Rainbow Holdings GmbH, Germany	Fellow Subsidiary
4	Galaxy Chemicals (Egypt) SAE, Egypt	Fellow Subsidiary
5	Tri-K Industries, Inc., USA	Fellow Subsidiary

The Company has not entered into any transaction with any related party during the year.

