Galaxy Chemicals- (Egypt) S.A.E

Audited Financial Statements For The Year Ended March 31, 2019

&

Independent Auditor's Report

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Independent Auditor's Report

TO: THE SHAREHOLDERS OF GALAXY CHEMICALS- (EGYPT) S.A.E

Report On The Financial Statements

We have audited the accompanying financial statements of GALAXY CHEMICALS- (EGYPT) S.A.E which comprise of the statement of financial position as of March 31, 2019 and its statements of income, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility For The Financial Statements

The financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations. This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards along with any applicable relevant laws and regulations. The standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 assessing risk, the auditor considers the internal controls relevant to the entity's preparation of the financial statements, in order to design audit procedures that are appropriate and relevant. An audit also includes evaluating the appropriateness of accounting policies used by the entity, the reasonableness of accounting estimates made by management, and also evaluating the overall presentation of the financial statements

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GALAXY CHEMICALS- (EGYPT) S.A.E as of March 31, 2019, and of its financial performance and its cash flows for the year ended in accordance with Egyptian Accounting Standards and relevant Laws & Regulations.

Emphasis Of Matter

Without qualifying our opinion, we draw your attention to the following Note No. 23, in the notes to the financial statements. A change in the Company's accounting policies in relation the presentation of freight revenue, haulage revenue, interest income, and export insurance income are to be netted against their expense accounts. Results for the years ended 31 March 2018 have been restated. Further details are provided in Note No. 23 to the financial statements.

Report On Other Legal & Regulatory Requirements

The company keeps proper accounting records; and includes all that is required by the relevant laws and regulations. The financial information includeed in the Board of Director's report, is in compliance with Companies Law (No. 159) of the year 1981 and its executive regulations and is in agreement with the company's books of account. The inventory stock count and inventory valuation were done and completed by management; as result management are solely responsible of the inventory valuation.

Cairo, Egypt
April 10, 2019

Sherin Noureldin
R.A.A 6809
Moore Stephens Egypt

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Public Accountants & Consultants
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Income Statement

	Note	Form 1 April 2018 till 31 Mar 2019 USD	Form 1 April 2017 till 31 Mar 2018 USD Restated
Revenue		99,365,094	103,071,272
Other Income	(5)	278,551	182,575
Total Income		**99,643,645**	**103,253,847**
Less/(Add)			
Cost of Raw Materials & Other Components Used		84,231,681	87,108,672
Salaries, Wages and Employee Benefits		2,559,155	2,347,818
Depreciation & Amortization		2,634,419	2,582,217
Changes in Inventory of Finished & Semi Finished Goods		1,318,247	701,724
Other Expenses		4,586,550	4,428,111
GAFI Reimbursement	(22)	(716,546)	--
Claims provisions		47,927	10,131
Foreign Exchange (Gains)/ losses		61,423	(272,481)
Finance Expenses		2,047,858	2,366,682
Inventory Write-Off		76,721	53,038
Total Cost		**96,847,435**	**99,325,912**
Net Profit For The Period		**2,796,210**	**3,927,935**
Earnings Per Share	(6)	**0.09**	**0.13**

- The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive Income

	From 1/4/2018 Till 31/03/2019 USD	From 1/4/2017 Till 31/03/2018 USD Restated
Profit For The Period	2,796,210	3,927,935
Add		
Other Comprehensive Income	--	--
Total Comprehensive Income For The Period	**2,796,210**	**3,927,935**

