

2021-22
36TH ANNUAL REPORT

**Revitalise.
Rejuvenate.
Reemerge.**

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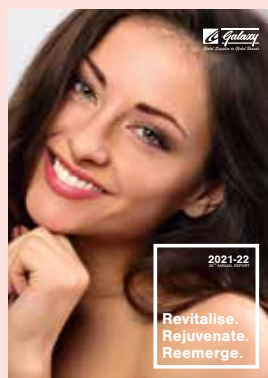
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Corporate Information

BOARD OF DIRECTORS

M. G. Parameswaran

Chairman, Non-Executive Independent Director
(Chairman - from April 20, 2022)

S. Ravindranath

Chairman, Non-Executive Independent Director
(till April 19, 2022)

U. Shekhar

Managing Director

K. Ganesh Kamath

Executive Director (Finance) & CFO

K. Natarajan

Executive Director & COO

Vaijanath Kulkarni

Whole-time Director
(w.e.f. October 16, 2021)

G. Ramakrishnan

Non-Executive Director

Shashikant R. Shanbhag

Non-Executive Director

Subodh Nadkarni

Non-Executive Independent Director

Nandita Gurjar

Non-Executive Independent Director

Uday K. Kamat

Non-Executive Director
(till September 8, 2021)

Dr. Nirmal Koshti

Non-Executive Director
(till October 7, 2021)

BOARD COMMITTEES

Audit Committee

Subodh Nadkarni

Chairman

S. Ravindranath

(till April 19, 2022)

M. G. Parameswaran

G. Ramakrishnan

Nomination & Remuneration Committee

Nandita Gurjar

Chairman (w.e.f. April 20, 2022)

M. G. Parameswaran

(Chairman till April 19, 2022)

S. Ravindranath

(till April 19, 2022)

Subodh Nadkarni

Stakeholders Relationship Committee

M. G. Parameswaran

Chairman

G. Ramakrishnan

K. Ganesh Kamath

Corporate Social Responsibility Committee

U. Shekhar

Chairman

K. Ganesh Kamath

M. G. Parameswaran

Risk Management Committee

Vaijanath Kulkarni

Chairman & Chief Risk Officer

K. Ganesh Kamath

K. Natarajan

Subodh Nadkarni

(w.e.f. June 8, 2021)

Sesha Samba Murty Garikiparthi

Abhijit Damle

COMPANY SECRETARY & COMPLIANCE OFFICER

Niranjan Ketkar

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.

C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083.

Phone: 022 - 4918 6000

E-mail: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai - 400 703, Maharashtra.
CIN: L39877MH1986PLC039877

ADDRESS OF CORRESPONDENCE

Rupa Solitaire, Ground Floor, Unit No. 8,
12A and 14 Millenium Business Park,
Mahape, Navi Mumbai - 400 710,
Maharashtra.

Phone: 022 - 2761 6666 / 33063700

E-mail:

investorservices@galaxysurfactants.com

AUDITORS

Deloitte Haskins & Sells LLP

PLANTS

Taloja

Plot No. V-23, M.I.D.C. Taloja,
Panvel, Dist. Raigad,
Pin - 410 208, Maharashtra.

Plot No. 1, Village Chal, CIDCO,
Near M.I.D.C. Taloja,
Panvel, Dist. Raigad,
Pin - 410 208, Maharashtra.

Jhagadia

Plot No. 892, Jhagadia Industrial Estate,
Taluka - Jhagadia via Ankleshwar,
Dist. Bharuch, Pin - 393 110, Gujarat.

Tarapur

Plot No. W-67 (B); G-59, M-3
M.I.D.C. Tarapur, Post Boisar - 401 506,
Maharashtra.

BANKERS

Standard Chartered Bank

IDBI Bank Limited

Citi Bank NA

The Hongkong & Shanghai
Banking Corporation Limited

The Saraswat Co-operative Bank Limited

Kotak Mahindra Bank Limited

HDFC Bank Limited

Message from the Managing Director



“While Financial Year 2020-21 tested resilience of Galaxy, Financial Year 2021-22 was about Acceptance, Adaptation & Agility”

While Financial Year 2020-21 tested resilience of Galaxy, Financial Year 2021-22 was about Acceptance, Adaptation & Agility. The year involved:

1. **‘Accepting’** the new normal.
2. Enhancing **“Agility”** within processes to respond to the elevated challenges of the new normal.

Jim Highsmith said,

“Agility is the ability to adapt and respond to change. Agile organisations view change as an opportunity, not a threat”

While Financial Year 2020-21 taught us to deal with the Pandemic, Financial Year 2021-22 required us to navigate a hyper-dynamic supply chain environment racked by feedstock outages, raw material unavailability, logistical disruption, delays and regulatory bottlenecks. These factors tested every aspect of our business in terms of service and responsiveness to customers.

What remains of more importance is how the Galaxy team prepared itself to overcome these challenges and become future-ready.

GLOBAL MACRO SCENARIO, INFLATION, SUPPLY CHAIN AND FEEDSTOCKS

Globally, one of the biggest factors in the past two years has been the non-availability of personnel. The frequent restrictions and lockdowns imposed by the economies coupled with COVID-19 illnesses resulted in manpower shortages at various ports severely impeding both, cross-border and domestic movement of goods. Scores of container ships remained idle at ports globally, worsening the supply chain scenario further. The restricted movement of goods was the primary cause of demand-supply imbalances, giving rise to the high inflationary scenario that the world is currently experiencing.

Our Global Customer Delight process had a huge role to play in this trying year. Strategic long-term tie-ups with shipping lines

and close coordination and working with customs authorities, enabled us to mitigate many bottlenecks in servicing our customers and guaranteeing them deliveries.

Sudden and sharp price increases in both major and minor feedstocks as well as the freight rates posed another major challenge this past year. Managing feedstocks risk was crucial, given the unparalleled volatility coupled with logistical challenges. Discipline and appropriate sourcing calls enabled us to navigate the ups and downs, not only mitigating mark-to-market impacts but score sourcing gains as well.

CUSTOMERS AND PRODUCTS

Galaxy provides holistic solutions to its customers over mere product offerings. And, it has always been a partner in their progress. The external uncertainty required us to go the extra mile to give certainty of timely deliveries to our customers through constant engagement with stakeholders across the value chain. Our teams kept our customers updated and informed on supply positions and price increases, aiding them in better planning their operations.

Amidst the rising prices, Galaxy worked closely with its customers advising them on period contracts, as well as reformulation of products.

Both in India and the USA, we expanded our footprint on Indie-Beauty as well as e-commerce brands which are the emerging market segments and established contact with almost 150 potential new customers. Furthermore, we launched TRISSENTIALS formulated solutions - inspiring customers with formulation expertise to reduce their developmental cycles and accelerate their launches.

The continuing market trends towards green chemistry and vegan products served well our growing ambitions of Mild Surfactants. We made significant strides on Mild Surfactants across various geographies. The new capacities got commissioned at Jhagadia and Tarapur 'First Time Right' and during the year we launched new Mild Surfactants such as Galsoft® SLL (Sodium Lauroyl Lactylate) and Sodium Lauroyl Taurate. Another major launch in FY20-21 was GalEcoSafe, the ultra-low Dioxane SLES. These are products that will build Galaxy's future.

Ease of availability of information is one of the crucial aspects of customer experience today. Through digitalisation and technology, we ensured continuous online customer engagement. Our social media platforms and digital campaigns are designed to resolve customer queries and educate them about the new product offerings.

“Galaxy has always focussed on continually developing the skill sets and competencies of its employees through various learning & development programs”

Business Performance

Ladies & Gentlemen, coming to the business performance, while the year began on an optimistic note, beginning from the second quarter, we experienced strong headwinds on the supply front. Supply challenges such as timely feedstock unavailability, shipment delays, rising freight costs, and feedstock prices impeded our ability to service the underlying demand. While our performance remained muted during Q2 and Q3 on the back of extreme volatile conditions, the steps we took continuously to mitigate the impact have enabled us to rebound in Q4.

Despite numerous challenges, our volumes in Financial Year 2021-22 stood in line with the volumes reported in Financial Year 2020-21. While our Performance Surfactants during the year declined by 4.5% due to raw material unavailability for most of the year, our Specialty Care Products played a pivotal role in sustaining the overall volumes by growing 6.3% Y-o-Y. Rising momentum for sustainable consumption in developed markets offered an opportunity for growth in our range of milder, and safer new-age product offerings such as Mild Surfactants and Non-Toxic Preservatives.

Notwithstanding the supply chain disruptions, strong momentum in safe and sustainable consumption in developed markets resulted in the ROW region posting a volume growth of 7.8%. To capitalise on these enduring market trends, we launched new products and customisations which enhanced the sustainability and naturality quotient of the end products.

Though India reported volume growth of 9.4%, the accentuated inflationary trends post the Russia-Ukraine crisis was reflected in the slow tapering of volumes. While inflation exerted pressure on consumer spending in Q4, positive drivers like premiumisation of the market and defensive character of the personal care consumption protected the demand.

The decline in AMET negated growth in the other two geographies. Factors such as the depreciation of currencies, consumer downtrading, and unavailability of feedstock impacted the performance of this region. With product basket diversification to cater to the nearby developed markets of Europe, we are optimistic about leveraging this opportunity to navigate these short-term regional market conditions.

Our CAPEX for Specialty Care Products at Jhagadia and Tarapur commenced commercial production after an extended COVID-led delay. The new CAPEX will catalyse the faster introduction of new products from our specialty offerings of Mild Surfactants and Non-Toxic Preservatives platforms. Buoyancy in preference for sustainable consumption in western markets with better affordability has encouraged us to plan for further capacity creation.

PEOPLE – OUR FUNDAMENTAL SOURCE OF STRENGTH

Business is primarily driven by people. As Zig Ziglar, a famous author said, “You don’t build a business, you build people, and then people build the business.” Galaxy has always focussed on continually developing the skill sets and competencies of its employees through various learning & development programs. This element of work ethos enabled us to navigate the challenges set forth by the unpredictable fallout of prolonged pandemics and fast-paced geopolitical events.

We have always followed the ‘People Centricity’ approach at Galaxy. As a moral responsibility, we extended every possible help to our employees by undertaking various measures during the pandemic such as arranging free-of-cost vaccination for employees and their close family members, encouraging the work from home culture, offering free medical assistance to the affected employees, and providing full-service period economic support to the families of the employees who succumbed to the deadly pandemic.

Talent building and nurturing are steered through career development plans for team members and cross-functional assignments on key projects and strategic initiatives of the organisation.

For the 3rd time, Galaxy got the coveted Great Place to Work® certification on the strength of achievements made in the areas of Management Competency, Physical Safety at Workplace, and Contribution to Society.

INNOVATING SUSTAINABLY:

Safe and Sustainable consumption has been a continuing trend in the Global Home and Personal Care industry. Our ten years of focussed work towards sustainability has given us the early mover advantage and an organisational orientation to respond better to the challenges and needs posed by the ESG ways

“Our products are designed to be intrinsically safe and sustainable using natural components while following the 12 Principles of Green Chemistry”

of doing business. Galaxy’s innovation process continued the focussed expansion of our product portfolio in the Home and Personal care applications, creating differentiation and adding value to our customers. Our products are designed to be intrinsically safe and sustainable using natural components while following the 12 Principles of Green Chemistry.

Our Green and Natural Advanced Amino Acid Mild Surfactants based on sustainable green chemistry have performed well as they are aligned with the Clean, Conscious, and Circular Beauty trends. Indigenous and D2C brands are more responsive to niche consumer requirements and Galaxy with its intense customer engagement & collaboration has been working closely with these customers as a holistic solution provider. The investment made into Green Chemistry a decade ago has enabled us to capitalise on the sustainable trends that are witnessing strong traction globally.

The Mild Surfactants category has been consistently growing over the years. Capacity enhancement projects of these Surfactants are approved and will be commissioned over the next two years.

A multipurpose specialty product facility has been commissioned to speed up innovative solutions creation and new product development.

During the year we launched:

Galsoft® SLL

A versatile natural, green multifunctional ingredient which improves the attributes of personal care products and their applications. This COSMOS-certified product is environmentally friendly and is 100% derived from natural ingredients.

Galaxy Hearth® Mix Pods

Galaxy Hearth® Mix Pods is a ready mix concentrate for the preparation of Laundry Pods or Capsules. Powered by

plant-based surfactants, the concoction prepared is carefully crafted to deliver adequate wetting, excellent cleansing, and detergency.

During the year, 3 patents were granted for 3 inventions and we have filed 4 more patent applications.

CSR – KEY HIGHLIGHTS

CSR is not just mere compliance but an opportunity to serve the community. Galaxy aims at empowering and transforming society through its various CSR projects. The Financial Year 2021-22 saw Galaxy making rapid strides in the area of water conservation.

Galaxy is one of the few Indian companies which is 1.4x water positive. This means during the calendar year 2021, Galaxy has conserved 1.4x more water than it consumed.

Every woman is entitled to Dignity, Privacy, and Safety, and as a part of our Women Empowerment (Stree Unnati) program, we constructed sanitation facilities for the underprivileged women of Randedi village, Jhagadia.

Under the Environment Protection program (Vatavaran Suraksha), Galaxy planted 13,925 trees during the year and cumulatively has planted 61,678 trees to date.

ACCOMPLISHMENTS:

Further, I would also like to highlight some of the key accomplishments during the Financial Year 2021-22:

- Galaxy Surfactants, Taloja plant was conferred with the CII Excellent Energy Efficient Unit award and was also conferred with the CII GreenCo Star Performer Award (Silver level).
- Galaxy Surfactants won:
 - Gold Award in Innovative Category for presenting a Case Study at the 41st CII National Kai-Zen Competition
 - Gold Award (Automatic Grease feeder) & Silver Award (Kaizen Diverter Valve) in Restorative Category for presenting a Case Study at the 41st CII National Kai-Zen Competition
- Achieved consistent progress in Carbon Disclosure Project (CDP) with:
 - Score of Management Level 'B' in CDP - Climate Change compared to the global average of 'C'
 - Management Level 'B-', in CDP-Water compared to the global average of 'B'
 - Leadership level, 'A' in Supplier Engagement compared to the global average of 'C'

(Declared in Financial Year 2021-22)

- Bagged the esteemed Indian Chemical Council's Acharya P.C. Ray Award for Development of Indigenous Technology, 2020 for indigenously developing 'Galguard Lipo G' – A patented, non-toxic, antimicrobial preservative technology for personal care products.

(Declared in Financial Year 2021-22)

- For the 3rd time got the coveted Great Place to Work® certification on the strength of achievements made in the areas of Management Competency, Physical Safety at the Workplace, and Contribution to Society.

Recently, our Watershed Management efforts across drought locations in India were recognised by the CII as an excellent effort towards ecosystem restoration.

CONCLUSION:

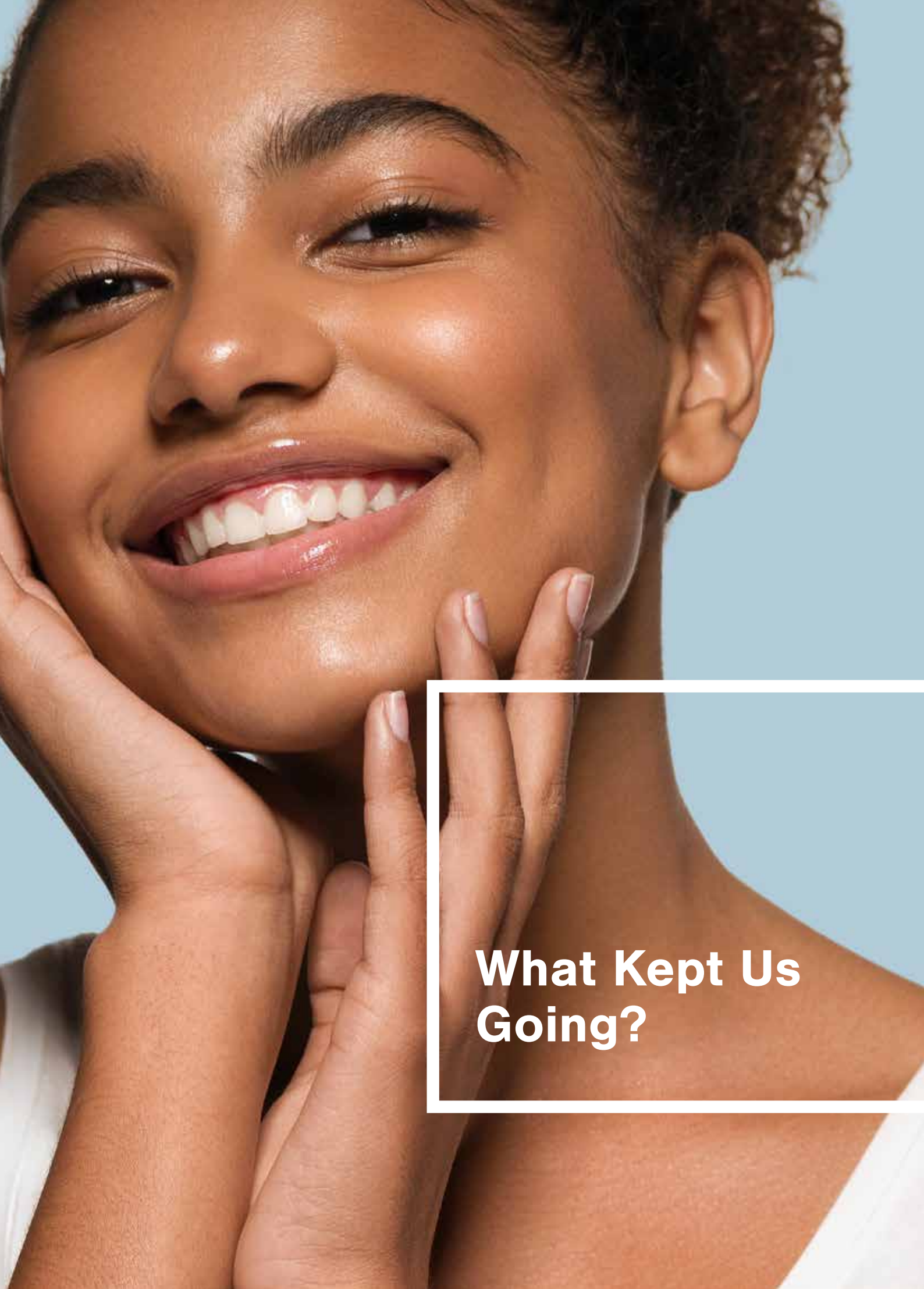
To conclude, growth is never linear as both systematic & unsystematic risks influence the business. While our diversified product portfolio catering to multiple geographies takes care of country-specific systematic risks, our strong foundation enables us to manage the unsystematic risks.

The Financial Year 2021-22 was noted for intelligently adapting to challenges thrown at us by the external environment, staying closer to customers and responding to their new needs and wants by sustainable innovations, creating capacities for the future, continuing the agenda of Safety and Quality as the supreme value at the workplace and risk mitigation of feedstock volatility.

I would like to thank all our Board members for incessantly providing their valuable guidance and support to the Company. Further, I would like to thank all our stakeholders for choosing us as their partners and counting on us to be able to navigate the elevated external challenges. I would also want to express my gratitude to the entire Galaxy team for their relentless dedication and commitment. Thank You, Ladies and Gentlemen.

Yours Sincerely,

U. Shekhar
Managing Director



**What Kept Us
Going?**

CUSTOMISE TO REVITALIZE



WE UNDERSTAND THAT

**ONE SIZE 'DOES NOT' FIT ALL
CONSUMER PREFERENCES ARE CHANGING
EVERY DAY AND D2C BRANDS THAT CATER TO ALL
NICHE ARE ON A RISE.**

Increased accessibility to the internet has made product comparison easier. The consumer of today is spoilt for choice and wants high-quality products that are safe, sustainable, and personalised. All this at an affordable price and delivered to their doorstep.

We understand that our customers need high-performing innovative ingredients and we continuously strive to deliver the same. Our Innovation philosophy of 'Consumer to Chemistry' encourages us to proactively identify consumer insights and needs by analysing market trends and having strategic intellectual tie-ups/mind partnerships with our customers.

Our 'Customisation with Care' approach goes hand-in-hand with consumer demands to create the most desirable product and provide 360-degree support to our customers so they can delight consumers every day.

As the demand for safer and better Home and Personal care products rises, we believe it is our responsibility to cater to the industry with ingredients and ready-made solutions that can help our customers raise the benchmark and exceed consumer expectations.