- The accompanying notes are an integral part of these financial statements

Statement of Financial Position

	Note	31-Mar-19 USD	31-Mar-18 USD Restated
Non-Current Assets			
Fixed Assets	7	21,735,433	24,123,685
Projects Under Constructions	8	4,125,755	952,173
Total Non-Current Assets		**25,861,188**	**25,075,858**
Current Assets			
Inventory	9	11,274,118	12,349,735
Trade Debtors	10	17,176,924	14,292,539
Due From Related Parties	20-A	683,070	--
Advance Payments to Suppliers		2,012,553	2,962,980
Debtors & Other Debit Balances	11	1,765,931	317,567
Cash & Cash Equivalents	12	443,658	545,150
Total Current Assets		**33,356,254**	**30,467,971**
Total Assets		**59,217,442**	**55,543,829**
Shareholders' Equity			
Issued & Paid-Up Capital	19	30,000,000	30,000,000
Retained Earnings/(Losses)		(4,185,434)	(6,981,644)
Total Shareholders' Equity		**25,814,566**	**23,018,356**
Non-Current Liabilities			
Long-Term Loans	15	--	666,670
Shareholders' Loan	16	5,000,000	5,000,000
Total Non-Current Liabilities		**5,000,000**	**5,666,670**
Current Liabilities			
Provisions	13	58,057	10,131
Banks Over Draft	14	19,411,413	17,824,009
Short-Term Loans	15	666,669	1,333,332
Advance Payments From Customers		171,737	821,042
Due To Related Parties	20-B	5,175,832	4,904,567
Trade Creditors	17	2,079,832	1,333,671
Creditors & Other Credit Balances	18	839,336	632,051
Total Current Liabilities		**28,402,876**	**26,858,803**
Total Shareholders' Equity & Liabilities		**59,217,442**	**55,543,829**

- The accompanying notes are an integral part of these financial statements.
- Independent Auditor's Report Attached.

Chairman	**Managing Director**	**Director**
Ramakrishnan Gopalkrishnan	**Vaijanath Kulkarni**	**U.Shekhar**

Statement of Change in Shareholders' Equity

2019	Issued & Paid Up Capital	Retained Earnings/(Losses)	Total
	USD	USD	USD
Balance at April 1, 2018	30,000,000	(6,981,644)	23,018,356
Net Profit For The Year		2,796,210	2,796,210
Balance at March 31, 2019	**30,000,000**	**(4,185,434)**	**25,814,566**

2018 Restated	Issued & Paid Up Capital	Retained Earnings/(Losses)	Total
	USD	USD	USD
Balance at April 1, 2017	30,000,000	(10,909,579)	19,090,421
Net Profit For The Year	--	3,927,935	3,927,935
Balance at March 31, 2018	**30,000,000**	**(6,981,644)**	**23,018,356**

- The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

	Note	From 1/4/2018 till 31/3/2019 USD	From 1/4/2017 till 31/3/2018 USD Restated
Cash Flows From Operating Activities			
Net Profit For The Year		2,796,210	3,927,935
Adjustments To Reconcile Net Income To Net Cash Provided By Operating Acitivities			
Depreciation & Amortization		2,634,419	2,582,218
Provisions-Created		58,057	10,131
Provisions-Used		(10,131)	(14,222)
inventory Write-Off		76,721	53,038
Changes In Assets & Liabilities			
Change In Inventory		998,896	135,027
Change In Receivables		(2,884,385)	(1,284,921)
Change In Suppliers Advanced Payments		950,427	(835,495)
Change In Debtors & Other Debit Balances		(1,448,364)	1,729
Change In Due From Related Parties		(683,070)	-
Change in Advance Payments From Customers		(649,305)	(284,238)
Change In Due to Related Parties		271,265	(3,201,841)
Change In Trade Creditors		746,163	(148,700)
Change In Creditors & Other Credit Balances		207,283	(336,642)
Net Cash Inflow From Operating Activities		**3,064,185**	**604,019**
Cash Flows From Investment Activities			
Payments For The Purchasing Of Fixed Assets		(246,167)	(624,274)
Payments For Projects In Progress		(3,173,582)	(851,504)
Net Cash (Outflow) From Investing Activities		(3,419,749)	(1,475,778)
Cash Flows From Financing Activities			
Bank Overdraft Payements/Receipts		1,587,404	1,955,579
Loan Repayements		(1,333,333)	(3,333,333)
Net Cash Inflow/(Outflow) From Financing Activities		**254,071**	**(1,377,754)**
Net Cash Generated/(Provided) During The Year		**(101,492)**	**(2,249,513)**
Cash & Cash Equivalents At The Begining Of The Year		545,150	2,794,663
Cash & Cash Equivalents At The End Of The Year	12	**443,658**	**545,150**

- The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

1. General Information

Galaxy Chemicals- Egypt (SAE) was established under the provisions of law No.8 of Investment Guarantees & Incentives Year 1997, and its Executive Regulations.