GalEcoSafe

AN ENVIRONMENTALLY SAFE SURFACTANT THAT CLEANSSES LIVES

Low 1,4 Dioxane SLES GalEcoSafe helps products comply with the New York law that limits the traces of 1,4-Dioxane in Home and Personal care formulations. 1,4-Dioxane is a common impurity in the manufacturing of fatty alcohol ethoxylates and fatty alcohol ether sulfates. The United States Environmental Protection Agency (EPA) has classified 1,4-Dioxane as 'likely to be carcinogenic to humans.' Galaxy's GalEcoSafe range of fatty alcohol ether sulfates is a simple solution addressing this complex problem. GalEcoSafe has 1,4-Dioxane content at 5 ppm max, making formulations safe while keeping them functional. This range includes water-soluble anionic surfactants having excellent foaming, detergency, and emulsifying properties. These can be used with other anionic, non-ionic, or amphoteric surfactants. They have a wide range of applications in both home care and personal care products such as bathing bars, shampoos, foam baths, body wash, shower gels, liquid detergents, dishwashing formulations, etc.



WATERLESS FORMATS



Products that perform like yesterday's formats but protect for tomorrow's requirement

Consumers and formulators are seeking products that are sustainable without compromising on the performance of products. They are looking for sustainable solutions throughout the lifecycle of the product.

Supply → Manufacturing → Logistics & Distribution → Consumer Use → Disposal

DID YOU KNOW?

Approximately, 70% - 75% of your shampoo bottle contains water!

Source: Galaxy internal research

This past year, we have identified the consumer's need to make ethical choices when it comes to their personal care routines.

WHY ARE LIQUID FORMATS UNSUSTAINABLE?

- Water is their major ingredient, leading to supply chain inefficiencies
- Presence of water increases the need for preservatives in the product
- Takes more space
- Requires to be packed in single-use plastic bottles

Solid formats we believe are the future of personal care!

Galaxy is well positioned to take care of this trend with its range of solid personal care ingredients for customers that cater to environment-conscious consumers.

REJUVENATING OUR PRODUCT PORTFOLIO WITH GALAXY HEARTH®



Home | Heart | Earth

GALAXY'S EXCLUSIVE RANGE OF HOME CARE INGREDIENTS

Building on the vision of being a one-stop solution for all home-care needs, this year we have created and launched a holistic home-care brand with a promise to enhance Product Value, Functionality, and Sustainability.



Product
Functionality



Product
Value



Product
Sustainability

Coming from the legacy of Galaxy Surfactants Ltd., this new brand is the answer to the questions of our customers across the globe.

Galaxy Hearth® has ready-made blends for ease of manufacturing, customised ingredients for unique requirements, and sustainable solutions. This enables our customers to design high-quality products that can preserve and protect the environment.

Providing Complete
Solutions for Home
Care Brands because
Home is where Hearth is

GALAXY HEARTH® MIX PODS

CONVENIENCE MEETS SUSTAINABILITY

Laundry pods are considered to reduce the use of plastic by 47% (Source: Galaxy Internal Research) and also reduce the need for water treatment significantly. Pods not only make the daily laundry more convenient but also make the whole process more sustainable in the long run.

Galaxy Hearth® Mix Pods is a ready mix concentrate for the preparation of Laundry Pods or Capsules. Powered by plant-based surfactants, the concoction prepared is carefully crafted to deliver effective wetting, excellent cleansing, and detergency. With an ability to disintegrate and dissolve quickly, they provide quick wetting of the fabric. Galaxy Surfactants provides end-to-end solutions for all laundry pod manufacturing needs. Being a plant-based concentrate, customers can make claims such as Vegan, Cruelty-free, and GMO-free.

GALAXY HEARTH® MIX LLDC – MAKING FABRICS LOOK FAB

CREATING CLEAN LAUNDRY, WITH CARE!

Liquid Laundry Detergent is becoming a trend in emerging markets after liquid dishwashing became urban-popular. Liquid formats are preferred because they are relatively less harsh on the skin and fabric. Galaxy Hearth® Mix LLDC is free from solvents, builders including phosphates, and has ingredients predominantly derived from Oleo chemical sources. It therefore avoids the accumulation of tonnes of minerals and salts into oceans, reduces the need for mining, and increases the life of fabric and machines.

Galaxy, with its expertise, has developed a high-performing, safe, eco-friendly surfactant concentrate that offers effective detergency and stain removal named Galaxy Hearth® Mix LLDC. The concentrate offers convenience to customers for the preparation of superior quality liquid laundry detergents. Galaxy Hearth® Mix LLDC can be easily diluted, requires no heating, and is versatile enough to prepare custom formulations as per customer preferences.



GALSOFT® SLL – UNDENIABLY SMOOTH, UNBELIEVABLY NATURAL.

100% NATURAL AND MULTIFUNCTIONAL INGREDIENT



Galsoft® SLL

Undeniably Smooth. Unbelievably Natural.

Natural functional ingredients and multifunctional products are expected to grow in popularity as consumers become more mindful of the harmful impacts of synthetic ingredients in personal care and cosmetics.

Galsoft® SLL well known in personal care applications as a viscosity builder, emulsifier, foam booster, stabiliser, skin feel enhancer, and moisturiser providing superior sensory effects is right on trend. It can also be used as a secondary surfactant. We like to call it the Surfamollient! It boosts viscosity as well as

provides a dense & creamy foam. It can be used in products such as creams, lotions, baby products, body cleansers, hair cleansers, and also finds its application in skin care and hair care products. Being used in a variety of applications, it fits into the current industry trend of multifunctional ingredients.

Galsoft® SLL, a condensation product of lactic acid and lauric acid, is a class of nitrogen-free and sulphate-free anionic surfactants. It is derived from natural and bio-renewable resources making it a 100% natural product.

RE-EMERGING TRENDS WITH OLD HABITS IN A NEW FORM

LOOKING BACK TO STEP INTO THE FUTURE

BRINGING A MEDLEY OF THE GOODNESS OF AN ERA BYGONE WITH OUR STATE-OF-THE-ART INNOVATION

6 out of 10 of newly launched products have a 'Natural' claim on them (Source: Mintel). **On average, at least 83% of Gen Z are buying natural and organic skincare products.** (Source: The Times of India) They also prefer using cruelty-free products. They pay attention to the kind of ingredients that are there in their skincare products and prefer ingredients that are plant-based and water-efficient.



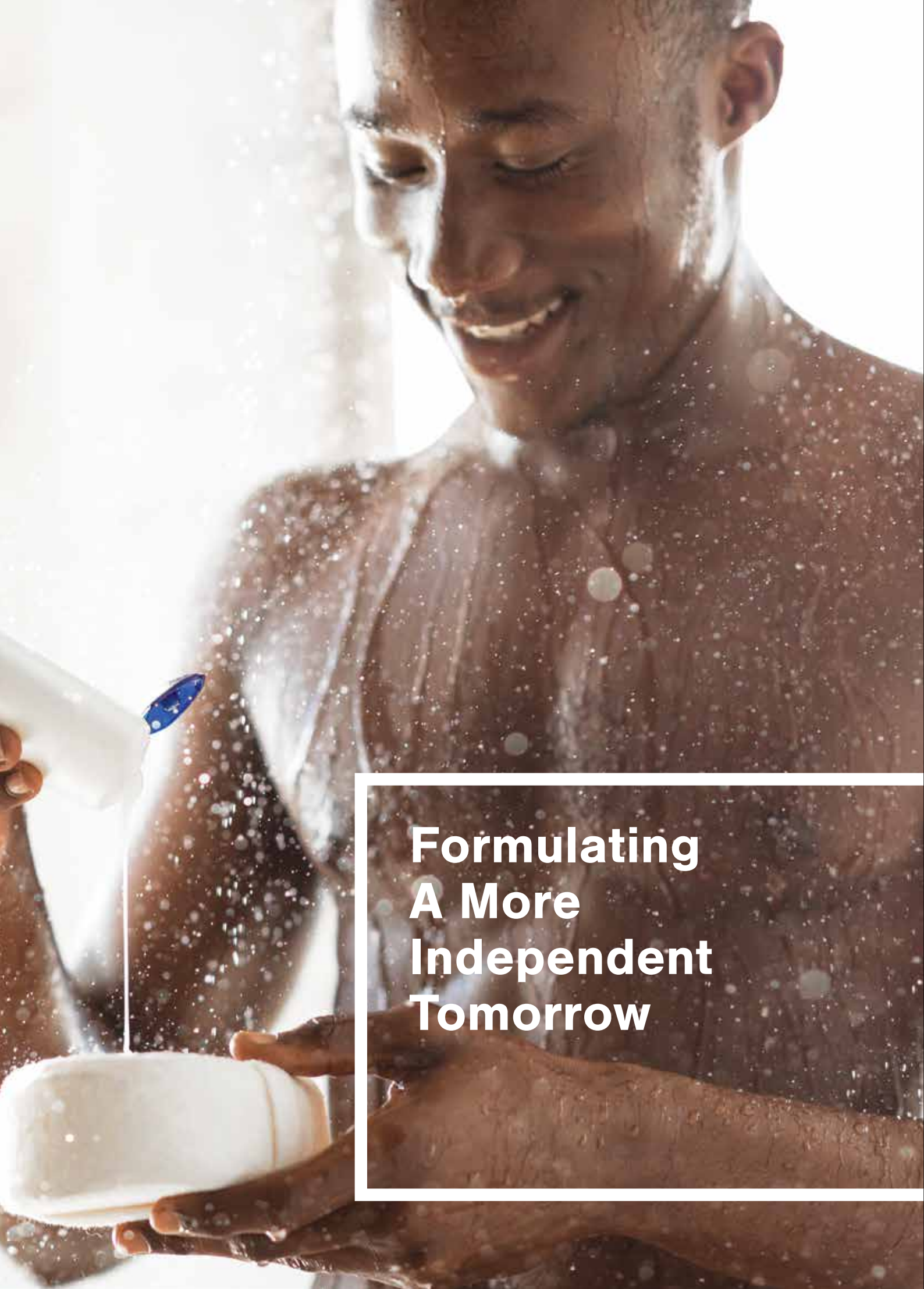
How different are these solutions from the ones endorsed by the older generation? Using natural remedies for any hair or skin crisis, taking care of the environment by re-using/upcycling as much as possible, and even endorsing Ayurveda as the perfect choice to maintain a healthy lifestyle in the hustle of city life; it is these values and teachings from the yesteryears that are finding themselves back in the Home and Personal care products of today!

The simple personal care routine which our grandparents inculcated in us is not only a treasured memory but also a reminder of the 'sustainable' quality they possessed.

Be it carrying paper soaps while travelling, using all-in-one shampoo bars for healthy hair and scalp, or brushing with tooth powders for strong gums.

These formats are finding their way back into our lives, and so, we, at Galaxy Surfactants, wanted to help our customers in their journey of rediscovering #OldHabits in a #NewForm.

Galaxy Surfactants through its #OldHabitsNewForm campaign presented three unique personal care ingredients - Galsoft® Range of Mild Surfactants, Galaxy TBB & Galaxy Syndets that contain the essence of the tried and tested personal care formats such as Tooth Powders, Paper Soaps, Shampoo Bars. Through our novel innovation we aim to cater to the environmentally conscious and value-driven consumer.

A close-up, low-angle shot of a man's face and upper torso in a shower. He is smiling and looking down. Water is spraying over him from a showerhead, creating a misty, bokeh effect. In the lower-left foreground, a hand holds a white bar of soap. The overall mood is fresh and invigorating.

**Formulating
A More
Independent
Tomorrow**

Galaxy Hearth® is a new brand of Galaxy whose legacy is shaped by the very spirit of entrepreneurship. This year, in celebration of the launch of our Homecare brand 'Hearth', we wanted to celebrate not just with our team, but also with the community. We wanted to give those with lesser privilege a chance to experiment and delve into the Home and Personal Care industry.

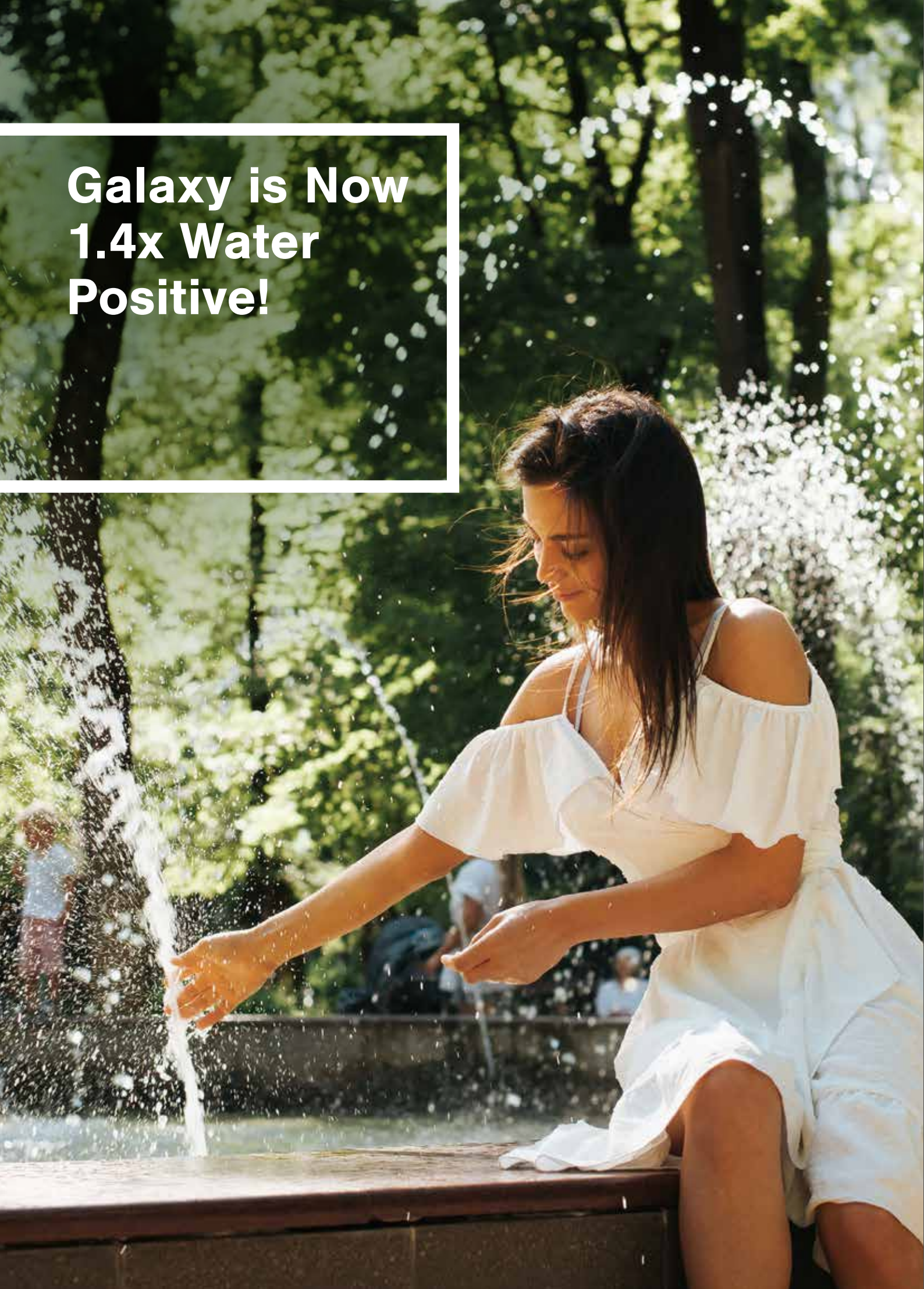
Through Hearth Workshops in select areas around Mumbai and Gujarat, we engaged with the enthusiastic people of the villages around our plants. We discovered that our Easy-to-Make solutions were the perfect sandbox for budding entrepreneurs to experiment and discover the art of making their own homecare products. Experts from our teams volunteered for these workshops to answer the questions of these budding entrepreneurs.

Galaxy Hearth®

- has ready-made Blends for customers' ease of manufacturing, customised ingredients for their unique requirements, and Sustainable Solutions to enable them to design high-quality Products that can preserve and protect the environment.
- is curated to answer the questions of our customers across the globe – the need to have safer, better, and cleaner homes because after all, Home is where Hearth is!



**Galaxy is Now
1.4x Water
Positive!**





India is home to 18% of the global population but only possesses 4% of the global water resources. According to OECD, by 2050, the consumption of water by manufacturing industries will be 400% of what it was in 2000. Galaxy Surfactants, with the principles of Water Stewardship, has directed its operations to ensure the usage of water is socially and culturally equitable, environmentally sustainable, and economically beneficial. With this, Galaxy Surfactants emerged as among the few Indian companies to achieve water-positive certification and become 1.4x water positive.

The certification was granted by DNV Business Assurance India Private Limited which carried out verification of Galaxy's Water Accounting Data for its operational plants at Tarapur, Taloja, Jhagadia, and the Corporate Office at Navi Mumbai in India.

According to the data, Galaxy Surfactants in calendar year 2021 restored 4,15,261 Cubic Metres (CuM) of water back to the environment in comparison to its withdrawal of 2,97,513 CuM of water.

This water is harvested through multiple projects of recycling, condensate recovery, steam recovery, and incorporating several water stress adaptation projects. With stringent targets for water reduction in the operations, Galaxy has ensured that its manufacturing units in India are Zero Liquid Discharge. DNV Business Assurance India Private Limited adopted a risk-based approach and conducted the on-site and off-site evaluation of the qualitative and quantitative information and Water Debit & Credit data presented in Galaxy Surfactants' Water Report. Accordingly, Galaxy Surfactants obtained a water balance index of 1.40, a rare achievement by an Indian Chemical Company.

4,15,261 Cubic Metres (CuM)
water restored back to the environment

A Year of Milestones



DECADE OF EXCELLENCE AT JHAGADIA

Galaxy's third manufacturing unit started in Gujarat's Jhagadia GIDC in the year 2012. In January 2022, our Jhagadia factory completed its 10 years of operations. It became one of the inspiring stories at Galaxy of how a vision has translated into reality due to valuable contributions and a continuous growth journey over the last decade.

Our Jhagadia factory has contributed and shall further contribute to our Specialty Care portfolio through Mild Surfactants and

Non-Toxic Preservatives. During these past ten years, it has excelled in manufacturing high-quality products with safety, responsibility, and environmental consciousness. It has also excelled in advanced technologies and automation in the manufacturing processes. Looking at the future, our Jhagadia factory will be a model for engineering and technological excellence, safety, and sustainability.



10 YEARS OF OPERATION IN EGYPT

During the decade 1990-2000, we saw our products receiving an overwhelming response in the Indian market, and that is when we decided to further expand our horizon by establishing our footprints outside India.

The next decade 2000-2010 saw Galaxy Surfactants taking a strategic step towards setting up a manufacturing facility in Egypt. The first commercial dispatch took place in January 2012 from Galaxy's Egypt facility. Starting with small capacities and limited SKUs, Galaxy Chemicals (Egypt) SAE (GCE) today boasts a significant product portfolio catering to the Home and Personal Care industry.

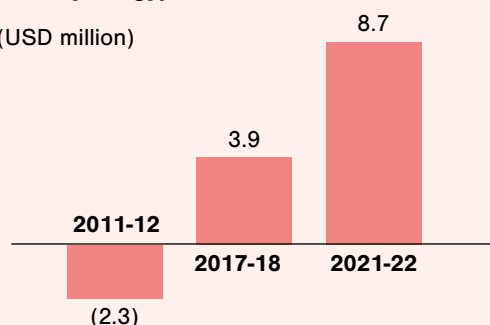
The well-structured and streamlined manufacturing facility we see today is the result of our team's strong dedication and determination displayed throughout the decade-long journey.

The past decade in Egypt witnessed protests, political turmoil, sporadic violence, waves of repression, currency devaluation, and inflationary pricing leading to more difficult living conditions, especially for the vulnerable low-income groups. All these factors posed a severe risk to our business operations which were endeavouring to establish a strong foothold in the region.

Despite these macroeconomic challenges, our people were resilient enough to navigate the situation and firmly stand the test of time. What started a decade ago with various challenges and constraints has become a smooth transition for ongoing brownfield projects and other improvements.

Our Journey in Egypt

PAT (USD million)



**“Rome was not
built in a day”**

- Anonymous

Strategy Under Uncertainty



The past few years have acted as a testing ground for all organisations, as they have taught us that the true health of a company is not only a reflection of its financial performance. The organisation's financial performance is a derivative of various qualitative aspects such as stakeholder relationships, employee health and safety, community engagement, robust governance, environmental consciousness, and ethics.