Company's Activities

The company is established as a Free Zone Company and is engaged in the manufacturing of surfactants and specialty chemicals for personal and home care industry. The company may have an interest or be involved in any way in the activities of other companies or entities performing similar activities or that may assist it to fulfill its objectives in Egypt or overseas. The company may also merge into the entities or purchase or acquire same according to the provisions of the law and its executive regulations.

2. Significant Accounting Policies

2.1 Compliance With Accounting Standards

- The accompanying financial statements have been prepared in accordance with the Egyptian Accounting Standards and the relevant Egyptian Laws & Regulations.

- The financial statements for the year ending March 31, 2019 have were approved by the board of directors on April 10, 2019.

2.2 Basis of Preparation the of Financial Statements

- The financial statements have been prepared in US Dollars.
- The financial statements have been prepared according to historical cost and continuity presumption.

2.3 Change in Accounting Principles

During the year, the Company changed its accounting policy with respect to the recognition of freight revenue, haulage revenue, interest income, and export insurance income. Results for the years ended 31 March 2018 have been restated. Further details are provided in Note No. 23 to the financial statements.

2.4 Foreign Currency Transaction

The company maintains its books in US dollars. For the Income Statement purposes, all transactions denominated in foreign currencies were translated into US dollar at the rate determined on the transaction date. For Balance Sheet purposes, the monetary current assets and liabilities are evaluated in accordance the rates announced on the Balance Sheet date and the differences are charged to income statement.

2.5 Fixed Assets & Depreciation

- Fixed assets are reported at historical cost minus accumulated depreciation and impairment losses. These costs include when realized and at its recognition, the cost of the replaced part of buildings and land. When applying an overall test its cost is recognized in case of compliance with recognition conditions with the book value of the replacement of buildings and equipment. All fixing and other maintenance expenses are recognized in the income statement when realized.

- Depreciation starts when the asset is in its place and ready for used for the purpose acquired. Depreciation is calculated by straight-line method according to the estimated useful life of the asset as follows:

Type of Fixed Assset	Deprection Rate	Depreciation Method
- Building	4.55%-10.34%	Straight line method
- Machinery	5% -17%	Straight line method
- Furniture & Fixture	10%	Straight line method
- Office Equipment	10.34%	Straight line method
- Computer & I T Equipment	33.33%	Straight line method
-Vehicles & Transportations	10.34% - 11%	Straight line method

2. Significant Accounting Policies (Continued)

2.5 Fixed Assets & Depreciation (Continued)

Fixed assets are eliminated on its disposal or when there aren't any expected future returns from its usage or selling. Any gains or losses from disposal of the fixed asset are recognized in the income statement in the same period of its disposal. The asset's remaining values, useful lives and ways of depreciation are reviewed by the end of each fiscal year. On regular basis the Company determines if there is any sign of impairment for the fixed asset at the date of each statement. When the book value of the asset is greater than its redemption value; so the asset is impaired and its value is reduced to its redemption value. Impairment losses are recognized in the income statement. Realized losses from the impairment value are reversed only if there are changes in the estimated redemption value of the asset since the last recognized impairment loss, and it should be less than the book value of the asset, resulting from the reverse of its impairment value, redemption value or exceeding the book value which is recognized with net value after depreciation, unless realized impairment loss of the asset is specified in the last year. Any reverse in the value of the impairment loss is recognized in the income statement.

2.6 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized; impairment of assets is tested if there is any sign. Amortization period and value is reviewed for the intangible asset with a certain useful life at least by the end of each year.

2.7 Amortization

The value of Amortization charged to income statement in accordance with the straight-line method over the estimated useful lives of intangible assets. The impairment in the value of intangible assets is calculated at the date of balance sheet and amortized from the date available for use according to the following rates

2.8 Projects Under Construction

Projects under constructions are reflected according to cost and include all direct expenses required to prepare the asset to be in a state of operation and for the purpose for which it was acquired. Projects under constructions are recorded as fixed assets once it is finished and it is available for the purpose it was acquired for. Projects under constructions are valued at the date of the balance sheet according to its cost and deducting the impairment in its value if any.

2.9 Inventory Valuation

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor and other direct costs. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and the average estimated costs necessary to make the sale. The required decrease in the inventory provision is in the value of the slow moving and absolute if present according to management estimate.

2.10 Impairment in the Value of Non-Financial Assets

The book value of the Company's non-financial assets, other than inventory and deferred tax assets is reviewed at the date of each financial position to ascertain the amount of impairment. The Company carries out a regular review to ascertain if there has been impairment in the value of an asset, in comparison with the expected future cash flows.

If there is an indication of such impairment, the impairment is charged in the income statement. The amount of impairment may be returned back in case that there is a change in the future cash inflow to the extent that the amount was reduced in the past.

3. Significant Accounting Policies (Continued)

2.11 Impairment in the Value of Financial Assets

On the date of each balance sheet, an objective estimate is carried out to ascertain if there is true indication that any of the assets have been impaired. Once there is a impairment in the value of an asset the loss is recorded only if there are objective proofs that the impairment of the value was due to an incident or more after the initial realization of the asset and that such incident or incidents had an effect that can be evaluated in a reliable manner for the expected future cash flow from the asset. In the case of financial assets that are recorded according to their amortized cost impairment, the loss due to impairment of its value between the book value of such asset and the present value of the future cash flow that has been discounted by the original actual interest rate relating to this asset.
The book value of the financial asset is reduced directly except in case of clients' accounts that is reduced using provisions. Any amount that will not to be collected is to be written off from the provision and the amount of the realized loss will be reimbursed either directly or by settling the provisions account. It should be ensured that such reversal will not generate a book value for the asset which is higher than the amortized cost at the date of the writing off the amount of impairment if such impairment has not been recognized. The amount of Write off will be reflected in the income statement.

2.12 Revenue Recognition

Revenue, costs, and expenses are generally accounted on accrual basis as they are earned or incurred, except in case of significant uncertainties.

1) Sales are recognized when goods are supplied and are recorded net of trade discounts.
2) Export Sales are shown recognized at Free On Board (FOB) Value of sales.
3) Service income is recognized once the service has been carried out and invoice has been issued according to the accrual basis.
4) Interest income is booked on a time proportion basis taking into account the amount invested and the rate of interest.

2.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.
Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.14 Employees Benefits

- **Social Insurance & Pension Scheme**

The Company contributes to the government social insurance system on behalf of the employees according to the social insurance law No. 79 year 1975 and its amendments. The employees and the Company contribute according to this law with a fixed percentage of their salary and the Company's obligation is limited to its contribution. The Company's contribution is reflected in the income statement according to the accrual principle.

- **Employee Profit Share**

According to its constitution, the Company distributes part of the profits dividends to the employees as per the recommendations stipulated by the Board of Directors and approved by the General Assembly. The employee share of profit will be recognized as distribution of profit in shareholder's equity statement and as an obligation for the period that the Company's shareholders approved such distribution.

2.15 Related Party Transactions

Related parties represent associate companies, major shareholders, directors and management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such parties.

2. Significant Accounting Policies (Continued)

2.16 Significant Accounting Estimates & Judgments

Estimates and assumptions are evaluated on basis of historical experience and other factors including expectations about future events that are believed to be reasonable under certain circumstances.
The Company makes future estimates and assumptions, which may not be equal to the actual results. Estimates and assumptions that are used by the Company are shown as follows:

a. Impairment of Trade Receivables

The evaluation in the value of receivables is made through debt aging. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit granted for them and the impairment is recorded with the value of the due amounts on the customers who the Company management sees that their credit position do not allow them to pay their liabilities.

b. Useful Life of Fixed Assets

The estimated useful life is depending on estimation and personal judgment based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on periodic basis.

c. Write Down in Value of Inventory

The Company provides for slow moving and obsolete inventory based on the reports which are related to its condition and future utility.