Uncertainty forms a significant part of any business, but as John Allen Paulos, a famous professor said

“Uncertainty is the only certainty there is, and knowing how to live with insecurity is the only security”



BRITTLE | ANXIOUS | NON-LINEAR | INCOMPREHENSIBLE

B

What used to be volatile is now **brittle**.

A

We have moved from feeling uncertain to feeling **anxious**.

N

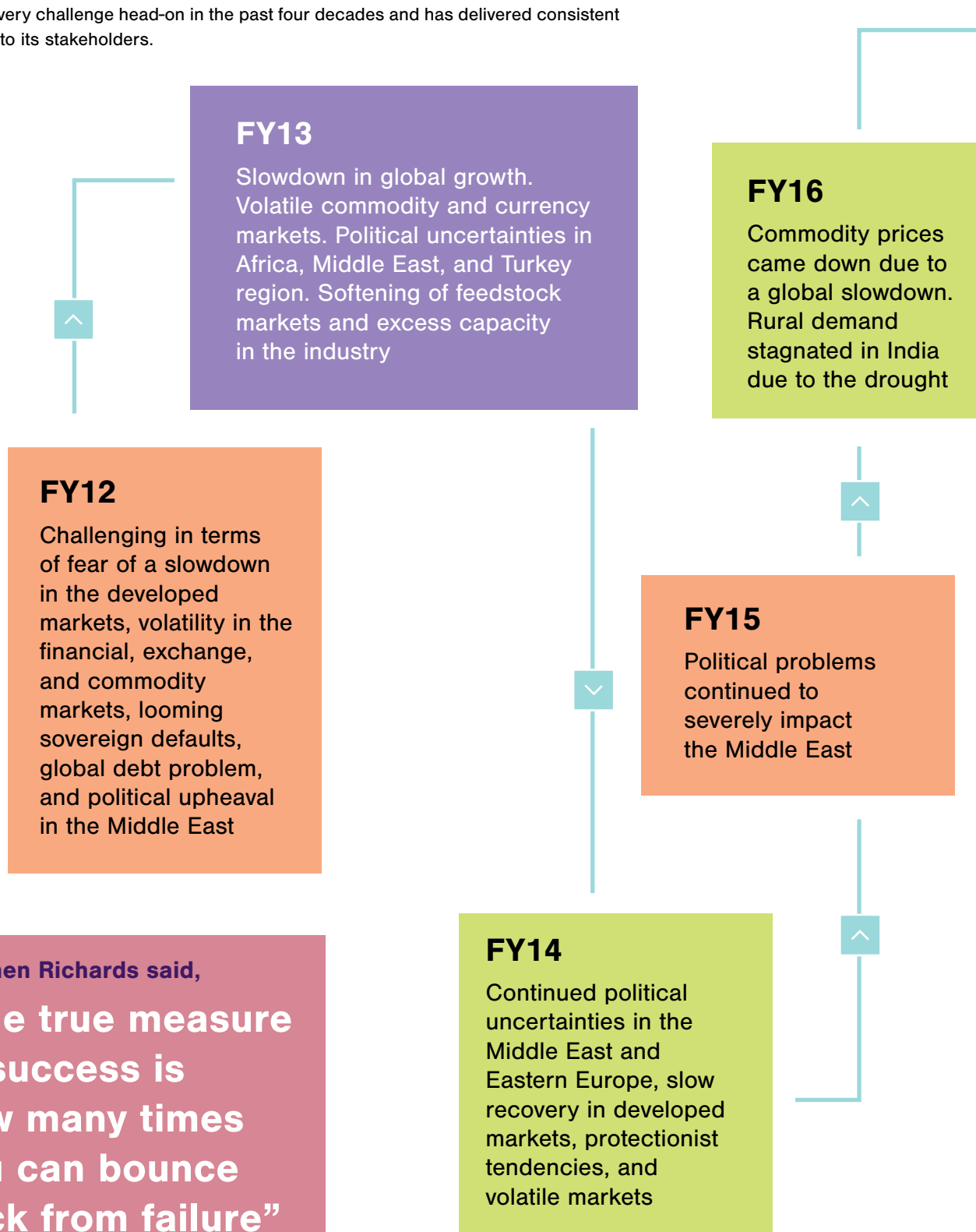
Things that were complex, obey **non-linear logical systems**.

I

What used to be ambiguous appears **incomprehensible** to us today.

AN ATTEMPT TO MEET LINEAR EXPECTATIONS IN A NON-LINEAR WORLD

There are different strategies to approach an uncertain business environment, whether it's by taking high stake bets, small stake bets, or a flexible approach. Galaxy has faced every challenge head-on in the past four decades and has delivered consistent returns to its stakeholders.



Stephen Richards said,
“The true measure of success is how many times you can bounce back from failure”

FY17

Global economy was characterised by low growth and geopolitical uncertainties. Rural demand remained sluggish due to weak monsoons. Egypt saw a substantial devaluation of the local currency EGP against the USD in November 2016

**FY17 & FY18**

Demonetisation

**FY18**

- GST implementation
- Devaluation of the Egyptian Pound caused a contraction in local demand

FY21 & FY22

Remained major outliers due to the COVID-19 pandemic

**FY20**

The crisis in NBFC Sector led to financial systemic risk to the shadow banking sector, the pain of which was visible across sectors

**FY19**

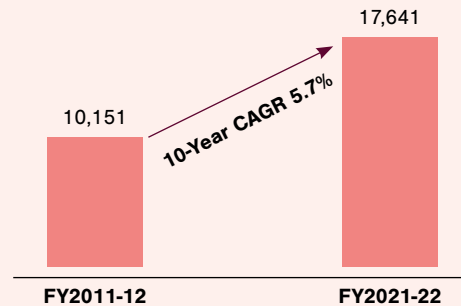
Prices of crude and one of our key raw materials Lauryl Alcohol displayed high volatility. Additionally, the tariff wars and trade embargos came unanticipated





Despite all the challenges and disruptions, we have delivered consistent returns.

EBITDA/MT (₹)



This year particularly has been a difficult one given the rising geopolitical tensions, supply chain disruptions, uncertain COVID outbreaks, and changing climatic conditions.

Despite the challenges, Galaxy exhibited a "U-shaped" recovery this year.

DISRUPTIONS

Quarter 1
COVID-19 Wave 2 impacting our people and production. Early signs of supply chain disruptions

18,879

EBITDA/MT (₹)

12,907

Quarter 2
Onset of the pandemic in Southeast Asia impacted the raw material supply chain. Worsening of supply chain disruptions.

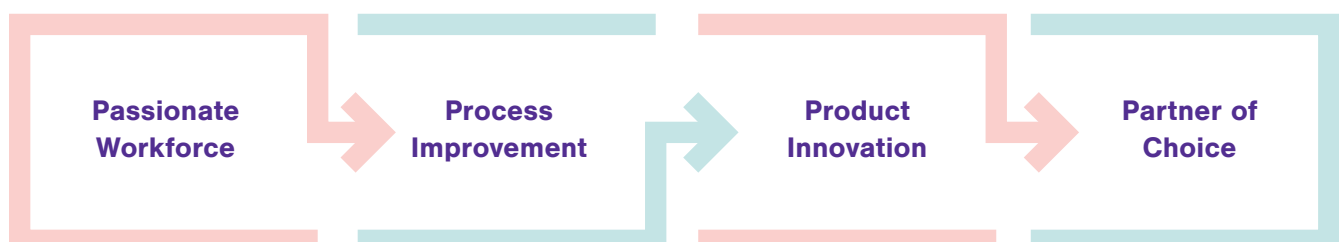
13,468

Quarter 4
Improved supply-led conditions. High Inflationary scenario

25,410

Quarter 3
Persistent supply chain constraints, sharp and sudden increase in feedstock prices. Early signs of inflation

Galaxy has delivered consistently because of its Passionate Workforce, continuous Process Improvement, Product Innovations, and strong company philosophy which makes it a Partner of Choice for its customers.



PASSIONATE WORKFORCE

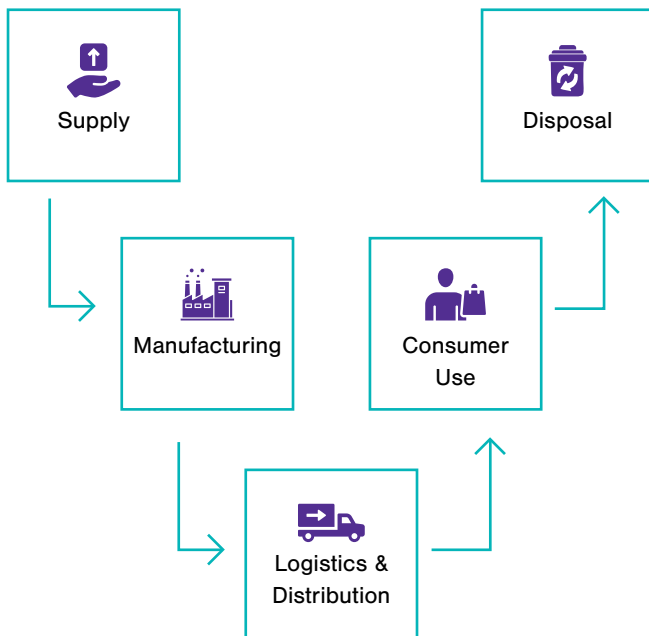
ALL 4 ONE AND 1 FOR ALL

Galaxy has always believed that people are an organisation's most valuable asset. Galaxy consistently nurtures talent, inducts new skills and competence, and builds a strong and effective team capable of turning ambitions into reality. The 41 years of resilience that the company has exhibited is the result of a robust business model, ethical business practices, adherence to its values, and most importantly resilient people. Galaxites' have a strong belief in the overall vision and mission of the company. The exemplary support provided by our people by going the extra mile, especially during tough times, taking ownership and responsibility, while having courage is what keeps us going as a company.



PROCESS IMPROVEMENT

Product sustainability is not just subject to its biodegradability. A truly sustainable product is the one that is a result of sustainable sourcing, processing, distribution, consumption as well as disposal.





Galaxy has been constantly working towards making its products truly sustainable. Its latest innovations made from Galaxy's patented Green Technology enables us to make high-performance products that are sustainable and are also affordable.

INNOVATING FOR A BETTER FUTURE

CLOSED LOOP CHEMISTRY

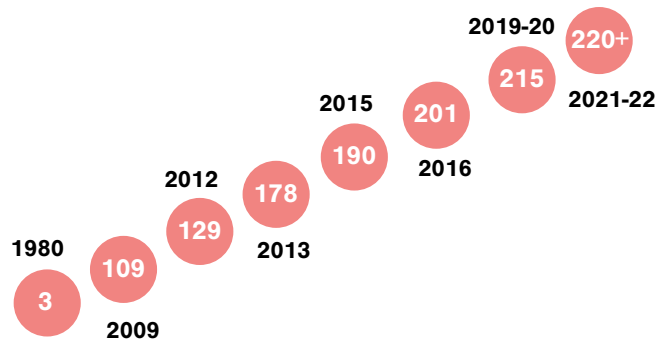
- Non-hazardous reagents
- Biodegradable catalyst
- 100% atom economy
- Reduced batch cycle time
- Applicable to entire amino acid surfactants family



PRODUCT INNOVATION

Galaxy has been consistent in **upgrading** its product portfolio time and again to cater to the ever-changing demands of the market through top-class Research and Development. The journey back in 1980, started with merely 3 products, and today Galaxy's product basket consists of more than 220 products.

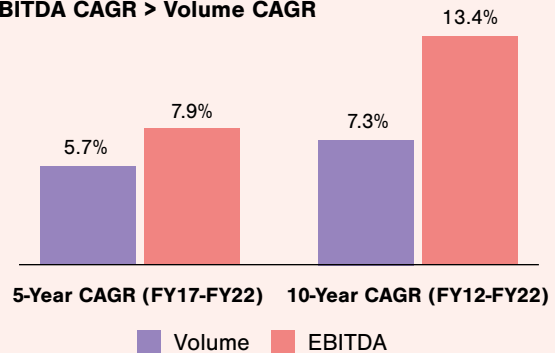
Product Basket



Knowing that sustainable consumption will become an indispensable trend in the future, Galaxy over the decade has channelised its efforts into building a sustainable product portfolio. Our Mild Surfactants and Non-Toxic Preservatives portfolio developed well ahead of its time offers products that

align with today's sustainable trends. After growing in the existing area of surfactants, we decided to further push our boundaries and entered the proteins and actives business by acquiring TRI-K. The decision that we took a decade ago is harnessing benefits for us today. Over the decade, optimisation of our product mix has facilitated better earnings growth over volume growth. The impact of constant rejuvenation of our product portfolio is visible in our results.

EBITDA CAGR > Volume CAGR



PARTNER OF CHOICE

Why is Galaxy preferred as a partner of choice?

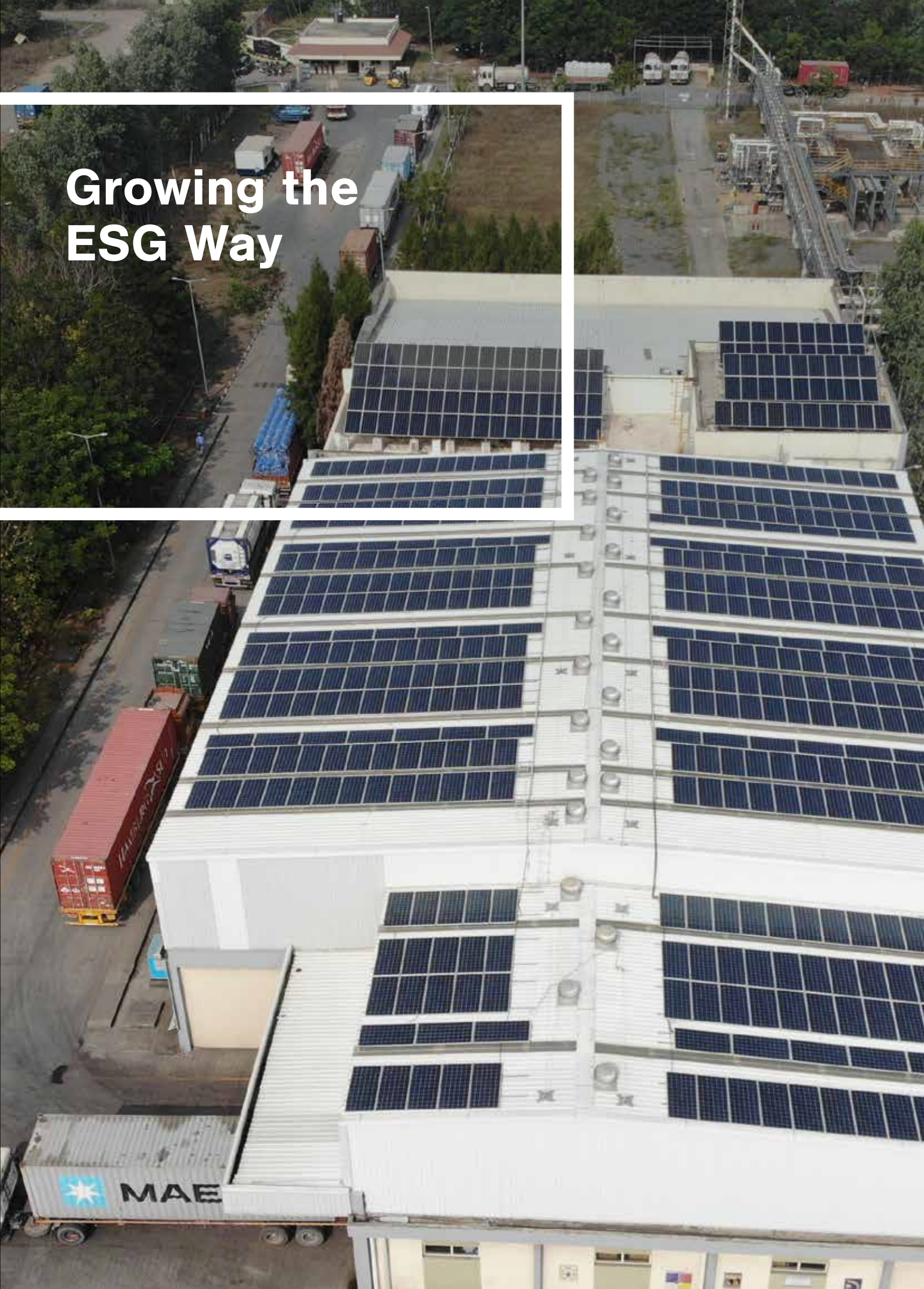
One of the unique aspects of Galaxy's business model is that its solutions exclusively cater to the Home & Personal Care space. Its Research and Development, Quality, Scalability, and Supply Chain are aligned with its customers' requirements. Galaxy's R&D capabilities help its customers to innovate and manufacture products in line with the end consumers' emerging preferences. Apart from robust R&D & product innovation, Galaxy also provides the desired quality & scalability to its customers. It has aligned its supply chain process considering its customer convenience which enables Galaxy to meet the time-bound deliveries. It has comprehensive quality management systems across the value chain right from procurement of raw materials to delivery of final products to the customer's location. Galaxy believes that strict adherence to core quality management principles has enabled it to serve as a global supplier to some of the leading Home and Personal care companies.

Even amidst these challenging times, our **Customer-First** approach ensured we deliver on time to our customers enabling them to fulfil their consumer needs at all points. Considering the strategic relationships we have nurtured over the decades with our customers, some decisions also required us to forego short-term benefits with a view to benefit over a long-term horizon. We, at Galaxy Surfactants, are extremely thrilled to be advancing a step further towards a sustainable future by building a sustainable business for all our stakeholders.