2.17 Expenses

All expense, including administrative and general expenses, are to be reflected in the income statement for the financial period that such expenses were incurred according to accrual basis.

2.18 Borrowings

Borrowings are initially recognized at the value of consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities. After initial recognition, interest bearing loans and borrowing are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized value is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the income statement.

2.19 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use and capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the period they accrue.
Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Cash Flows Statement

The cash flow statement has been prepared according to the indirect method.

2.21 Cash & Cash Equivalents

For the cash flows statement, cash and cash equivalents are to be considered petty cash, cash at banks, short term fixed deposits, cheques under collection, and letters of guarantee cover, if any nurturing within three months.

2.22 Earnings Per Share

Earnings per share are calculated by dividing the net profit by the number of shares.

2.23 Comparative figures

Comparative figures are reclassified whenever it is necessary to amend the presentation used during the current period.

3. Financial Instruments

Financial instruments are made up of any contractual agreement that gives the right to financial assets of the Company and creates a financial or shareholding obligation to the other side of the contract.

3.1 Receivables (net)

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than granted credit limits) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate used to determine the amortized cost. The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognized in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables.

3.2 Trade Creditors & Other Creditors

Trade creditors and other creditors in general are recognized with the received goods and services value; if there are invoices or not. If this is material received goods, services and creditors are recognized with present value of the estimated future cash flows by using interest rate of similar loans.

4. Financial Instruments & Related Risk Management

On balances sheet financial instruments comprise receivables, payables, bank balances, and cash.
Note (2) to the financial statements includes the accounting policies adopted in the recognition and measurement of financial instruments and the significant risk associated with the financial instruments and the procedures followed by the Company to mitigate these risks are as follows:

4.1. Liquidity Risk

Liquidity risk represents all factors which affect the company's ability to pay all of its obligations according to the company's policy & sufficient liquidity are maintained including arrangements for additional credit facilities from banks) which reduce the risk to the minimum.

All of the company's liabilities are represented in the following table:

Type of Liability	Note	Maturity Less Than 1 Year	Maturity More Than 1 Year
		USD	USD
Bank Borrowings	13	19,411,413	--
Term Loans	14	666,669	--
Shareholders Loan		--	5,000,000
Due to Related Parties	19	5,175,832	--
Trade Creditors	16	2,079,832	--
Total Creditors & Other Credit Balances	17	839,336	--
Total		**28,173,082**	**5,000,000**

4.2. Interest Rate Risk

Interest rate risk is that the fair value of future cash flows of financial instrument will fluctuate because of the changes in the market interest rates. The company is exposed to interest rate risk on its interest-bearing liabilities which are represented in bank overdraft and term loan.

4.3. Credit Risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to in incur our financial loss. The Company seeks to reduce this risk to the minimum by dealing with many customers of strong and stable financial standings

4.4. Capital Risk Management

The company's objectives when managing capital are to safe guard the company's ability to continue as a going concern in order to provide returns for shareholders to maintain on optimal capital structure to reduce the cost of capital– so, management policy is reserving powerful capital base and make underlying capital studies to face changes in economic conditions

5. Other Income

	From 1/4/2018 Till 31/3/2019 USD	From 1/4/2017 Till 31/3/2018 USD Restated
Insurance export	25,928	--
Other Income	252,624	182,575
Total Other Income	**278,551**	**182,575**

6. Earnings Per Share

	From 1/4/2018 Till 31/3/2019 USD	From 1/4/2017 Till 31/3/2018 USD Restated
Net Profit For The Year	2,796,210	3,927,935
Number Of Shares	30,000,000	30,000,000
Earnings Per Share For The Year	**0.09**	**0.13**