Even amidst these
challenging times, our
Customer-First approach
ensured we deliver on time
to our customers enabling
them to fulfil their consumer
needs at all points



Growing the ESG Way



Awards & Recognitions

Awards / Recognition / Achievements		Awarded by		Description
ICC Acharya P.C. Ray Award for Development of Indigenous Technology, 2020	>	Indian Chemical Council (ICC)	>	For indigenously developing ' Galguard Lipo G ' – a patented, non-toxic, antimicrobial preservative technology for personal care products
Golden Peacock Eco-Innovation Award 2021	>	Golden Peacock Awards, instituted by the Institute of Directors (IOD), India	>	For Green process of manufacturing 'non-toxic' antimicrobials/preservatives
ESG Summit & Awards 2021	>	Transformance Forums	>	Winner - Best ESG Initiative to improve access to clean water
ESG Summit & Awards 2021	>	Transformance Forums	>	Recognition – ESG Report of the Year
Excellent Energy Efficient Unit (Taloja)	>	Confederation of Indian Industry (CII)	>	22nd National Award for Excellence in Energy Management 2021
Excellent effort towards "Ecosystem Restoration"	>	Confederation of Indian Industry (CII)	>	GSL Initiative - 'Water Shed Management - Drought location in India' has been recognised as an excellent effort toward ecosystem restoration
Great Place to Work Certification	>	Great Place To Work Institute	>	Certification on the strength of achievements made in the areas of Management Competency, Physical Safety at the Workplace, and Contribution to Society
Top 30 in India's Most Sustainable Companies 2021-22	>	BW Business World in association with Sustain Labs Paris	>	For progressive and benchmark setting work done towards pushing sustainability commitment and development
Gold Award	>	Confederation of Indian Industry (CII)	>	In Innovative Category for presenting a Case Study at the 41st CII National Kai-Zen Competition
Gold Award (Automatic Grease Feeder)	>	Confederation of Indian Industry (CII)	>	In Restorative Category for presenting a Case Study at the 41st CII National Kai-Zen Competition

Awards / Recognition / Achievements	Awarded by	Description
Silver Award (Kaizen Diverter Valve)	Confederation of Indian Industry (CII)	In Restorative Category for presenting a Case Study at the 41st CII National Kai-Zen Competition
GreenCo Star Performer Awards 2021 under Silver Category - Taloja Unit	Confederation of Indian Industry (CII)	Efforts taken in sustaining and improving the overall performance in GreenCo aspects



Consolidated Financial Performance

5-YEAR TRACK RECORD

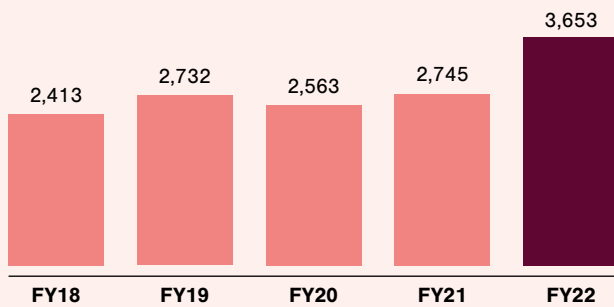
(₹ Crores)

Particulars	FY22	FY21	FY20	FY19	FY18
Profit & Loss Account					
Sales	3,653	2,745	2,563	2,732	2,413
Other Income	46	50	39	36	31
EBITDA	413	460	375	358	298
PBIT	342	386	313	307	249
Interest	13	13	24	30	31
Profit Before Taxation	329	372	289	277	219
Profit After Taxation	263	302	230	191	158
Basic Earning Per Share of ₹10 (₹)	74.12	85.22	64.99	53.87	44.57
Total Dividend Per Share of ₹10 (₹)	18.00	18.00	14.00	8.00	7.00
Balance Sheet					
Fixed Assets	966	836	814	601	472
Long-term Investments	-	-	-	-	0.07
Net Current Assets	996	757	651	602	621
Total^	1,962	1,592	1,465	1,203	1,092
Equity Capital	35	35	35	35	35
Reserves & Surplus	1,539	1,266	1,032	841	683
Loan Funds	367	268	373	299	349
Deferred Tax Liability	21	23	24	27	24
Total^	1,962	1,592	1,465	1,203	1,092
PBIT as % of Sales	9.4	14.1	12.2	11.2	10.3
Gross Fixed Assets Turnover (No. of times)	2.3	1.9	1.9	2.5	2.7
PAT as % of Sales	7.2	11.0	9.0	7.0	6.6
Return on Capital Employed (%)	19.3	25.2	23.5	26.8	23.9
Return on Net Worth (%)	18.3	25.5	23.7	23.9	24.4
Net Current Assets to Sales (%)	27.3	27.6	25.4	22.0	25.7
Cash Generated from Operating Activities	5	365	316	283	145

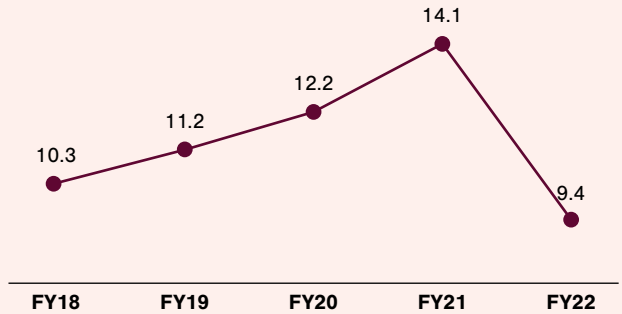
^ Figures rounded off to ₹ Crores

Consolidated Performance Trends

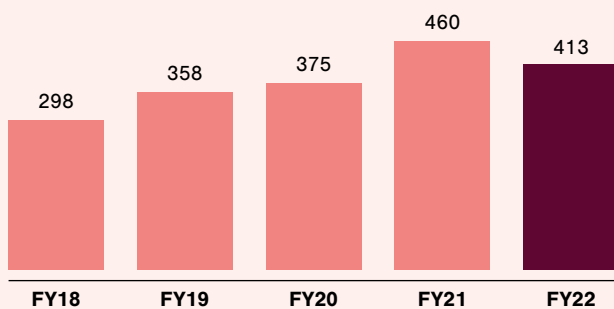
Sales (₹ Crores)



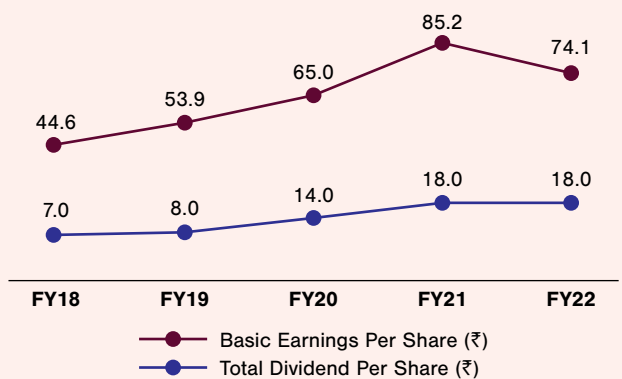
PBIT as % of Sales



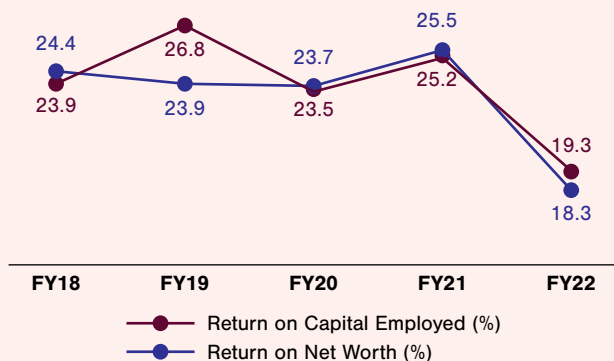
EBITDA (₹ Crores)



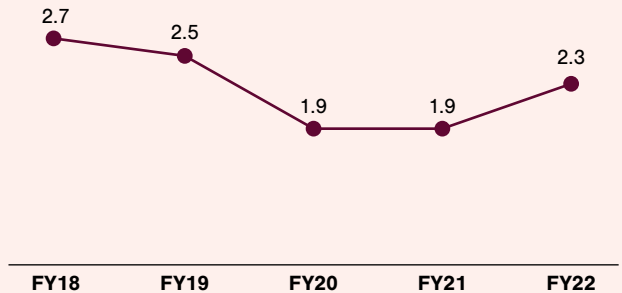
Basic Earnings & Total Dividend Per Share (₹)



Return on Capital Employed (%) / Return on Net Worth (%)



Gross Fixed Assets Turnover (No. of times)



Board of Directors



S. RAVINDRANATH
Chairman & Non-Executive Independent Director
(till April 19, 2022)

Mr. Ravindranath has completed B.Sc. (Maths and Statistics) followed by a Masters in Operations Research and is a Fellow Member of the Institute of Cost Accountants of India. He brings to the Company extensive expertise and experience, having spent more than 30 years with Unilever, India in various capacities. He has been associated with the Company from 2007 till his retirement.



M. G. PARAMESWARAN
Non-Executive Independent Director
Chairman & Non-Executive Independent Director (w.e.f. April 20, 2022)

Mr. Parameswaran is a Chemical Engineer from IIT Madras, with a PGDM from IIM Calcutta and a PhD from Mumbai University. He has been associated with the Company since 2005.



U. SHEKHAR
Promoter & Managing Director

Mr. Shekhar is a Chemical Engineer and PGDM from IIM, Calcutta. He has been associated with the Company since 1986.



K. NATARAJAN
Executive Director & Chief Operating Officer

Mr. Natarajan is a CWA with Advanced Management Program from Harvard Business School and is associated with the Company since 1993.



K. GANESH KAMATH
Executive Director (Finance) & Chief Financial Officer

Mr. Kamath is a qualified CS, CWA and LLB with over 20 years of experience and has been associated with the Company since 2004.



VAIJANATH KULKARNI
Whole-time Director
(w.e.f. October 16, 2021)

Mr. Kulkarni is a Chemical Engineer who has been appointed as a Whole-time Director w.e.f. October 16, 2021. He was Managing Director of Galaxy Chemicals (Egypt) S.A.E. prior to his appointment. He has done his Advanced Management Program from Harvard Business School and has been associated with the Company since 1995.

**SUBODH NADKARNI****Non-Executive Independent Director**

Mr. Nadkarni is a qualified CA and CS with 40+ years of experience, including with Godrej and Sulzer. He has been associated with the Company since 2002.

**NANDITA GURJAR****Non-Executive Independent Director**

Ms. Gurjar has completed Master's in Psychology and Advanced Management Program from Harvard Business School. She brings over 20 years of experience in the field of IT and Human Resources and has been associated with the Company since 2015.

**G. RAMAKRISHNAN****Promoter, Non-Executive Director**

Mr. Ramakrishnan is a qualified CA, CWA and CS. He has been associated with the Company since 1986.

**SHASHIKANT SHANBHAG****Promoter, Non-Executive Director**

Mr. Shanbhag is a qualified CA and CWA. He has been associated with the Company since 1986.

**UDAY K. KAMAT****Non-Executive Director**

(till September 8, 2021)

Mr. Kamat is a qualified CA and CWA with 15+ years of association with the Company.

**DR. NIRMAL KOSHTI****Non-Executive Director**

(till October 7, 2021)

Dr. Koshti holds a Ph.D. in Organic Chemistry (University of Bombay) and brings to the Company extensive postdoctoral research experience. He has been associated with the Company since 1986.

Management Discussion and Analysis

INTRODUCTION

Over the last two years, the COVID-19 pandemic has taken a toll on the mental, physical, and economic well-being of people across the world. The global vaccination drive and the tapering severity of the new COVID-19 variants have created a positive environment to resume and progress the economic activities to the pre-pandemic levels. While the vaccines are aiding the world to return to normalcy, a recent surge in COVID-19 cases reported in a few countries on the back of the new highly transmissible variants has once again triggered an alarm.

While the Financial Year 2020-21 was all about survival, the Financial Year 2021-22 was about managing diversified challenges on the back of a Volatile, Uncertain, Complex, and Ambiguous (VUCA) external environment. Volatile in terms of **supply chain disruptions & climate change**; Uncertain in terms of returning to **normalcy**; Complex in terms of rising political tensions and ambiguous in terms of regaining **business confidence**.

As it is said, "For every action, there is a reaction", if we were to see Financial Year 2021-22 through the lens of business, the challenges that emerged during the year were a reaction to the actions taken in Financial Year 2020-21.

To elaborate, in Financial Year 2020-21, with very limited knowledge about the novel virus and no vaccines in hand, the only possible way to curb its spread was to adhere to the COVID-19 protocols. To further curb the spread of the virus, many countries resorted to frequent lockdowns that disturbed the global demand-supply equations. While the slowdown in demand was temporary and visible, the effects of the supply-side turmoil were emerging slowly and stealthily at the backdrop. During Financial Year 2021-22, while demand continued to remain healthy as mobility got restored, multiple challenges materialised on the supply front, particularly from the July-September quarter. This led to persistent disruption of operating cycles.

Further, the prolonged international supply chain disruptions followed by a sharp increase and volatility in commodity prices created an inflationary environment across economies posing a threat to growth.

The lessons learned during the year while navigating the macroeconomic crises have further boosted your Company's resilience making it stronger and more agile to respond to similar kinds of challenges in the future.

GLOBAL ECONOMIC OUTLOOK

While the global supply chain disruptions continue to pose threat to the business operations, the conflict between Russia-Ukraine is further exasperating inflation and supply chain snarls that were already prevailing due to the pandemic. This has reduced consumer confidence globally

and has slashed hopes that inflation would be brought in check anytime soon.

Commodity Inflation:

Global energy prices surged in the second half of 2021 and are currently projected to be much higher in 2022 than previously expected. Natural gas prices are expected to be twice as high in 2022 as they were in 2021, while coal prices are expected to be 80 percent higher, with both prices at all-time highs. However, uncertainty in the price movement prevails amidst the tensions between Russia & Ukraine.

Russia produces 12.5% of the world's oil, and its oil output is third in the world behind the US and Saudi Arabia. The ongoing geopolitical conflicts have made oil and gas markets unstable and uncertain, constraining supply and pushing up prices. According to Goldman Sachs, ICE Brent crude oil in 2022 will average a spot price of USD 130 per barrel and USD 110 per barrel in 2023.

Further, the Russia-Ukraine conflict has caused the LNG price to rise massively. The price of LNG in the spot market jumped from USD 6 per million metric British thermal units (MMBtu) in January 2021 to USD 35 in January 2022, and it has since been trading in the USD 30-38 range.

For 2022, IMF has projected inflation of 5.7% in advanced economies and 8.7% in emerging markets and developing economies.

Supply-Chain Disruptions:

The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Continued supply strains could lead to additional disruptions to international trade and contribute to further inflation surprises, increasing the risk that inflation expectations become de-anchored.

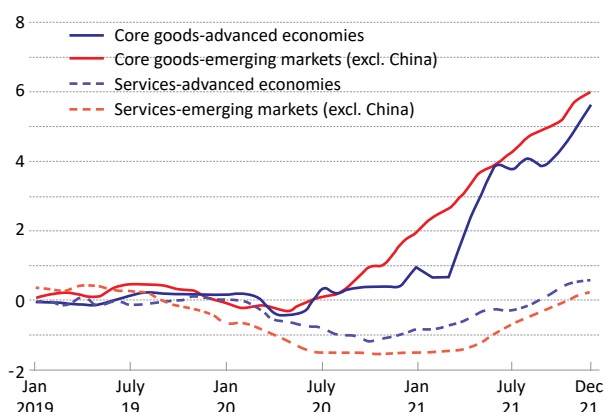
Impact on Consumers & Home and Personal Care Segment:

The elevated oil prices can impact consumer preferences as the cost of consumer-packaged goods are closely linked to the cost of oil. Even products that are 100% plant-based rely on oil for distribution and packaging. As costs soar, consumers will likely bear much of the cost burden. This is inducing many consumers to express a preference for locally made products. The pandemic reduced international trade for health and safety reasons while driving a global movement to support local businesses and communities. As fuel becomes more expensive, products with a smaller distribution footprint will also be cheaper.

Consistent rise across the input feedstock prices has compelled many companies operating in the Home and Personal care space to adopt multiple strategies to combat the inflationary pressure. Apart from calibrated price hikes, companies have also reduced the pack sizes or resorted to grammage reductions wherever possible. In FY22, a significant portion of their sales growth was attributable to price hikes, and volumes contribution towards growth was negligible in most cases. The price hikes have adversely impacted consumer spending in pockets. As a result, essentials were preferred over discretionary products. While premiumisation is on the rise, driven by a particular section of the society, at a broader level, signs of demand cutback and consumer downtrading were visible in certain product categories post Q-3 FY22.

According to World Bank, after rebounding to an estimated 5.5% in 2021, global growth is expected to decelerate markedly to 4.1% in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks.

Goods and Services Inflation
(Deviation from pre-COVID-19 averages, percent)



Sources: Have Analytics; and IMF staff calculations.

Note: Lines show the difference between the year-over-year percentage change in price indices each month and the average observed during 2018 and 2019 for each sector. Core goods exclude energy and food. Countries are aggregated using purchasing-power-parity weights. Advanced economies include United States, Euro Area, Japan, Korea, Canada, and Australia. Emerging markets include Indonesia, Malaysia, Brazil, Mexico, Colombia, Chile, Russia, and South Africa.

- IMF, World Economic Outlook, April 2022

INDIAN ECONOMY

The Indian economy continued to witness a series of unprecedented challenges during Financial Year 2021-22. The year once again tested the resilience of the economy with stronger headwinds this time on various macroeconomic fronts.

Despite mounting challenges on hand, India's economy according to the second advanced estimate released by the National Statistical Office (NSO) grew by 8.9% in 2021-22.

Private consumption and fixed investment which are the key drivers of domestic demand remain subdued. During 2021-22, weakness in economic activity resurfaced in Q3 and got exacerbated with the emergence of the Omicron variant in

January 2022. A gradual turnaround has been noticed during February, although in March 2022 a mixed picture was seen.

As the economy began to witness green shoots, escalating geopolitical tensions have cast a shadow on the outlook. Although India's direct trade exposure to countries at the epicentre of the conflict is limited, the war could potentially impede economic recovery through elevated commodity prices and supply-driven shortages.

Taking all these factors into consideration, according to the RBI, India is projected to grow at 7.2% in 2022-23.

MACRO-OUTLOOK FINANCIAL YEAR 2022-23

1. Inflation

Heightened geopolitical tensions since end-February have considerably clouded the inflation outlook for the Financial Year 2022-23. The spikes in international crude oil prices since end-February pose a substantial upside risk to inflation through both direct and indirect effects. A combination of high international commodity prices and elevated logistic disruptions could aggravate input costs across the agriculture, manufacturing, and services sectors. Persistent commodity price pressures along with the resurgence of the global supply chain and logistics disruptions pose a risk of their pass-through to domestic inflation. Looking ahead, the inflation trajectory will depend critically upon the evolving geopolitical situation and its impact on global commodity prices and logistics.

2. Supply chain disruptions

Supply Chains globally experienced the 'Domino Effect' post the arrival of the pandemic. Ships stacked high with containers had to wait at ports or sometimes at anchor for months waiting for their turn to unload. Shipping costs increased around six times. Delivery times lengthened by more than two days during the second half of 2021 relative to the first half across key ports. Truck and air freight prices have also surged in double digits over pre-pandemic levels, exacerbated by labour shortages.

3. Currency

Since the onset of the Russia-Ukraine war, the Turkish lira has been consistently depreciating. The currency has lost almost 60% of its value against the US Dollars since 2021.

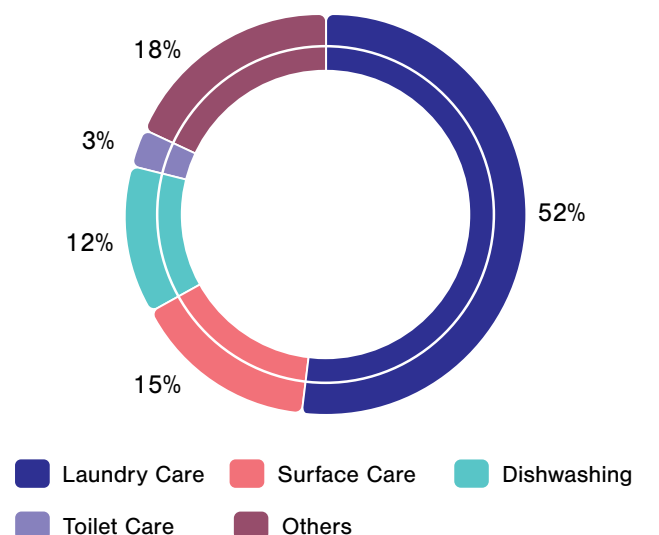
Currency depreciation, interest rates, and rising foreign debts are expected to continue in Egypt, as the country also struggles with the impact on wheat prices due to the Ukraine war.

The recent increase in the Federal Reserve interest rate will lead to additional pressure on the Egyptian pound, which may push the Central Bank of Egypt to devalue the pound further to maintain foreign currency liquidity and prevent people from accumulating dollars.

To conclude, the global economic environment has drastically altered, with the escalating geopolitical situation clouding the outlook for both growth and inflation in India and across the world. The escalation of the war, continued supply chain disruptions, global financial market volatility, and the frequent reoccurrence of COVID-19 outbreaks pose downside risks to growth and upside risks to the inflation outlook.

GLOBAL HOME CARE MARKET

The Global Home Care Market in 2021 grew 5.4% and is estimated to be USD 176 Billion (value) market.



Galaxy's Internal Research Team

Laundry & Dishwashing

The category continues to lead the market with more than 50% share. Since the onset of the pandemic, the demand for antibacterial properties in fabric and dish care products is on the rise. To mitigate consumer concern over chemicals used in fabric and dish wash products, natural ingredients are being viewed as a good substitute for these chemicals. There is an increasing demand for products that are taking concerning measures to address the climate crisis, from renewable energy sourcing and carbon-neutral manufacturing to refillable options.

Surface Care

Post pandemic the demand for microbicidal, virucidal & eco-friendly hard surface cleaners that meet recognised efficacy standards has increased substantially. While highly concentrated surface disinfectants are effective against the virus and pathogens, their continuous use has a pernicious impact on physical and environmental health. Therefore, natural ingredients and lower concentrations are being used in the formulations to boost microbicidal activity along with improving safety.

Considering the ongoing inflationary scenario, soaring crude oil prices will heavily impact the cleaning brands that use large amounts of petrochemicals. Price hikes might force the consumer to trade down to value products, further pulling down the already-low margins.

GLOBAL PERSONAL CARE MARKET

The Global Beauty & Personal care market in 2021 stood at USD ~530 billion. The global beauty industry after declining in 2020 bounced back by growing 6% in 2021, driven largely by the Asia Pacific and North America.

Recovery was particularly evident in the premium beauty and personal care space which grew by 14% in 2021 after a decline of 8% in 2020. Skincare registered 8% growth in 2021 to reach USD 155 billion; the largest it has ever been. Skin health concerns continue to drive the demand for dermo-cosmetics which grew by 12% in 2021. With an increased focus on dermo-cosmetics skincare, Asia Pacific was a major contributor to the growth followed by North America.

High inflation, rising unit prices, and continued supply chain disruption will be the greatest challenges for the beauty and personal care industry in near future.

INDUSTRY TRENDS

Trends In Home Care

Hygiene:

Home care has gained a strong position to benefit from the pandemic-induced new cleaning routines, as cleaning occasions and frequency are expected to remain above the pre-pandemic levels. However, hygiene as a consumer priority is also leading to non-chemical responses from appliance brands looking to offer their solutions, which has prompted new categories of the device to emerge, breaking into the market for household hygiene.

- Disinfecting products experienced a sudden demand from consumers, who chose to spend on hygiene, without compromising on cleaning and disinfecting power. Bleach, home care disinfectants, and products with additional antibacterial and anti-viral claims have garnered consumer attention.
- Growing concern over health issues associated with the use of harsh chemicals has instigated the need to respond to an overwhelming sense of threat.

Sustainability:

The transition to a cleaner and greener economy has forced the industry players to come up with solutions that cater to sustainability demands without compromising on efficacy. While the industry has made remarkable progress in achieving its sustainability goals, the focus so far has predominantly been on reducing plastic waste, and energy consumption, with compaction, reuse, refilling, recycling, and cold wash. The green formulation is yet to get a niche status, but consumer acceptance is growing with solutions found in the alignment of appliances and chemistry.

- Globally, homecare brands are highlighting how their new product launches contain 100% ingredients of natural origin. The brands have accordingly started to focus on their communications.

- Future product development must happen at the junction of hygiene and sustainability while watching out for competition coming from non-chemical and technological alternatives.

Direct to E-commerce:

E-commerce and D2C have witnessed unprecedented levels of investment, as retailers and brands alike seek to capitalise on the migration of value sales online. This has lowered market entry barriers and democratised the industry landscape, resulting in the emergence of smaller subscription-based online brands. This is also set to enhance developments in appliance brands going direct-to-consumer with their label consumables.

The e-commerce industry which was mainly dominated by the fashion and electronic segments has altered this status quo post-pandemic. Other categories such as personal care, beauty and wellness, and FMCG & healthcare are observing enormous online growth. Many D2C and e-commerce brands entering the Home and Personal care space cater to a niche consumer segment that scout for milder, safer, and non-toxic products. This provides a good platform for your Company's Specialty Care Portfolio.

TRENDS IN BEAUTY & PERSONAL CARE

Skin Care:

Consumers are seeking out products that offer skin brightening, texture and colour perfecting, and age-defying claims.

The 'clean' skincare market is booming, and plant-based ingredients are more sought after by consumers looking for more natural alternatives to their favourite products. Streamlining product routines is also a key, driven by conscious-consumer minimalism.

Further, the trends for vegan skincare are also shaping up well in recent times. As vegan skincare is made from plants, minerals, or even safe synthetic ingredients, it eliminates all animal-derived ingredients. The main ideology is based on protecting the right of animals to live to not be treated cruelly and not be exploited for human gains.

Skin Minimalism:

Skin Minimalism is quite literally what it says - minimal skincare and makeup, using the bare minimum that the skin needs. Minimising the number of skincare products saves time and money, maximises the benefit of a single product and mindful consumption ensures sustainability.

Waterless Formulations:

Cleansing treatment, face powders, wipes, dry shampoos, non-rinse body washes, and alternative toothpaste formats are all increasing water-saving beauty solutions. But the next generation of products are set to work without any water at all and will enthrall more amongst the younger age groups.

Ingredient-driven formulations:

The consumer is becoming conscious of the impact ingredients have on the skin which is causing the shift in consumer focus toward the ingredient-driven products.

SURFACTANTS INDUSTRY INSIGHTS

While the overall demand stood at 11 million MT in 2020, the same rose to 11.4 million MT in 2021 driven primarily by the demand for AES and LABSA in Home Care products.

HOME AND PERSONAL CARE IN INDIA

COVID-19 Wave 2 striking India during early Financial Year 2021-22 resulted in prolonged home seclusion. As economic activity gradually resumed with the phase-wise opening of offices, schools/universities, demand for many home care categories picked up momentum. In addition, the greater interest in hygiene and preventative health benefited the key categories such as surface care, toilet care, and home insecticides. Furthermore, increased mobility outside of the home resulted in greater demand for the biggest home care category - laundry care.

Liquid detergents, which is a premium format compared to the traditional powder detergents, continued to grow fast, supported by convenience of use and product format stickiness. Indian consumers continue to upgrade their laundry care journey from detergent bars to powder detergents to liquid detergents. With premiumisation picking up pace, laundry pods being sustainable and user-friendly were introduced targeting niche audiences.

India is witnessing a gradual shift towards sustainability and green labels. According to Euromonitor International's Via, laundry care products using an "antibacterial" claim grew by 58% in 2021 compared to 2020. Several D2C brands offering mid-premium to premium products that promise efficacy in cleaning clothes while using natural ingredients have experienced demand from urban households.

Owing to rising inflationary pressure & calibrated price hikes by the FMCG companies, local consumers are likely to remain cautious in their spending habits, focussing on value-for-money offers.

As mobility got restored in Financial Year 2021-22, demand for beauty and personal care products picked up momentum. The beauty and personal care market bounced back with a growth of 10% in 2021. Premium and discretionary products witnessed a rise in demand. The shampoo market registered a healthy growth of around 9% in Financial Year 2021-22.

HOME AND PERSONAL CARE IN EGYPT

While home care benefited from the pandemic in 2020 with good value and volume growth, the scenario was somewhat different in 2021. The category grew 8.2% Y-o-Y in 2021. While value sales registered an increase; volumes fell on account of inflation restricting the growth.

With increased mobility, the demand for home care products tapered as the frequency of dishwashing and surface cleaning reduced. In addition, the frenzied cleaning that was observed during the initial phase of the pandemic settled down as the fear reduced. Further, the inflationary pressure experienced from Q4 of Financial Year 2021-22 led to increased price sensitivity amongst the consumers.

In the coming years, a growing population will support the value and volume growth in the home care category. In terms of laundry care, penetration of washing machines is expected to increase. Water shortage and climate change continue to be a cause of concern in Egypt. This could benefit automatic dishwashing over the long term, as a dishwasher is more water-efficient compared to hand dishwashing. In terms of the demand for sustainable home care products, the price remains a challenge with affordability and efficiency being the main drivers of value sales.

Beauty and personal care witnessed a strong rebound in 2021 as stepping out of the home increased consumer expenditure on a wider range of products. The category grew 12.0%, driven by premium and prestige beauty and personal care products. The bath and shower category slowed down as the time spent by consumers in the home reduced as compared to 2020. The demand for hygiene-related products also tapered as vaccines reduced consumers' concern about contracting COVID-19.

While affluent consumer groups drove the growth for premium products, affordability remained a key concern for most Egyptian consumers who struggled with COVID-19 restrictions and the rising cost of living. High inflationary pressure, particularly from the second half of 2021 compelled the consumers to focus more on essential products at value prices.

BUSINESS OVERVIEW

Business Performance

While Financial Year 2020-21 tested the resilience and patience of our people, the Financial Year 2021-22 was a testimony of our internal strength and relationships nurtured over the years with our stakeholders.

While the demand during the year continued to remain robust, servicing this underlying demand was a challenge due to supply-side constraints.

Your Company measures its performance on the following matters:

Ratios	2021-22	2020-21	Y-o-Y Change
Volumes (MT)	234,218	236,164	-0.8%
EBITDA (₹ Crores)	413	460	-10.2%
EBITDA/MT (₹/MT)	17,641	19,465	-9.4%
Profit after Tax (₹ Crores)	263	302	-13.0%
Cash Flow from Operations (₹ Crores) ^	5	365	-98.6%

Ratios	2021-22	2020-21	Y-o-Y Change
Debtors Turnover	6.6	6.0	10.0%
Inventory Turnover	4.5	4.7	-4.3%
Interest Coverage Ratio	26.6	28.7	-7.3%
Current Ratio	1.8	1.9	-5.3%
Debt Equity Ratio	0.23	0.21	9.5%
Operating Profit Margin (%)*	9.4%	14.1%	-4.7%
Net Profit Margin (%)*	7.2%	11.0%	-3.8%
ROCE	19.3%	25.2%	-5.9%
RONW*	18.3%	25.5%	-7.2%

* Lower due to lower profitability & higher sales value

Lower due to lower profitability

^ Lower due to lower profitability & high working capital requirements

The worsening global supply chain condition from the 2nd quarter accompanied by persistent inflationary pressure from the 3rd quarter was responsible for the decline in your Company's growth. Despite the decline in volumes, EBITDA/MT stood at ₹ 17,641/- rebounding to the upper end of the earlier stated band of ₹ 16,000 to ₹ 18,000 MT.

Performance Surfactants

Performance Surfactants possess functional attributes of cleansing and foaming, forming the base for most of the Home and Personal Care formulations. Post the onset of the pandemic, there has been an increased hygiene awareness amongst the consumers as the fear of catching COVID-19 induced the consumers to practice frequent handwashing and keep their surroundings clean. This has resulted in a structural uptick in demand for hygiene-related products. As we stepped into the 2nd year of the pandemic, the fear gradually receded causing the demand for hygiene-related products to taper, however, the demand continues to remain above the pre-pandemic levels. During the year, Performance Surfactants volumes declined to the tune of 4.5%. This decline was predominantly on the back of the supply chain constraints, particularly in terms of raw material unavailability for the most of the year. A significant portion of our key raw materials consumed in the process of manufacturing performance surfactants is sourced from Southeast Asia. During the 2nd Quarter of the year, this region witnessed a sharp spike in COVID-19 caseload adversely impacting the operations at our supplier's plant. While supply-led constraints pose a risk to our business, the rising urge for sustainable trends in the hygiene space is viewed as a big opportunity by your Company.

Specialty Care Products

Post pandemic, consumers have started prioritising their mental and physical well-being. Moreover, the rising climate crisis has further persuaded consumers to shift their focus toward sustainable consumption. Our Specialty Care Portfolio offers a wide range of products that are milder, safer, non-toxic, bio-degradable in nature, and therefore very well aligns with the sustainability trends. Specialty Care business for the Financial

Year 2021-22 registered a growth of 6.3% Y-o-Y. The growth predominantly came from the 1st Quarter in which the business grew 36.1% Y-o-Y due to exceptionally low base on the back of stringent restrictions and lockdowns imposed across countries. While the demand picked up the pace, supply chain constraints that surfaced from the 2nd Quarter onwards stood as a barrier to servicing this demand. Further, the growth got restricted due to port congestions on the back of the re-emergence of the COVID-19 wave across the USA and Europe which are prominent markets for our Specialty Care Portfolio. The growth revived in the 4th Quarter with a moderate improvement in the supply chain situation. Full operationalisation of planned CAPEX in Financial Year 2022-23 shall further aid the growth of our Specialty Care Portfolio.

Geographical Spread

The pandemic has pushed the international supply chain into a state of turmoil. The demand scenario for your Company during the year remained robust, barring the demand cutback witnessed in Q4 owing to a high inflationary scenario. Amidst this turbulent external environment, your Company has left no stone unturned in engaging with its customers and honouring its commitments across different geographies.

Our US subsidiary TRI-K which mainly deals in actives & proteins recorded an overwhelming PAT growth of 74.9% Y-o-Y. Due to supply-led constraints, PAT of our Egypt subsidiary declined by 19.0% Y-o-Y.

Catering to 80+ countries served as a hedge throughout the year. In Q-1, India & ROW volumes grew significantly by 32.1% and 28.6% respectively on account of an exceptionally low base. However, the growth declined during the rest of the year and was largely disrupted by the supply-led volatility. Despite the multitude of challenges, India and ROW grew high-single digits during the year.

- I. India volumes grew 9.4%.
- II. ROW volumes grew 7.8%.

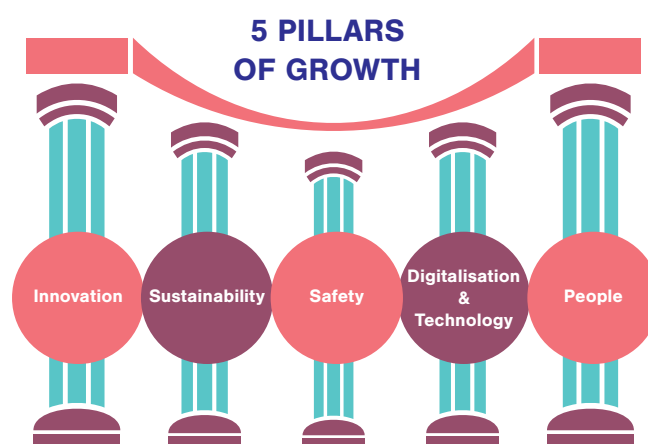
AMET witnessed a consistent decline in volumes on account of persistent supply chain constraints, particularly in terms of feedstock unavailability, and therefore during the year declined by 15.1%. With supply chain dynamics improving barring any demand cutback, AMET should regain its momentum in the coming quarters.

The persistent supply-led constraints caused an imbalance in the global demand and supply dynamics. Early signs of supply chain disruptions were visible in the 1st Quarter and the condition further worsened in the 2nd Quarter. From the 3rd Quarter onwards, prices across both major and minor feedstocks soared massively above their normal levels. After rallying sharply, the prices moderated at the beginning of the 4th Quarter. While the upward trend continued for the remaining part of the quarter, the intensity and frequency of increases in prices were much lower compared to the 3rd Quarter.

While we have robust risk management systems and adequate price adjustment mechanisms in place to pass on the increased cost to our customers, the decision involved a trade-off between protecting our margins and maintaining long-term relationships with the customers. We chose the latter by taking conscious business calls that involved sacrificing short-term gains with a view to building deeper bonds with our customers over a long-term horizon.

Constant engagements with all our stakeholders, robust internal mechanisms and experience acquired over decades ensured we achieve our stated objectives.

5 PILLARS OF GROWTH



Innovation at Galaxy

The Home and Personal Care industry is entirely driven by dynamic and unique consumer trends. Your Company rigorously focusses on aligning with the emerging consumer trends through robust innovation practices.

Your Company's innovation team actively collaborates with the R&D teams of its Global MNC customers by mind partnering and designing its offerings. Further, your Company also works with the emerging local players, helping them create niche and differentiated products for the market. While doing so, it not only addresses the functional requirements of the customers but also addresses solutions that meet product mildness, non-toxicity, green, and sustainability criterion, which the consumers actively seek. Your Company's current portfolio includes ingredients such as mild surfactants, surfactant blends, UV absorbers, functional molecules, macro-molecules, and non-toxic preservatives. Some of the significant innovations and new launches during the year were:

Galsoft® SLL

A versatile value-adding specialty additive, which improves the attributes of personal care products and their applications. It is a multifunctional ingredient in the formulation, which supports viscosity build-up, emulsification, foam boosting, stabilisation,

and enhanced skin feel and can also be used as a secondary surfactant. This COSMOS-certified product is environmentally friendly and is 100% derived from natural ingredients.

Galaxy Hearth® Mix Pods

Galaxy Hearth® Mix Pods is a ready mix concentrate for the preparation of Laundry Pods or Capsules. Powered by plant-based surfactants, the concoction prepared is carefully crafted to deliver adequate wetting, excellent cleansing, and detergency. Galaxy Hearth® Mix Pods cleansing composition shows better detergency against powder, liquid, and even commercially available laundry pods.

During the year, your Company bagged the esteemed Indian Chemical Council's Acharya P.C. Ray Award for Development of Indigenous Technology, 2020 for indigenously developing 'Galguard Lipo G' – A patented, non-toxic, antimicrobial preservative technology for personal care products. This is a new molecule that is slowly gaining traction in the developed markets and should bear fruits in the coming years.



HOME CARE – Sustainable Solutions

The Financial Year 2021-22 witnessed the transition from the COVID-19 pandemic to the post-pandemic era which emanates the transformation of consumer behaviour toward Household care products.

The decade of the 2020s will redefine and revamp the Home Care Industry as manufacturers and consumers make a move toward sustainable yet affordable and convenient products. This is driving innovation in the industry.

Your Company envisaged this move well in advance and therefore introduced Galaxy Hearth® range of products and solutions in the market. 'Hearth' stands for Home, Heart, Earth, or a place where one feels comfortable. Galaxy Hearth®

represents products and solution offerings that are sustainable, high performing, convenient and affordable, satisfying the ultimate need of conscious consumers.

Under this brand, your Company launched the Galaxy Hearth® Mix Pods range of products by introducing Laundry Pods. The concept of 'pods' started in advanced economies a decade ago and over time has been gaining traction in the detergent market. Pods formats bring in a lot of convenience in use due to their pre-measured dose, easy solubility & handling. They fit into the sustainable criterion as they require lesser water processing, space [17% reduction] and plastic containers [50-90% plastic reduction] unlike liquids. The pandemic has accelerated the adoption of Pods as consumers nowadays are looking for convenient formats, easy usage, and sustainable alternatives at incomparable price points.

In addition to the pods, your Company offers solutions for the DIY concentrates across categories like laundry, dish, floor, and glass cleaners that consumers can use to prepare the products at home.

The pandemic has brought a lot of change in the employment sector. As people are looking for alternate sources of income, the desire to start own-venture is on a rise. Your Company through a campaign helped these entrepreneurs to start their business with the home care product range. Galaxy Hearth® Mix range also offers Surfactant Blends that facilitate convenient formulations without significant investment which is attracting new players in this segment.

With the opening up of economies, the Industrial & Institutional (I&I) care sector is also reviving. With more care and concern than ever, the frequency of cleaning has increased and so is the consumption of cleaning products. As a result, the I&I cleansing industry is demanding high-performing and convenient products. Your Company has partnered with players in this industry to aid create innovative products, and a creative and convenient dispensing and use system.

Overall, the year has ignited the transformation in the home care space, and in the coming decade, we see the landscape of this category undergoing a paradigm shift. Your Company rigorously strives to align with the evolving needs of the future and therefore is set for futuristic innovations.

PATENTS

Since 2000, a total of 81 patents have been granted to Galaxy. Currently, 15 patents in the USA, 2 patents each in Japan, Brazil, and Russia, 5 in the European Union, 3 in China, and 18 patents in India are being maintained by us. We have applied for an aggregate of 16 patents globally.

- In Financial Year 2021-22, a total of 3 patents were granted to Galaxy in India.



SUSTAINABILITY

Amidst the rising climate crisis, sustainability is being viewed as a solution for a better tomorrow. Sustainable practices are becoming pervasive and an indispensable part of the business.

Sustainability being the cornerstone of your Company's business, it primarily focusses on the below areas:

1. Climate Change – Following pathway of 1.5 degrees Celsius.
2. Circular Economy – Rethinking and transforming full value chains to create a system in which waste is designed out entirely.
3. Water Stewardship – Bringing positive impact on organisation and society.
4. Diversity & Inclusion – Diverse workplace and leverage the effects of diversity to achieve a competitive business advantage.

Your Company understands the value of every drop of water and is delighted of accomplishing its remarkable goal of becoming a 1.4x water positive company. The outcome we see today is the result of sustained efforts laid down by our Sustainability and CSR team throughout the entire journey which began more than a decade ago in the year 2007.

SAFETY

People Safety is the utmost priority of your Company and therefore it has established robust safety mechanisms in all possible ways. With several initiatives undertaken towards safety, global incidences during the year reduced by approx. 27%.

Audits conducted on various pillars of Process & Instrumentation Diagram Design, Standard Operating Procedures/Batch Manufacturing Report, Aspect/Impact & Hazard Identification & Risk Assessment, Maintenance Management, Material Safety Data Sheet Training, Visuals, Environment Pillar, etc. under Project Abhayatam launched last year have reaped good results for your Company.

Your Company provides education and training to all employees and contractors across sites to enhance the awareness sensitisation towards **Safety**.

DIGITALISATION AND TECHNOLOGY

Your Company constantly endeavours to adapt fully to the technological advancements that are happening in the digitalisation, information, and cyber security space. Many operating areas are being reviewed and moved to digitalised workflows enhancing speed, accuracy, controls, and effectiveness of execution. With the cybersecurity threats constantly increasing, your Company has recognised the

associated cybersecurity and data loss risks. It has engaged technological partners to fortify and upgrade the security environment and extend the same to the subsidiaries, applications, and external interfaces. It has also provided for round-the-clock surveillance arrangements to track any threats. Your Company believes in bringing all the operating subsidiaries to One ERP platform and laterally deploying the digital and security environment to encompass its global business operations.

PEOPLE

Your Company acknowledges the prowess of human assets and therefore firmly believes that the growth and success of the company are notably driven by the quality of skillsets and capabilities possessed by its employees.

During the year, our people strategy continued to emphasise building capabilities and enhancing employee skills while ensuring the safety and health of the workforce.