7. Fixed Assets

31-3-2019	Building	Machinery	Furniture & Fixture	Office Equipment	Computer & IT Equipment	Vehicles	Total
	USD	USD	USD	USD	USD	USD	USD
Cost At April 1, 2018	11,698,419	28,360,044	167,171	218,971	424,799	27,350	40,896,754
Additions	--	121,626	2,828	38,827	82,886	--	246,167
Cost At March 31, 2019	**11,698,419**	**28,481,670**	**169,999**	**257,798**	**507,685**	**27,350**	**41,142,921**
Accumulated Depreciation At 1 April 2018	3,240,784	12,871,432	87,507	147,142	412,473	13,731	16,773,069
Depreciation For The period	539,241	2,021,139	16,889	25,866	28,259	3,025	2,634,419
Accumulated Depreciation At March 31, 2019	**3,780,025**	**14,892,571**	**104,396**	**173,008**	**440,732**	**16,756**	**19,407,488**
Fixed Assets At March 31, 2019	**7,918,394**	**13,589,099**	**65,603**	**84,790**	**66,953**	**10,594**	**21,735,433**

31-3-2018	Building	Machinery	Furniture & Fixture	Office Equipment	Computer & IT Equipment	Vehicles	Total
Restated	USD	USD	USD	USD	USD	USD	USD
Cost At April 1, 2017	11,697,058	27,745,110	167,171	217,746	418,045	27,350	40,272,480
Additions	1,361	614,934	--	1,225	6,754	--	624,274
Cost At March 31, 2018	**11,698,419**	**28,360,044**	**167,171**	**218,971**	**424,799**	**27,350**	**40,896,754**
Accumulated Depreciation At April 1, 2017	2,701,572	10,877,029	70,737	122,560	408,247	10,706	14,190,851
Depreciation For The Year	539,212	1,994,403	16,770	24,582	4,226	3,025	2,582,218
Accumulated Depreciation At March 31, 2018	**3,240,784**	**12,871,432**	**87,507**	**147,142**	**412,473**	**13,731**	**16,773,069**
Fixed Assets At March 31, 2018	**8,457,635**	**15,488,612**	**79,664**	**71,829**	**12,326**	**13,619**	**24,123,685**

- Some of the assets above are considered collateral to QNB Bank in relation to the bank overdraft taken out by the company.

8. Projects Under Construction

	31-Mar-19 USD	31-Mar-18 USD Restated
New Production Line	4,125,755	952,173
Total Projects Under Consruction	**4,125,755**	**952,173**

- The balance represents the cost of machinery & improvements made to the new production line under construction.

9. Inventory

	31-Mar-19 USD	31-Mar-18 USD Restated
Raw Materials	4,253,285	3,641,530
Semi- Finished Goods	1,949,296	2,826,088
Packing & Packaging Materials	482,749	515,425
Finished Goods	1,558,704	2,000,160
Consumables & Spare Parts	819,250	797,357
	9,063,284	**9,780,560**
Goods In Transit	2,210,834	2,569,175
Total Inventory	**11,274,118**	**12,349,735**

10. Trade Debtors

	31-Mar-19 USD	31-Mar-18 USD Restated
Trade Debtors- Local	6,662,554	6,916,510
Trade Debtors- Foreign	10,514,370	7,376,029
Total Trade Debtors	**17,176,924**	**14,292,539**

11. Debtors & Other Debit Balances

	31-Mar-19 USD	31-Mar-18 USD Restated
Sundry Debtors	45,733	15,923
Prepaid Expenses	69,103	135,086
Deposits with others	170,198	166,558
Employee Petty Cash Custodian	17,360	--
General Authority for investments and free zones	1,463,537	
Total Debtors & Other Debit Balances	**1,765,931**	**317,567**

12. Cash & Cash Equivalents

	31-Mar-19	31-Mar-18
	USD	USD Restated
Petty Cash	5,164	6,588
Bank Accounts	392,270	489,502
Letter Of Guarantee	46,224	49,060
Total Cash & Cash Equivalents	**443,658**	**545,150**

13. Provisions (Annual leave)

	31-Mar-19	31-Mar-18
	USD	USD Restated
Opening Balance	10,131	14,222
Added During Year	58,057	10,131
Used During The Year	(10,131)	(14,222)
Total Provisions	**58,057**	**10,131**

14. Bank Overdraft

	31-Mar-19	31-Mar-18
	USD	USD Restated
Overdraft Accounts	19,411,413	17,824,009
Total Bank Overdraft	**19,411,413**	**17,824,009**

- The balance represents a bank facility in the form of an overdraft account offered to the company from QNB and CIB banks.