Capability Building

Aligning with Galaxy's 4C framework, to continue building a competent workforce, your Company initiated 'Focussed Competency Development Journeys' by practicing comprehensive skills gap analysis. This journey was executed through the introduction of learning tools and learning management software. This multi-featured Digital Learning Platform has emerged as the propagator of remote and real-time learning in the organisation. This is additional to the regular learning interventions undertaken to nurture the functional and technical capacity of our workforce.

People's well-being during the pandemic

Your Company is grounded in its culture of care and remains committed to employee safety and well-being. During this pandemic, your Company continued to arrange free-of-cost COVID-19 vaccination drives for its employees, contractors and their dependent family members. The benefit was extended to over 3,500 beneficiaries.

People's safety being the utmost priority, wherever possible, your Company adopted a hybrid working model supported by necessary IT infrastructure that ensured secure and continuous access to workplace from anywhere anytime. In addition to this, adequate training on Cyber Security Awareness was being continually provided to employees to educate them about the best practices and procedures for keeping networks and data secure.

People practices

Your Company consistently endeavours to build a diverse workforce and as an equal opportunity employer, practices a culture of meritocracy. Our commitment is to give opportunity and employment to people with disability (PwD) as part of strengthening the Diversity & Inclusion strategy. Further, your Company has interventions to include gender-neutral hiring practices, women leadership assessment and development programs, and infrastructure building for PwD. In addition to these, we have certain initiatives meant exclusively for our women employees, such as the set-up of forums where women employees are mentored and guided by the leadership team

and senior women leaders at Galaxy. This is to build a robust pipeline for enhancing women's leadership at Galaxy.

Digitalisation

During the year, your Company made significant developments in the area of digitalisation by implementing a digital platform that consolidates various functions of HR such as time & attendance, talent acquisition, performance management, and development plans into a single module.

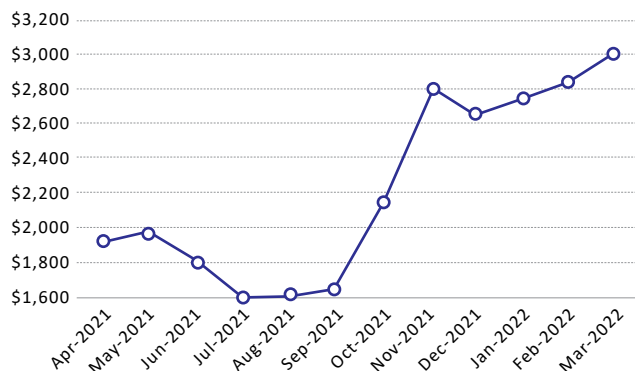
Achievements

Your Company for the 3rd time got the coveted Great Place to Work® certification on the strength of achievements made in the areas of Management Competency, Physical Safety at the Workplace, and Contribution to Society. This amplifies the vital trust, pride, and belief our employees have placed in our work culture.

RAW MATERIAL SCENARIO

Fatty Alcohol and Fatty Acids which are Crude Palm Kernel Oil derivatives are our key raw materials and these make up approx. 55%-60% of our total raw material procurement. Fatty Alcohol is sourced from Southeast Asia, with multiple suppliers in Indonesia, Malaysia, and Thailand. Your Company has de-risked its raw material vendor/country risk by procuring from all these countries from multiple qualified suppliers.

Fatty Alcohol Prices 2021-22 (USD/MT)



Source: ICIS

Fatty Alcohol prices had declined in Q1 primarily due to lower demand and improved supplies. A surge in vegetable oil and oleochemicals, including Fatty Alcohol prices, was observed in Q3 as a result of the announcement of the Chinese "Dual Control Policy" and the reduction of the Indian Agri cess on vegetable oils increasing the demand. In Q2, Southeast Asia saw a sharp spike in COVID-19 cases. Further, the supply was lower than expected in Q3 on the back of labour shortages and climate-specific challenges in Indonesia & Malaysia. In Q4, the Ukraine-Russia war and Indonesia's domestic market obligation policy aggravated the situation resulting in a further price increase. The average price of Fatty Alcohol vis-à-vis the previous year increased by 52%. Prices are expected to remain volatile in the short term. Comprehensive Risk Management frameworks and mechanisms to manage volatility ensured no mark-to-market impact.

CRUDE PETROLEUM DERIVATIVES

Your Company also consumes certain crude petroleum derivatives. The major ones are Ethylene Oxide, Phenol, and Linear Alkyl Benzene. These make up 22-25% of the total Company's feedstock purchases. Strong risk management practices, competitive pricing models, and a diverse customer base enabled us to manage the volatility in a superior manner.

Improved energy requirements and lower inventories due to a modest increase in production by OPEC led to firmer crude oil prices in Financial Year 2021-22. Supply contractions due to the Dual Control Policy in China followed by the Ukraine-Russia war supported the petrochemical prices. Crude oil is expected to remain volatile amidst the geopolitical situation.

RISK ASSESSMENT



Demand Risk

Your Company's demand is driven by the end-consumer market. Initially, during the Financial Year 2021-22, demand for discretionary products recouped on the back of increased mobility. While the overall demand scenario for the year remained robust, some signs of a slowdown in demand were observed on the back of high inflationary pressure impinging on consumer spending.

Climate Risk

Monsoons can have a severe impact on Indian rural consumption. This remains a key risk for our domestic business. The year witnessed many natural disasters across continents heightening the ill effects of climate change. The various natural catastrophic events while to date have not caused any damage, the occurrence of such an event can have a significant bearing on the operations of the Company if it affects the business directly.

Geo-Political Risks

Your Company today supplies to 80+ countries. Approximately 2/3rd of the revenues come from the international markets. Supply Chain disruptions on account of non-availability of containers or ill-conceived political decisions which can adversely impact trade, currency, or macro stability of the country, could have a material bearing on the business of your Company in that country. So far, there has been no direct impact of the ongoing Russia-Ukraine war on your Company's business, however, the escalated crude oil prices in the international market may pose a risk in the future.

Operational Risks

These include risks that arise on account of raw materials, supply chain crisis, exchange volatility, and risks on account of people. The disruption caused on the supply front had a significant bearing on your Company's operations during the Financial Year 2021-22. The disruptions were in terms of erratic freight rates, unavailability of shipping containers, and port congestion followed by a sudden sharp rise in feedstock prices. Such a highly volatile external environment for a prolonged period could impact the Company's operations and business performance adversely.

While your Company has a comprehensive risk management framework in place to guard against raw material volatility, unavailability of critical raw materials due to supply chain constraints can have an adverse impact on the performance which we did experience in Financial Year 2021-22. Non-functioning of domestic transport due to the unavailability of labour or non-functioning of ports can again materially impact the business of your Company.

Your Company is exposed to exchange rate risk and remains naturally hedged, despite that, sudden extended depreciation or appreciation over a short period can have a material bearing on the Company's performance.

The risk of key management personnel leaving exists. To guard against the same, your Company has a competitive and comprehensive remuneration policy combined with appropriate rewards and recognition plans.

Gestation Risk

Specialty Care Products undergo significant testing and qualification procedures before they are incorporated into the end formulation by the customer. The result of the same may not always be positive. These products, hence, carry a significant gestation risk and materialisation of the same can potentially affect the business performance of the Company. The pandemic resulted in postponement of new launches and projects. The CAPEX for our new products that got delayed on account of the pandemic have got commissioned.

Financial Risks

Your Company is also susceptible to risks associated with macroeconomic conditions. Slowing economies and recessionary conditions raise the risks of defaults/non-payments by customers and demand cutbacks in certain geographies. Your Company addresses these concerns through appropriate payment terms and policies.

INTERNAL CONTROLS SYSTEMS & THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal control systems are regularly tested and reviewed at regular intervals and cover all offices, factories, and key business areas. Any audit observations and follow-up actions thereon are reported to the Audit Committee. Necessary policies and procedures have been adopted for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, safeguarding of its assets, and prevention and detection of frauds & errors.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that it is the society that makes us and therefore it becomes our responsibility of giving back to society. Accordingly, the Company has spent ₹ 4.69 Crores during the year for CSR activities as against the required threshold of ₹ 4.64 Crores. Following are the details of the amount spent:

HEALTH & HYGIENE (AROGYA VARDHEENI)

Your Company understands the paramount importance of health & hygiene and hence through this platform –

- Continued to support 100 Tribal Creches, in 54 villages of Chhattisgarh, by providing nutritional food to 1,100 underprivileged and malnourished poor infants.
- Continued Primary Health Centre Project providing concessional diagnosis, treatment and referral for 11,458 poor people coming from 47 villages of Jhagadia block, Gujarat.
- Constructed Toilet Blocks for Girls and Boys in 6 Schools in Maharashtra and Gujarat. To date, your Company has constructed 334 Toilet Blocks (134 Toilet Blocks in Schools & 200 Community Toilets) along with 1,931 Handwashing stations.

- Supported to distribute 684 Maternity and Child Health kits to pregnant women admitted to Bharuch Civil Hospital.
- Continued to support 10 Thalassemia-affected children towards their blood transfusion and medicine and also supported cataract operation of 50 poor people.
- Conducted 8 blood donation camps collecting 824 blood units. To date, your Company has conducted 77 blood donation camps collecting 5,373 units of blood.

EDUCATION (GYAAN SANJEEVANI)

Your Company understands the importance of education in nation-building and hence:

- Started construction of a Vocational Training Center, where every year around 5,000 students will get vocational training in different fields.
- Provided financial support to 16 poor students for completing their post-graduation and supported 30 adult orphans for their graduation tuition fees.
- Continued its support in providing education to the children of waste pickers after school hours.
- Provided engineering equipment for science lab to T.K.I.E.T College, Kolhapur.

COMMUNITY DEVELOPMENT (SAMAJEEK UTTHAN)

Your Company through this initiative completed the first phase of its second Integrated Village Development project in the drought-prone area of Nanded, Maharashtra; on the 'Ridge to Valley' Watershed Concept. Your Company has been certified as 1.40 times 'Water Positive' by DNV Business Assurance India Private Limited. To date, Company has harvested 415 million litres of rainwater.

Further, your Company undertook and completed the de-silting of the following waterbodies:

- 13 Structures in 11 villages of Yeola block of Nashik District.
- 08 Structures in 08 villages of Biloli, Degloor & Mukhed Block of Nanded District.

Apart from these initiatives, your Company renovated a school for differently abled children and continued its support to schools and NGOs working towards the upliftment of these children. Your Company also supported three old-age homes.

ENVIRONMENT PROTECTION (VATAVARAN SURAKSHA)

Through this program, your Company planted 13,925 trees during the year and cumulatively has planted 61,678 trees to date.

Your Company during the year spent ₹ 25 Lakhs towards animal welfare.

WOMEN EMPOWERMENT (STREE UNNATI)

The objective of your Company is to empower young women dwelling in slums and tribal areas and therefore:

- Constructed '95 Household Bathrooms' for the protection of Dignity, Privacy, and Safety of women of Randedi village, Jhagadia.
- Supported 3 Self Help Groups near the Taloja plant and provided them with the necessary infrastructural support to start their enterprise.

To date, out of 560 women that were given skill training, 445 succeeded in getting jobs and 5 started their own enterprises.

CALAMITY RELIEF (AAPDA RAHAT)

During the COVID-19 pandemic, your Company continued its support to fight against COVID-19 by donating 10 ICU beds to a hospital, along with distribution of sanitiser and liquid handwash to Government Agencies, NGOs, Community, and Hospitals.

BUSINESS OUTLOOK

While we see the pandemic entering the endemic stage, the damage it did over the past two years has left behind the scars on the entire world. The after-effects are quite evident and visible in terms of supply chain disruptions and inflationary scenarios.

While the supply chain dynamics were seen improving in January only, the rising geopolitical tensions have added uncertainties to the near-term outlook. Any signs of demand cutback on the back of a high-inflationary scenario can pose significant risks going ahead.

In the coming years, rising premiumisation and the urge for sustainable consumption shall bring a paradigm shift in consumer demand in both developed and developing markets. This should augur well for your Company's Specialty Care business.

The CAPEX made at our two manufacturing sites before the onset of the pandemic have got commissioned. This will help us to cater to the growing demand for our Specialty Care Products and enable us to partner with our customers for their new endeavours. Every year, your Company evaluates the threshold level of capacities in various production lines and accordingly initiates the new investments. Your Company every year invests around ₹ 150-200 Crores in CAPEX.

While the external scenario remains extremely uncertain, internally we are taking the necessary steps to enhance our performance, stability, and delivery.

Navigating these unprecedented times has made your Company more agile and adaptable to the volatile external environment. With the passage of time, we hope to become stronger and more resilient to battle the challenges coming on our path. Amidst these uncertain times, we continue to 'Hope for the Best' and stay 'Prepared for the Worst.'

Directors' Report

To the Members

Your Directors take pleasure in presenting the Thirty Sixth (36th) Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2022.

1. FINANCIAL RESULTS

(₹ Crores)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
REVENUE & PROFITS				
Total Revenue from operations	2628.59	1830.50	3685.71	2784.06
Profit before Interest, Tax & Depreciation	232.54	297.49	413.22	459.69
Less: Interest & Finance Charges	7.75	8.37	12.85	13.42
Less: Depreciation	43.75	49.80	71.06	73.95
Profit for the year before Tax	181.04	239.32	329.31	372.32
Less: Provision for Taxation				
- Current	47.83	62.23	68.56	71.08
- Deferred	(0.66)	(0.77)	(2.03)	(0.90)
Net Profit after Tax	133.87	177.86	262.78	302.14
RETAINED EARNINGS				
Opening Balance of Retained Earnings	954.79	827.81	1204.70	953.44
Add: Profit for the year	133.87	177.86	262.78	302.14
Add: Other comprehensive income	1.18	(1.24)	1.18	(1.24)
Less: Appropriations: Dividend				
- Interim Dividend	-	49.64	-	49.64
- Final Dividend	14.18	-	14.18	-
Total Dividend on Equity Shares	14.18	49.64	14.18	49.64
Balance as at end of the Year	1075.66	954.79	1454.48	1204.70

Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	₹ Crores		USD 000's	
	2021-22	2020-21	2021-22	2020-21
REVENUE & PROFITS				
Total Revenue from operations	519.09	374.42	69668	50461
Profit before Interest, Tax & Depreciation	97.62	54.83	13101	7391
Less: Interest & Finance Charges	0.53	0.48	71	65
Less: Depreciation	6.14	6.09	824	821
Profit for the year before Tax	90.95	48.26	12206	6505
Less: Provision for Taxation				
- Current	20.73	8.80	2782	1187
- Deferred	(0.48)	(0.78)	(64)	(106)
Net Profit after Tax	70.70	40.24	9488	5424
RETAINED EARNINGS				
Opening Balance of Retained Earnings	188.45	148.21	27393	21969
Add: Profit for the year	70.70	40.24	9488	5424
Balance as at end of the Year	259.15	188.45	36881	27393

Operating Subsidiary – Galaxy Chemicals (Egypt) SAE

Particulars	₹ Crores		USD 000's	
	2021-22	2020-21	2021-22	2020-21
REVENUE & PROFITS				
Total Revenue from operations	1049.08	886.76	140797	119509
Profit before Interest, Tax & Depreciation	91.18	103.05	12238	13889
Less: Interest & Finance Charges	5.15	5.24	691	707
Less: Depreciation	21.22	18.15	2848	2447
Profit for the year before Tax	64.81	79.66	8699	10735
Net Profit after Tax	64.81	79.66	8699	10735
RETAINED EARNINGS				
Opening Balance of Retained Earnings	112.65	32.99	10087	(648)
Add: Profit for the year	64.81	79.66	8699	10735
Balance as at end of the Year	177.46	112.65	18786	10087

2. DIVIDEND

The Board recommends a final dividend of ₹ 18/- per share for the financial year 2021-22. The dividend payout for the concluded year shall be ₹ 63.82 Cr.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is in place and available on the website of the Company <https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Dividend-Distribution-Policy.pdf>.

3. BUSINESS & FINANCIAL PERFORMANCE

The performance of your Company for the year on a standalone and consolidated basis is reflected by the following ratios:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
EBITDA (% to Revenue from Operations)	8.8%	16.3%	11.2%	16.5%
PAT (% to Revenue from Operations)	5.1%	9.7%	7.1%	10.9%
ROACE (%)	14.4%	21.4%	19.3%	25.2%
RONW (%)	12.4%	18.7%	18.3%	25.5%
Debt:Equity Ratio	0.22	0.16	0.23	0.21
Earnings per Share (₹)	37.76	50.17	74.12	85.22
Cash Earnings per Share (₹)	50.10	64.21	94.16	106.08
Book Value per Share (₹)	320.89	286.79	444.05	367.06

Business Scenario

The financial year 2021-22 required businesses to navigate highly uncertain times. The events were swift and intense in multiple dimensions requiring agile responses. This is particularly relevant for your Company's business where cross border transactions form a substantial portion of the total operations both on the buy and sell-side.

Supply chain disruptions were of a very high order manifesting by way of higher freight rates, availability of containers, shipping berths, and extended delivery times. Apart from the marine voyage, even the local supply chain in many of the importing countries was severely impacted. Higher than normal freight rate combined with high-frequency fluctuations required constant engagements to navigate the volatile scenario both in

terms of reducing freight risks and ensuring a coordinated timely delivery to the customer.

One of the critical feedstocks evidenced a supply disruption on account of supplier's plant shutdowns and unforeseen extensions for maintenance and debottlenecking activities. This caused a backlog in order book execution and heightened market risks in a volatile environment.

Non-availability of this feedstock necessitated temporary import of downstream intermediates curtailing the value chain participation thereby adversely impacting margins. Besides, your Company had to scale down ability to service the demand and restrict the servicing to strategic customers. Robust demand could not be serviced due to

uncontrollable execution constraints which is reflected in marginally lower sales volume than previous year.

The situation got compounded by regulatory changes governing the country of origin for imports – abridged as CAROTAR rules in India. This extended the clearance time and accentuated the timely availability of feedstock.

During the year, the COVID-19 virus struck Southeast Asian countries in Q2 of FY 22 which is a concentrated regional source of Oleochemicals and continued to cause havoc in the developed regions of the USA and Europe which is the main region for offtake of our specialty products. The pandemic induced disruption in Southeast Asia disrupted your Company's supplies of major raw material, Fatty Alcohol, which in turn adversely impacted ability to service your Company's customers in Q-2 FY 22. Global Disruptions due to COVID-19 which continued throughout the stated period, curtailed your Company's ability to operate at a scale reflective of the demand pipeline.

Even minor feedstock items like caustic soda, sulphur etc. saw a multifold increase in prices testifying the nature of turbulence the markets were undergoing and that had to be navigated daily. The prolonged Russia Ukraine conflict is accentuating the prevailing uncertainties. The onset of inflationary scenario from Q-3 FY 22, while did not immediately impact demand, will need to be monitored as we move to FY 23.

Embedded in corporate culture to sustain and develop long term relations, your Company stood by all its commitments to the customers and discharged the same in a coordinated manner to the satisfaction of the customers despite multiple constraints on availability of feedstock, higher freight rates etc. Standing by the customers in difficult times helped mitigate negative fallouts of external uncertain environment and enhanced our quotient as a strategic partner with our customers.

The strength of the relationship with the various stakeholders nurtured over years hallmarked by trust and transparency in your Company's engagements enabled it to respond to and navigate the circumstances with a certain degree of conviction that helped substantively sustain the performance of the previous year.

Pandemic and safety awareness, and major natural calamities associated with climate change have given momentum to safe and sustainable consumption. Your Company has done significant work in these areas and acquired technology and organizational competencies which places it in an advantageous position to benefit from these emerging consumer and community trends. Clean beauty, minimalism and multifunctional ingredients are further corroborating this major consumer shift that is underway. Your Company, equipped with patented

green technology with loop chemistry, new generation nontoxic preservatives, water positive certification and other related initiatives is better positioned to respond and benefit from this emerging consumption shift.

Sustainability lies at the core of your Company's business. Your Company understands the value of water as a resource and takes pride in announcing the remarkable achievement of becoming a certified 1.4x Water Positive Company. As sustainability trends gain prominence, your Company is well equipped to align with the emerging trends through a robust innovation process. During the year, your Company launched 2 new products driven by sustainable trends.

- **Galsoft® SLL**

A versatile value-adding specialty additive, which improves the attributes of personal care products and their applications. This product is environmentally friendly and is 100% derived from natural ingredients and is COSMOS certified.

- **Galaxy Hearth Mix® Pods**

Galaxy Hearth™ Mix Pods is a ready mix concentrate for the preparation of Laundry Pods or Capsules. Powered by plant-based surfactants, the concoction prepared is carefully crafted to deliver adequate wetting, excellent cleansing, and detergency of soiled fabrics.

Your Company was bestowed with following esteemed awards this year:

1. Your Company's Taloja plant was conferred with the CII Excellent Energy Efficient Unit award.
2. Your Company's Taloja plant was conferred with the CII Green Company rating (GreenCo - Silver level).
3. 41st CII National Kai-Zen Competition:
 - Gold Award in Innovative Category for presenting a Case Study
 - Gold Award (Automatic Grease feeder) & Silver Award (Kaizen Diverter Valve) in Restorative Category for presenting a Case Study
4. Achieved consistent progress in Carbon Disclosure Project (CDP) 2020 with:
 - Score of Management Level 'B' in CDP - Climate Change compared to the global average of 'C'
 - Management Level 'B-', in CDP-Water compared to the global average of 'B'

- Leadership level, 'A' in Supplier Engagement compared to the global average of 'C'
- 5. Indian Chemical Council's Acharya P. C. Ray Award for Development of Indigenous Technology, 2020 for indigenously developing 'Galguard Lipo G' – A patented, non-toxic, antimicrobial preservative technology for personal care products.
- 6. For the 3rd time got the coveted Great Place to Work® certification on the strength of achievements made in the areas of Management Competency, Physical Safety at the Workplace, and Contribution to Society.

Recently, your Company's Water Shed Management efforts across drought locations in India were recognized by the CII as an excellent effort towards ecosystem restoration.

Financial Outcomes:

Aforesaid prevalent conditions in the operating environment are reflected in the financial performance of your Company as under:

Your Company has shown marginal fall in volumes of 0.8% over the previous year. Benign supply chain conditions would have enabled a relatively healthy growth. The demand was robust; yet could not be converted into business on account of production loss constrained by the timely availability of feedstock.

Geographically, while the Indian market and ROW market grew by 9.4 % & 7.8% respectively, AMET registered a decline of 15.1% primarily due to supply chain constraints in servicing the demand. Import of intermediates to tide over the supply constraints in a domestic feedstock coupled with unforeseen steep rise even in minor feedstock items affected the margins.

The EBITDA per ton, though within the guided range of ₹ 16,000 – 18,000 MT, is lower than the previous year on account of multiple factors; predominantly elevated logistic costs, airlifting of cargo, elongated supply chains and timely non availability of feedstock affecting the ability to service the demand.

CAPEX for specialty ingredients at Jhagadia got commissioned during the year with a delay on account of the pandemic. During the year, the total CAPEX outlay was about ₹ 155 Crs on projects under execution. Further, capacity creation for certain products is proposed for which an additional investment of ₹ 200 Crs has been planned in the coming year.

During the year MEIS export promotion scheme was substituted by the RoDTEP scheme. The rates of rebate announced under the RoDTEP programmes are low and inadequate to neutralize the indirect tax burden on the export products as per estimates submitted to the Government. The exporters have voiced their concern and the Government has assured a review. Your Company hopes the anomaly shall be set right. At present, the benefit of PLI scheme is not available for your Company.

High commodity prices coupled with elongated supply chains have led to higher transit inventory, extended receivables for the transit period, reduction in effective trade credit and elevated monetary values. Curtailment of production due to supply chain has shifted the trade in favour of credit-based customers. To secure feedstock, spot procurements, realignment of suppliers etc. had to be done even on advance payment terms. With the restoration of the supply chain to normalcy, the additional cash that has got absorbed into the working capital cycle should get released.

During the year funds generated from operations for the reasons given above has got predominantly appropriated to fund the increase in net current assets leaving a marginal cash surplus from operations resulting in incremental borrowings.

The Debt-to-Equity ratio of your Company continues to remain low at 0.23 and the profitability ratios are near to threshold limits on elevated working capital requirements

4. PEOPLE ENERGY

Your Company's employees are the major drivers for growth and success. A fundamental belief of the management philosophy is to invest in its employees and enable them to develop new skills and capabilities. Anchored to your Company's guiding principles, culture and values continue to direct your Company's choices to keep it resilient and future ready.

During the year, your Company's people strategy continued to emphasize on building capabilities and enhancing employee skills while ensuring safety and health of the workforce.

Capability Building

When the workforce is trained with the organization's core competencies in mind, the organization stays competitive in the market with the workforce positively influencing the bottom line. Aligning with 4C framework, with a view to continue building a Competent workforce, your Company has initiated focused competency development journeys post a comprehensive skills gap analysis. This journey has been executed through introduction of learning tools and learning management software. This multi-featured Digital Learning Platform has emerged as the propagator of remote and real-time learning in the organization.

Your Company maintained a continued focus on hiring from multiple diverse sources – to ensure an astute mix of fresh and experienced candidates. The individuals in the strategic leadership band were part of a learning intervention which helped them understand the behavioral demands of a job and assessment of candidates who match, with a view to ensure we have people on board who can deal with the ever-increasing challenges of business.

People Well-being during the pandemic

Your Company remains committed to employee safety and wellbeing. During this pandemic, your Company arranged for COVID-19 vaccination for all employees and their dependent family members.

In the corporate house, a hybrid working model was the norm during FY 22 where IT supported the businesses by ensuring secure and continuous access to the workplace from anywhere and anytime. Adequate training is being continually provided to employees on Cyber Security Awareness to educate them about the best practices and procedures for keeping networks and data secure.

People Practices

The journey of HR Digitalization has made significant advancement this year and the digital platform implemented has become a single source of employee data. The platform has become a go-to suite for employees for time & attendance, talent acquisition, performance management and development plans. Today, we are in a position to fetch real-time talent dashboards.

Your Company received the coveted “Great Place to Work® certification” also during this year. Aspects such as Competence of Management, Physical Safety at Workplace and Contribution to Society have received excellent scores which resulted in receipt of this recognition. This outstanding achievement amplifies the vital trust of Galaxites. It echoes the pride and belief our employees have placed in your Company’s Galaxy work culture.

It is also your Company’s constant endeavor to build a diverse workforce. As an equal opportunity employer, your Company practices a culture of meritocracy.

5. QUALITY

Your Company is committed to deliver consistently high quality and high performing products and services to its customers.

Continuous improvement in quality across all domains and implementation of key Best Practices at all its sites enables your Company to meet the stringent quality benchmarks set by customers for the product qualifications.

The quality of cosmetic ingredients is critical to assure the safety, quality and efficacy of formulations. Your Company

has been effectively practising on the principles of Good Manufacturing Practices (GMP) and Quality Risk Management approaches at all its manufacturing sites which are already certified with ISO 22716 GMP standard. The site in USA (TRI-K Industries Inc.) and Jhagadia site are further certified with EFfCI (European Federation for Cosmetic Ingredients) GMP standard.

World class practices such as TPM are adopted at the manufacturing sites augmented by internal benchmarking programmes such as Galaxy Manufacturing Excellence Award (GMEA).

Under the umbrella of Product Stewardship, your Company has maintained high focus on Product Safety and further strengthened on developing products with High Natural Origin content. Sustainable Product Development emphasizing on 12 principles of Green Chemistry has been your Company’s approach. Product attestations/certifications like COSMOS/Ecocert, Kosher, Halal, RSPO (MB & SG); Product customizations, caring about Vegan Beauty and offering solutions to meet consumer trends are efforts to deliver enhanced value to your Company’s customers.

6. SUSTAINABILITY / RESPONSIBLE CARE

Your Company is one of India’s leading manufacturers of surfactants and other specialty ingredients for the Personal Care and Home Care industry for last 4 decades. Your Company’s sustainability journey started a decade back which encapsulates Environment, Social, Economic aspects.

Your Company has integrated sustainability at the core of its business and it is visible from the progress it has made in the last decade. Your Company released its 10th Sustainability Report structured basis the GRI framework in the previous year.

Your Company has defined its sustainability journey on the following four pillars.

- Climate Change - Following pathway of 1.5 Deg. Celsius
- Circular economy - Rethinking and transforming full value chains to create a system in which waste is designed out entirely
- Water Stewardship - Bringing positive impact for organization and society
- Diversity and inclusion - Diverse workplace and leverage the effects of diversity to achieve competitive business advantage

Your Company is committed to Science Based Targets initiative (SBTi) and has set up a target of Green House Gas (GHG) reduction.

Your Company continued to adhere to CDP and worked towards improving its scores under the following categories:

- Climate Change- B, Management Level
- Water Security – B-, Management Level
- Forest- C, Awareness Level
- Supplier Engagement rating - A, Leadership Level

Your Company's Sustainability Report has received recognition – ESG Report of the Year by Transformance. Your Company received Corporate Governance and Sustainability Vision Award 2022 by Indian Chamber of Commerce. Your Company is in the top 30 companies in BW Business World India's most Sustainable Companies list. Your Company is a member of RSPO (Roundtable on Sustainable Palm Oil) and increased uptake of RSPO (MB) certified derivatives of oleochemicals Y-o-Y.

Your Company continuously engages with your supply chain partners like suppliers, customers, third parties to align efforts towards oil palm traceability and other sustainability initiatives. Your Company's initiative

A detailed report on amount spent on different activities, results achieved on the initiatives undertaken by your Company is attached with "Annexure C".

During the year, your Company undertook the following CSR initiatives:

Sr. No.	Focused CSR Projects	Description
1.	Arogya Vardheeni (Health & Hygiene)	<p>a) Continued its support to 100 Tribal Creches in 54 villages of Chhattisgarh by providing nutritional food to 1100 underprivileged and malnourished infants.</p> <p>b) Constructed Toilet Blocks for Girls and Boys in 6 Schools in Maharashtra and Gujarat. Till date, your Company has constructed 334 Toilet Blocks (134 Toilet Blocks in Schools & 200 Community Toilets) along with 1931 Handwashing Station.</p> <p>c) Continued Primary Health Center Project providing concessional diagnosis, treatment & referral for 11,458 poor people coming from 47 villages of Jhagadia block, Gujarat.</p> <p>d) Supported to distribute 684 Maternity and Child Health kit to Pregnant Women admitted to Bharuch Civil Hospital.</p> <p>e) Continued to support 10 Thalassemia affected children located at Thane, Maharashtra towards their blood transfusion & medicine.</p> <p>f) Supported Cataract operation of 50 poor people located at Panvel, Dist. Raigad, Maharashtra.</p> <p>g) Conducted 8 Blood Donation Camps collecting 824 blood units. Till date, total 77 blood donation camps have been conducted collecting 5373 units of blood.</p>
2.	Gyan Sanjeevani (Education)	<p>a) Started construction of a Vocational Training Center, Nanded, Maharashtra wherein every year around 5000 students are expected to get vocational training in different fields.</p> <p>b) Provided financial support to 16 poor students from Mumbai, Maharashtra for completing their post-graduation & supported 30 adult orphan children from Pune, Maharashtra for their graduation tuition fees.</p> <p>c) Continued its support in providing education to the children of waste pickers, after school hours.</p>

to collaborate with suppliers via GALSUSTAIN is an event to bring the entire supply chain stakeholders on single platform.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company have constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

Your Company has also formulated a CSR Policy and the same is available on your Company's website at <https://www.galaxysurfactants.com/about/our-policies.aspx>.

All the CSR activities of your Company are in compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013. CSR Committee reviewed and updated the CSR Policy covering the objectives, focus areas, budget, monitoring & reporting among others.

Against ₹ 4.64 Crores that were required to be spent on CSR activities under Schedule VII, your Company has successfully disbursed ₹ 4.69 Crores.

Sr. No.	Focused CSR Projects	Description
		d) Provided Engineering Equipment for Science Lab to an Engineering College situated at Kolhapur, Maharashtra.
3.	Samajeeek Utthan (Community Development)	a) Completed first phase of its second Integrated Village Development project in Draught prone area of Nanded, Maharashtra; on the 'Ridge to Valley' Watershed Concept. b) Undertook and completed the De-silting of water bodies: <ul style="list-style-type: none"> i) 13 Structures in 11 Villages of Yeola block of Nashik District ii) 08 Structures in 08 villages of Biloli, Degloor & Mukhed Block of Nanded District Certified as 1.40 times 'Water Positive' by DNV-GL (assurance company). Till date, your Company has harvested 415 million liters of Rainwater. c) Continued its support to Schools and NGOs working towards the differently abled children. Company renovated a school for differently abled children at Vasai, Palghar, Maharashtra. d) Supported three old-age homes situated at Thane, Palghar – Maharashtra and Bharuch, Gujarat.
4.	Paryavaran Suraksha (Environment Protection)	a) Planted 13,925 trees during the year and cumulatively have planted 61,548 trees till date. b) Spent ₹ 25 lakhs towards animal welfare in the state of Maharashtra and Gujarat.
5.	Stree Unnati (Women Empowerment)	a) Constructed '95 Household Bathrooms' for protection of Dignity, Privacy and Safety of women of Randedi village, Jhagadia, Gujarat. b) Supported 3 Self Help Groups near Taloja plant and provided them following infrastructural support to start their enterprise: <ul style="list-style-type: none"> i) Papad Making Machine – 1 ii) Masala Grinder Machine – 1 iii) Sewing Machine – 58 Till date for livelihood generation, your Company has donated 231 Sewing Machines. c) Till date, 560 women have been trained, and 445 succeeded in getting jobs & 5 women have started their own enterprise.
6.	Aapda Rahat (Calamity Relief)	During Covid-19 pandemic, continued its support to fight against Covid-19 by donating 10 ICU Beds to a Hospital, alongwith distribution of Sanitizer and Liquid Handwash to Government Agencies, NGOs, Community and Hospitals.

8. SUBSIDIARIES AND ASSOCIATES

As of March 31, 2022, your Company has five wholly owned subsidiaries within the definition of 'Subsidiary Company' under the Companies Act, 2013.

During the year under review, the Board of Directors have reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries in compliance with the applicable accounting standards, which forms part of this Annual Report.

Pursuant to the provisions of sub section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial statement of each of our subsidiaries are set out in the prescribed format AOC-1 which forms part of the Financial Statements section of this Annual Report.

Further, pursuant to the provisions of section 136 of the Companies Act, 2013, the Financial Statements of subsidiary Companies are uploaded on the website of

your Company i.e., www.galaxysurfactants.com and shall also be available for inspection at the registered office of your Company with prior notice.

During the year, Sorion Solar Private Limited became an Associate Company of your Company by acquisition of more than 20% shares of that Company to comply with the requirement of Electricity Rules, 2005 of Group Captive. Your Company has no role in control or participation in the business decision under the agreement in the above Company and accordingly, accounts of the said Company have not been consolidated.

Galaxy Chemicals Inc., a 100% owned subsidiary in US, which was set up to promote marketing of your Company's products in the Americas, in the early years of development of export markets has lost its relevance after the consolidation of trading and distribution business under TRI-K Industries Inc. Your Board has, therefore, passed a resolution for winding up of Galaxy Chemicals Inc. and provided for impairment of investments of ₹ 0.31 Cr in the Financial Statements. The winding up would be commenced after necessary approvals are received from the authorities in India and US.

9. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION

Disclosures relating to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annual Report in "Annexure G", which forms part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of your Company with prior notice and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Changes in the Composition in the Board of Directors and Key Managerial Personnel

Mr. Uday K. Kamat (DIN: 00226886), Non-Executive Director, who did not seek further re-appointment in the 35th Annual General Meeting held on September 8, 2021 retired by rotation at the above meeting and the vacancy created by such retirement was not filled-up. Mr. Uday K Kamat continues to be associated with Galaxy Group as a member of the Board of Tri-K Industries Inc.

Dr. Nirmal Koshti (DIN:07626499), Non-Executive Director, resigned from the Board of Directors of your Company w.e.f. October 7, 2021. Dr. Koshti, continues to remain associated with Galaxy Group in executive capacity at TRI-K Industries Inc (TRI-K) and as a member of the Board of TRI-K Industries Inc.

Your Board wishes to place on record the contributions made by Mr. Uday K Kamat and Dr. Nirmal Koshti during their association with your Company as the Non-Executive Directors in advising and guiding the management with their wisdom.

During the year under review, in the 35th Annual General Meeting held on September 08, 2021 Mr. Vaijanath Kulkarni (DIN: 07626842) has been appointed as a Whole-time Director of your Company for the period of 3 years w.e.f. October 16, 2021. Prior to his appointment, Mr. Kulkarni was a Non-Executive Non-Independent director of your Company.

ii. Independent Directors

As on March 31, 2022, your Company has 4 Independent Directors on its Board.

As per the provisions of the Companies Act, 2013, all Independent Directors of your Company were appointed for a second term in 33rd & 34th AGM, not liable to retire by rotation. Mr. S. Ravindranath, Chairman and Independent Director, retired on completion of his second term as an Independent Director on April 19, 2022. In his place Mr. M. G. Parameswaran, Independent Director has been appointed as the Chairman w.e.f. April 20, 2022.

Your Board wishes to place on record the contributions by Mr. Ravindranath during his association with your Company as the Non-Executive and Independent Director in advising and guiding the management with his wisdom.

The Independent Directors have given the declaration of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013.

Your Board has proposed the appointment of Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director for a period of 5 years with effect from August 5, 2022, subject to the approval of the members in the 36th Annual General Meeting. The proposal to appoint Mr. Kanwar Bir Singh Anand is covered in Item no. 12 of the AGM Notice as a Special Business.

iii. Reappointment of Directors Liable to Retire by Rotation

Your Board has 5 Directors who are liable to retire by rotation. Mr. Shashikant Shanbhag (DIN: 00265103) and Mr. Vaijanath Kulkarni (DIN: 07626842) are liable to retire by rotation in ensuing AGM and being eligible, your Board recommends them for re-appointment.

These proposals are covered in Item No. 4 and 5 of the AGM notice as Ordinary Business.

11. NOMINATION AND REMUNERATION POLICY

The Board of Directors on the recommendation of the Nomination & Remuneration Committee has framed a policy which inter alia lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of your Company and criteria for selection and appointment of Board Members. The said Policy is annexed as "Annexure D" and forms an integral part of this Report.

12. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Board has carried out the annual performance evaluation of its own performance, Board Committees and Individual Directors. The evaluation was done through a structured questionnaire which considered various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The details of programmes for familiarization of Independent Directors of your Company are available on your Company's website www.galaxysurfactants.com.

13. BOARD COMMITTEES

In order to strengthen its functioning, the Board of Directors has constituted the following Committees as per the requirement of Companies Act, 2013 and the SEBI Regulations:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Details of the Committees along with their charter, composition and meetings held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

14. MEETINGS OF THE BOARD AND COMMITTEES

The details of the Board of Directors and Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

Secretarial Standards:

Applicable Secretarial Standards, i.e., SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by your Company.

15. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) that the Directors had 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 as of March 31, 2022 and of the Profit and Loss of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the Annual Accounts on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. AUDITORS

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP (Firm Registration Number 117366W/W-100018) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on August 17, 2017 for a term of 5 consecutive years i.e., from the conclusion of 31st Annual General Meeting till the conclusion of 36th Annual General Meeting to be held in the year 2022. A proposal for re-appointment of the statutory auditors for the second term of 5 years has been covered under Item No. 6 of the AGM Notice.

The Report given by the Auditors on the Financial Statements of your Company is part of this Annual Report. There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Cost Auditors

Your Board of Directors, based on recommendation of the Audit Committee, has appointed M/s. Nawal Barde Devdhe & Associates, Cost Accountants in Practice, to audit the cost accounts of your Company for the financial year 2022-23. In term of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members. Accordingly, a resolution seeking ratification by the members for the remuneration is listed as Item No. 7 of the AGM Notice as Special Business.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries in Practice to undertake the Secretarial Audit of your Company. The Report of the Secretarial Auditor for the financial year 2021-22 is appended as "Annexure F" to this Board's Report.

There is no qualification, reservation or adverse remark made by the Secretarial Auditor in their report.

17. RISK MANAGEMENT & INTERNAL FINANCIAL CONTROLS

Your Company, in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, has inducted Mr. Subodh Nadkarni, Independent Director on the Risk Management Committee. The Risk Management Committee has kicked off Enterprise Risk Management involving review of design and adequacy of organization structure, governance framework, policies and processes, identification and mitigation of risks and digitization possibilities. The Risk Management Committee meets to identify, discuss and mitigate risks in business & operational areas thereby addressing ongoing design and oversight adequacy needs.

Focus on Cybersecurity initiatives continued during the year, with enhanced scope and covering the operational subsidiaries. In addition to the hardware and software interventions to bolster the cybersecurity capabilities, behavioral aspects were also given equal importance by way of training and awareness sessions.