15. Loans

	Short- Term	Long- Term	Total
	USD	USD	USD
International Financial Corporation- Loan 2	666,669	--	666,669
Total Loans	**666,669**	**--**	**666,669**

16. Shareholders Loan

As per the Inter-Corporate Credit Facility agreement signed between Galaxy Holdings- Mauritius (Limited) 'the lender' and Galaxy Chemicals- Egypt (SAE) 'the borrower' the company has been granted shareholders' loan amounting to 5,000,000 USD. The loan is subject to an interest rate of 5.8% (Libor + 5%) which is within the maximum of 7% set by the Egyptian Government for Shareholders Loans.

17. Trade Creditors

	31-Mar-19	31-Mar-18
	USD	USD Restated
Trade Creditors- Local	531,474	276,116
Trade Creditors- Foreign	1,548,358	1,057,555
Total Trade Creditors	**2,079,832**	**1,333,671**

18. Creditors & Other Credit Balances

	31-Mar-19 USD	31-Mar-18 USD Restated
Accrued Expenses	780,676	549,822
Accrued Financing Interest	6,983	27,201
Withholding Tax	32,249	18,207
Payroll Tax	(98)	20,917
Social Insurance	15,728	11,834
Other Credit Balances	3,798	4,070
Total Creditors & Other Credit Balances	**839,336**	**632,051**

19. Capital

Name	Number of shares	Percentage of Shareholding Share	Amount USD
Galaxy Holdings Mauritius (LTD)	29,999,998	99.999986%	29,999,998
Mr. Uday Krishna Kamat *	1	0.000007%	1
Mr. Babu Vaidyanathan Iyer *	1	0.000007%	1
Total	**30,000,000**	**100%**	**30,000,000**

*** Holding 1 (One) share as nominee of Galaxy Holding Mauritius Ltd.**

20. Related Party Transactions

A – Due From Related Party

	31-Mar-19 USD	31-Mar-18 USD Restated
Tri-K Industries- Inc (USA)	683,070	--.
Total Due From Related Party	**683,070**	**--**

B – Due To Related Party

	31-Mar-19 USD	31-Mar-18 USD Restated
Galaxy Surfactants Limited	4,218,272	4,209,632
Galaxy Holdings (Mauritius) Limited	957,560	694,935
Total Due To Related Party	**5,175,832**	**4,904,567**

C- Related Party Transactions Disclosure

1- Galaxy Surfactants Limited- Ultimate (Parent Company)

Purchases

During the year ending on March 31, 2019 Galaxy Chemicals (Egypt) purchases from Galaxy Surfactants Limited amounted to USD 16,701,460.

Corporate Guarantee

During the year ending on March 31, 2019 Galaxy Surfactants Limited corporate guarantee payments on behalf of Galaxy Chemicals (Egypt) amounted to USD 41,856.

Interest Payments

During the year
ending on March 31, 2019 Galaxy Chemicals (Egypt) interest accrued to Galaxy Surfactants Limited amounted to USD 122,465.

Sales & Debit Notes

During the year ending on March 31, 2019 Galaxy Chemicals (Egypt) sales made to Galaxy Surfactants Limited amounted to USD 3,551,550. During the year ending on March 31, 2019 Galaxy Chemicals (Egypt) debit notes by Galaxy Surfactants Limited amounted to USD 29,786.

2- Galaxy Holdings (Mauritius) Limited- (Parent Company)

Interest On Loan

During the year ending on March 31, 2019 Galaxy Chemicals (Egypt) accrued interest to Galaxy Holdings (Mauritius) Limited amounted to USD 337,625 on the loan as shown on note No.16.

3- Tri-K Industries (USA) Inc.- (Associate)

During the year ending on March 31, 2019 Galaxy Chemicals (Egypt) sales made to Tri-K Industries (USA) Inc. amounted to USD 3,879,557.

21. Taxation

2. Corporate Tax

As a Free Zone Company, the company is exempt from the Corporate Tax on profits.

3. Value Added Tax (VAT)

As a Free Zone Company, the company is exempt from the Value Added Tax (VAT).

4. Payroll Tax

The company calculates and deduct payroll tax due from all employees and it was paid in the legal time according to the Egyptian tax law.

The company ' s books are inspected till year 2012 and it was paid all the differences due, the next years did not inspected till now.

The inspection was finalized, and all payments were made in accordance with the outcome of the inspection. The company received from the tax authorities Form # 38 which indicates the assessment of salaries tax dues for years 2013/ 2017 with an amount of EGP 1,301,353.

The company field an official appeal on timely basis against this assessment which include material mistakes, this appeal is discussed now in the internal committee where we are working to reach an agreement to correct the mistakes in the inspection assessment, based on the available documents and information we expect that salaries tax dues for the years 2013 / 2017 will be in the range of EGP 300,000.

5. Stamp Duty

As a Free Zone Company, the company is exempt from the Stamp Duty Tax

6. Withholding Tax

The company withholds the appropriate amount from all companies and individuals subjected to the withholding tax system; the company pays the withheld amounts on quarterly basis as stated by the Egyptian Tax Law. The company has yet to be inspected for withholding tax.

22. General Authority For Investment & Free Zones (GAFI) Reconciliation

On February 10, 2019, the Chairman of Legal Advice and Legislation Department at GAFI issued a signed statement directed to a number of companies established under the Law No.8 For The Year 1997 to continue paying GAFI as per the laws that companies were established under, and the reversal of implementing the New Investment Law No. 72 For The Year 2017 till the license of each company established under Law No.8 For The Year 1997 ends.

Prior to June 2017 and the implementation of the New Investment Law No. 72 For The Year 2017, GAFI had calculated its fees based on 1% of the company's net profit, and then begun charging the company 1% on total revenue starting on from June 2017. This was against the company's license and hence the courts have agreed that GAFI should keep charging the company as per company's license duration which ends on 2034.

Below is the company's GAFI reconciliation and effect on the financial statements.

Amounts Paid To GAFI Under New Investment Law No. 72 For The Year 2017 (From June 2017-March 2019): USD 1,754,912

Amount That Should Have Been Paid To GAFI Under Law No.8 For The Year 1997 (From June 2017-March 2018): USD 142,722
Amount That Should Have Been Paid To GAFI Under Law No.8 For The Year 1997 (From April 2018-March 2019): USD 148,653- Reflected In GAFI Expenses Within Other Expenses

Total Amount Due From GAFI: USD 1,463,537

Extra payments Made to GAFI During FY 2019: USD 746,991
Other Income: USD 716,546 (Extra Fees Paid During FY 2018).

23. Change In Accounting Policy

A change in the Company's accounting policies in relation the presentation of freight revenue, haulage revenue, interest income, and export insurance income are to be netted against their expense accounts.

During the year, the Company changed its accounting policy with respect to the presentation of Other Income and Other Expenses specifically items relation to the following types of Other Income, Other Expenses, & Finance Expenses. Previously the Company used to present the total income generated from the accounts above and present their related expenses in other expenses.

The Company believes the new policy is preferable as it more closely aligns the accounting for these transactions to report more reliable and accurate information regarding the Company's performance.

The impact of this voluntary change in accounting policy on the financial statements is primarily the reduction of other income, other expenses, & other expenses. This change did not result in a material impact on the current year or any years included within the financial statements. The impact on each line item of the primary financial statements since the Company's adoption of the new policy is shown in the table below:

	As Reported	Adjustements	Restated
Income Statement	**FY 2017-2018**	**FY 2017-2018**	**FY 2017-2018**
Other Income	2,391,489	2,208,914	182,575
Other Expense	6,619,309	(2,191,198)	4,428,111
Finance Expense	2,384,398	(17,716)	2,366,682