Enhancement of ERP & other systems during the year continued with developmental projects to further strengthen the system controls. New HRMS and Expense management software were implemented during the year. Review of delegation matrix for varied empowerment needs and segregation for role conflicts were also carried out.

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal control systems are tested and reviewed at regular intervals and cover all offices, factories and key business areas. Any audit observations and follow up actions thereon are reported to the Audit Committee. Necessary policies and procedures have been adopted for ensuring the orderly and efficient conduct of business, including adherence to your Company's policies, safeguarding of its assets, prevention and detection of frauds & errors.

18. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company treats its employees equally, with dignity and with no gender bias. Your Company believes and ensures that all employees work in an environment that

is free from all kinds of harassments including sexual harassment of women. As required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has constituted an ICC (Internal Complaints Committee). During the year under review, there was one complaint that was received in relation to sexual harassment and was closed. The policy for Prevention of Sexual Harassment is available on the website of your Company as given below.

<https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Sexual-Harassment-Policy.pdf>

19. CORPORATE GOVERNANCE

Your Company is committed to maintain highest standards of Corporate Governance. Your Company continues to be compliant with the requirements of Corporate Governance as enshrined in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Report on Corporate Governance along with the Certificate from the Statutory Auditors of your Company confirming compliances with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.

20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on the Management Discussion and Analysis for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming an integral part of this Annual Report.

21. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend and interest on fixed deposit to IEPF

As required under Section 124 of the Companies Act, 2013 (the Act), unclaimed dividend amount aggregating to ₹ 4,72,200/- and interest on fixed deposit of ₹ 1,804/- lying with your Company for a period of seven years were transferred during the financial year 2021-22 to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF

As required under Section 124 of the Act, 9,150 Equity Shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by your Company to the Investor Education and Protection Fund (IEPF) Authority during the financial year 2021-22. Details of shares transferred are available on the website of IEPF as well as on the website of your Company.

22. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report of your Company for the financial year 2021-22 forms part of this Annual Report as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

23. DISCLOSURES AND INFORMATION UNDER THE COMPANIES ACT, 2013

Pursuant to section 134 and any other applicable sections of the Companies Act, 2013 (the Act), following disclosures and information is furnished to the shareholders:

a. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars relating to "Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo" are given in "Annexure A" which is appended to this Board's Report.

b. Extract of Annual Return

Pursuant to the provisions of Section 92(3) of the Act and Rule 12(1) of the Companies (Management

The disclosure as required by Schedule V, Clause A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ Crores)			
Particulars	Name of Subsidiary/Firm	Maximum amount of loans / advances / investments outstanding during the year ended March 31, 2022	Amount outstanding at the end of the year i.e. March 31, 2022
Investments- Equity Shares	Galaxy Chemicals Inc.	0.46	0.15
Investments- Equity Shares	Galaxy Holdings (Mauritius) Ltd.	2.37	2.37
Investments- Preference Shares (at fair value)	Galaxy Holdings (Mauritius) Ltd.	223.11	205.64
Advances	Galaxy Chemicals (Egypt) SAE	0.17	0.17
Advances	TRI-K Industries, Inc.	0.15	0.15

e. Vigil Mechanism / Whistle Blower Policy

As per Section 177 of the Act, your Company has established a vigil mechanism for the Directors and employees to report genuine concerns. Your Company has a vigil mechanism named "Whistle Blower Policy" to deal with instance of fraud and mismanagement, if any. The Whistle Blower Policy is available on the website of your Company at <https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Whistle-Blower-Policy.pdf>

and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in form MGT-9 is appended as "Annexure B" to this Board's Report and it is also available on the website at <https://www.galaxysurfactants.com>

c. Particulars of Loans, Guarantees or Investments by the Company

Particular of loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the Financial Statements provided in this Annual Report.

d. Related Party Transactions

The Policy on Related Party Transactions as approved by the Board is available on the website at <https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Policy-on-Related-Party-Transactions.pdf>

The particulars of Related Party Transactions in prescribed Form AOC-2 are annexed as "Annexure E" and forms an integral part of this Report. There are no materially significant related party transactions made by your Company with Promoters, Directors or Key Managerial Personnel, etc. which may have potential conflict with the interest of your Company at large.

f. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year to which the financial statement relates and the date of the report.

g. Transfer to Reserves

Your Company proposes not to transfer any amount to the General Reserve for the financial year 2021-22.

h. Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

i. Reporting of frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

j. Maintenance of Cost Records

Your Company has made and maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act.

24. CAUTIONARY STATEMENT

Statements in the Directors' Report describing your Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence your Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

25. APPRECIATION AND ACKNOWLEDGEMENT

The continued pandemic has resulted in an unprecedented stress on resources and infrastructure, and no words are adequate to appreciate the untiring efforts by frontline workers, health care professionals, Law enforcement agencies & Government who have been working round the clock in seeing through this pandemic. A special salute to all the employees for their spirited contribution that ensured continuity of the operations of your Company despite the turbulent and uncertain environment. These efforts still continue in navigating the challenges thrown by the aftershocks of COVID waves.

Your Company is grateful to the Government of India, the Governments of Maharashtra and Gujarat, the Government of countries where subsidiaries are located and other Regulators for their continued co-operation, support and guidance. Your Company wishes to thank its investors, banking community, rating agencies and stock exchanges for their support. Your Company would like to take this opportunity to express sincere thanks to all its valued customers, distributors, dealers, agents and suppliers for their continued support and patronage. Your Directors express their deep sense of appreciation to all the employees whose outstanding professionalism, commitment and initiative has made the organization's growth and success possible and continue to drive its progress. Finally, your Directors wish to express their gratitude to the members for their trust and support.

For and on behalf of the Board

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
DIN: 00265017

K. Natarajan
Executive Director & COO
DIN: 07626680

ANNEXURE A

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy:

In-spite of challenges of COVID lockdown imposed in early part of 2021 followed by unprecedented increase in costs of all fossil fuels from Q4, your Company has fairly performed in energy related KPI's wherein continual improvement in specific consumption were achieved through implementation of EC themes in a structured manner. There was NIL non-conformance in external energy management system audit conducted by designated agencies. Your Company participated in National level competitions organised by CII and won prestigious "22nd National award for excellence in energy management-2021".

Investment in monitoring and controlling of energy through innovative portable instruments and customized software has been implemented for utilities wherein deviations (if any) get detected, reported and plugged at the earliest. New talent Graduate Engineering Trainees from reputed institutions has been recruited only for driving energy initiatives. Mechanism of timely reviews on energy and sustainability by top management is in place.

ii. The steps taken for utilising alternate sources of energy:

With a commitment to reduce GHG emissions, your Company has committed for reduction in 1.5 Deg C temp through SBIT (science Based target) methodology. Pursuant to the same, a long-term power purchase agreement has been signed which has increased the share of renewable power for Taloja factory to 40 % from August 21 onwards. Option of use of renewable power is also being explored for other site locations as well.

B. TECHNOLOGY ABSORPTION

The home and personal care industry (HPC) witness multiple launches each year to satisfy the consumer-needs based on their lifestyles and commensurate with new and emerging trends. Your Company's innovation team is at the forefront, understanding the needs of customers, innovating and creating new ingredients and products, which addresses the requirements of HPC industry.

Your Company is focused on high performing and value-added solutions for HPC industry which are expected to give good margins. Your Company's R&D department (Innovation process) relentlessly works toward this by designing and offering innovative ingredients. Further, the Innovation process continues the expansion of product portfolio in the various product categories

keeping product and process safety at the core of design. Sustainability is always at core of your Company's efforts in both Research and Technology development.

Some of the significant achievements during the year are given below:

Galsoft® SLL:

A versatile value adding specialty additive, which improves the attributes of personal care products and its applications. It is a multifunctional ingredient in formulation, which supports viscosity build-up, emulsification, foam boosting, stabilization, enhanced skin feel and can also be used as a secondary surfactant. This product is environment friendly and is derived from 100% natural ingredient and is COSMOS certified.

Galaxy Hearth® Mix Pods

Galaxy Hearth® Mix Pods is a ready mix concentrate for the preparation of Laundry Pods or Capsules. Powered by plant-based surfactants, the concoction prepared is carefully crafted to deliver adequate wetting, excellent cleansing, and detergency of soiled fabrics.

This year, your Company has filed following three new patent applications:

- (i) The invention - "Method to produce stimuli responsive UV-absorbing polymers", enables synthesis of functional polymer for use in personal care compositions, designed for deposition on skin and protecting skin from UV radiations.
- (ii) Second invention - "Free flowing N-acyl glycinate compositions at sub-zero temperature". The novel aqueous free-flowing N-acyl glycinate compositions is designed to address customer requirements of low temperature flowability in colder countries and useful in preparing isotropic aqueous skin and hair cleansing formulations such as body wash, shower gels and shampoos.
- (iii) Third invention details oil soluble "Transparent personal cleansing composition" for skin and hair care. The composition is formulated with ingredients with high natural origin content, is mild to skin, Sulfate-free, EO-free, PEG-free and Alkanol amide-free and exhibits enhanced foaming and lather capacity in comparison to the similar products in the market.

During financial year, 3 patents were granted to your Company for 3 inventions.

Expenditure incurred on Research and Development are given below in table:

(₹ Crores)

Particulars	2021-22	2020-21
R & D Expenses	14.54	13.00
Capital Expenditure	1.03	1.00

C. FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ Crores)

Particulars	2021-22	2020-21
Foreign Exchange Inflow	1281.93	906.70
Foreign Exchange outflow	1179.64	740.05

For and on behalf of the Board

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
(DIN: 00265017)

K. Natarajan
Executive Director & COO
(DIN: 07626680)

ANNEXURE B
FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L39877MH1986PLC039877
Registration Date	May 20, 1986
Name of the Company	Galaxy Surfactants Limited
Category / Sub-Category of the Company	Public Limited Company having Share Capital
Address of the Registered Office and Contact Details	C-49/2, TTC Industrial Area, Pawne, Navi Mumbai-400 703. Ph: 91-22-3306 3700 / 91-22-2761 6666 Fax: 91-22-2761 5883/ 91-22-2761 5886 E-mail: investorservices@galaxysurfactants.com Website: www.galaxysurfactants.com
Whether Listed Company	Yes
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C 101, 24/7 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083 Ph: 91-22-49186000 Fax: 91-22-49186060

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
Surface-active agents, Cosmetic ingredients, and Speciality care products for Personal and Home care applications.	20	100

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
Galaxy Chemicals Inc. 2 Stewart Court, Denville, NJ 07834, USA.	-	Subsidiary	100	2(87)
Galaxy Holdings (Mauritius) Ltd 4 th Floor, Ebene Skies, Rue de L'Institut Ebene, Mauritius	-	Subsidiary	100	2(87)
Galaxy Chemicals (Egypt) SAE Plot No.9, Block M, The Public Free Zone, Attaka, Suez, Egypt.	-	Subsidiary	100	2(87)
Rainbow Holdings GmbH c/o, Raupach & Wollert- Emlendorff, Schwanstrasse, 6, 40476, Dusseldorf, Germany.	-	Subsidiary	100	2(87)
Tri-K Industries Inc., USA 2 Stewart Court, Denville, NJ 07834, USA.	-	Subsidiary	100	2(87)
Sorion Solar Private Limited, 401A, Shree Guru Harkrishna Bhavan, Dr. Charat Singh Colony, A K Road, Andheri (East), Mumbai – 400 093	U40106MH2019PTC325726	Associate	28.49	2(6)

IV. SHAREHOLDING PATTERN

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/HUF	16852267	0	16852267	47.53	16852534	0	16852534	47.53	0
b. Central Govt/ State Govt(s)	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	543000	0	543000	1.53	543000	0	543000	1.53	0
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0
e. Any other	7752850	0	7752850	21.87	7752850	0	7752850	21.87	0
Sub-total (A) (1)	25148117	0	25148117	70.93	25148384	0	25148384	70.93	0
2. Foreign									
a. NRIs- Individuals	0	0	0	0	0	0	0	0	0
b. Other Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	0	0	0	0	0	0	0	0	0
d. Banks/Financial Institution	0	0	0	0	0	0	0	0	0
e. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	25148117	0	25148117	70.93	25148384	0	25148384	70.93	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4677256	0	4677256	13.19	4638467	0	4638467	13.08	(0.11)
b) Banks/Financial Institution	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	4908	0	4908	0.01	19798	0	19798	0.06	0.05
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
Alternate Investment Fund	44646	0	44646	0.13	227264	0	227264	0.64	0.51
Foreign Portfolio Investors	1212984	0	1212984	3.42	670759	0	670759	1.89	(1.53)
Sub-total (B)(1)	5939794	0	5939794	16.75	5556288	0	5556288	15.67	(1.08)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	75754	7500	83254	0.23	128465	5300	133765	0.38	0.15
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1929392	288361	2217753	6.26	2404880	249361	2654241	7.49	1.23
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	781855	0	781855	2.21	742788	0	742788	2.10	(0.11)
c. Others									
1. Trust	20	0	20	0.00	244	0	244	0.00	0.00
2. Hindu Undivided family	80232	0	80232	0.23	80835	0	80835	0.23	0.00
3. Non Resident Indians	633322	141433	774755	2.19	640817	141433	782250	2.21	0.02
4. Other Directors	104456	0	104456	0.29	55600	0	55600	0.16	(0.13)
5. Independent Directors	90000	0	90000	0.25	90000	0	90000	0.25	0.00
6. Office Bearers	5885	117648	123533	0.35	5685	111348	117033	0.33	(0.02)
7. Clearing Member	29333	0	29333	0.08	5131	0	5131	0.01	(0.07)

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
8. NBFC Registered with RBI	15000	0	15000	0.04	0	0	0	0	(0.04)
9. IEPF	66650	0	66650	0.19	75400	0	75400	0.21	0.02
10. LLP	0	0	0	0	12793	0	12793	0	
Sub-total (B)(2)	3811899	554942	4366841	12.32	4242638	507442	4750080	13.40	1.08
Total Public Shareholding (B)=(B)(1)+(B)(2)	9751693	554942	10306635	29.07	9798926	507442	10306368	29.07	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34899810	554942	35454752	100	34947310	507442	35454752	100	0

(ii) Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	
1.	U. Shekhar	4226740	11.92	0	4226740	11.92	0	0
2.	Late Sandhya Patil*	4106040	11.58	0	4106040	11.58	0	0
3.	Shashikant R. Shanbhag	4097684	11.56	0	4097684	11.56	0	0
4.	G. Ramakrishnan	2362783	6.66	0	2362783	6.66	0	0
5.	Jayashree Ramakrishnan	1842972	5.20	0	1842972	5.20	0	0
6.	Lakshmy Shekhar	127400	0.36	0	127400	0.36	0	0
7.	Sridhar Unnathan	44544	0.13	0	44811	0.13	0	0
8.	Anuradha Dayanand Prabhu	12000	0.03	0	12000	0.03	0	0
9.	Vandana Shashikant Shanbhag	10000	0.03	0	10000	0.03	0	0
10.	Gajanan N Amonker	6000	0.02	0	6000	0.02	0	0
11.	Saraswathy Natarajan K.S	3370	0.01	0	3370	0.01	0	0
12.	Sumathi Gopal	3000	0.01	0	3000	0.01	0	0
13.	K.S. Natarajan	6704	0.02	0	6704	0.02	0	0
14.	Vanita Hiren Kerkar	3000	0.01	0	3000	0.01	0	0
15.	Shreekanth Shanbhag	20	0	0	20	0	0	0
16.	Lata Nayak	10	0	0	10	0	0	0
17.	Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R Shanbhag, Sandhya Sudhir Patil as Partners of M/s. Galaxy Chemicals	7752850	21.87	0	7752850	21.87	0	0
18.	Galaxy Emulsifiers Pvt. Ltd.	543000	1.53	0	543000	1.53	0	0
19.	Bhooma Shyam Gopal	0	0	0	0	0	0	0
20.	Karthik Shekhar	0	0	0	0	0	0	0
21.	Nandini Shekhar	0	0	0	0	0	0	0
22.	Shanthi Laxminarasimhan	0	0	0	0	0	0	0
23.	C.S. Anandaram	0	0	0	0	0	0	0
24.	Galaxy Investments	0	0	0	0	0	0	0
25.	Galaxy Estates & Holdings	0	0	0	0	0	0	0
26.	Shubh Estates & Properties	0	0	0	0	0	0	0
27.	Osmania Traders Pvt. Ltd.	0	0	0	0	0	0	0
28.	Galaxy Finsec Pvt. Ltd.	0	0	0	0	0	0	0
29.	Hema Suryanarayanan	0	0	0	0	0	0	0

(ii) Shareholding of Promoters / Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged encumbered to total shares	
30.	Amit Ramakrishnan	0	0	0	0	0	0	0
31.	Akaash Ramakrishnan	0	0	0	0	0	0	0
32.	Pradeep Patil	0	0	0	0	0	0	0
33.	Anil Patil	0	0	0	0	0	0	0
34.	Suchitra Chindarkar	0	0	0	0	0	0	0
35.	Sugandha Sawant	0	0	0	0	0	0	0
36.	Siddharth Patil	0	0	0	0	0	0	0
37.	Yash Patil	0	0	0	0	0	0	0
38.	Vibhavari Ramesh Mande	0	0	0	0	0	0	0
39.	Sumedha Sawant	0	0	0	0	0	0	0
40.	Aeon Chemicals Pvt. Ltd.	0	0	0	0	0	0	0
41.	Datta-Suman Farms and Resorts Pvt. Ltd..	0	0	0	0	0	0	0
42.	Pranav Shanbhag	0	0	0	0	0	0	0
43.	Sneha Shanbhag	0	0	0	0	0	0	0
44.	Vallabh Amonkar	0	0	0	0	0	0	0
45.	Vivek Amonkar	0	0	0	0	0	0	0
46.	Nilkant Gangadhar Amonkar	0	0	0	0	0	0	0
47.	Maragatham Anandaram	0	0	0	0	0	0	0
TOTAL		25148117	70.93		25148384	70.93		0.00

Note:

- *The equity shares of Late Mrs. Sandhya Sudhir Patil are under process of transmission.
- Due to the demise of Mr. Vaidyanathan Unnathan, his name (appearing last year) has been deleted from the above list.

(iii) Change in Promoter Groups' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sridhar Unnathan				
i.	At the beginning of the year	44544	0.13	44544	0.13
ii.	Increase (+) / Decrease (-) during the year				
1.	20 Aug 2021	700	0.00	45244	0.13
2.	03 Dec 2021	(433)	(0.00)	44811	0.13
iii.	At the End of the year			44811	0.13

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	SBI Mutual Fund				
	i. At the beginning of the year	2414587	6.81	2414587	6.81
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 30 Apr 2021	(8004)	(0.02)	2406583	6.79
	2. 07 May 2021	(30182)	(0.09)	2376401	6.70
	3. 14 May 2021	(2693)	(0.01)	2373708	6.70
	4. 28 May 2021	(61800)	(0.17)	2311908	6.52
	5. 04 Jun 2021	(19607)	(0.06)	2292301	6.47
	6. 11 Jun 2021	(85179)	(0.24)	2207122	6.23
	7. 18 Jun 2021	(43532)	(0.12)	2163590	6.10
	8. 25 Jun 2021	(17024)	(0.05)	2146566	6.05
	9. 09 Jul 2021	(14637)	(0.04)	2131929	6.01
	10. 16 Jul 2021	(1306)	(0.00)	2130623	6.01
	11. 13 Aug 2021	(1951)	(0.01)	2128672	6.00
	12. 27 Aug 2021	(12419)	(0.04)	2116253	5.97
	13. 03 Sep 2021	(72721)	(0.21)	2043532	5.76
	14. 17 Sep 2021	(15837)	(0.04)	2027695	5.72
	15. 24 Sep 2021	(2220)	(0.01)	2025475	5.71
	16. 08 Oct 2021	(116039)	(0.33)	1909436	5.39
	17. 15 Oct 2021	(8521)	(0.02)	1900915	5.36
	18. 22 Oct 2021	(4861)	(0.01)	1896054	5.35
	19. 26 Nov 2021	(93336)	(0.26)	1802718	5.08
	20. 17 Dec 2021	(16066)	(0.05)	1786652	5.04
	21. 24 Dec 2021	(7150)	(0.02)	1779502	5.02
	22. 07 Jan 2022	(63419)	(0.18)	1716083	4.84
	23. 14 Jan 2022	(53181)	(0.15)	1662902	4.69
	24. 21 Jan 2022	(44314)	(0.12)	1618588	4.57
	25. 28 Jan 2022	(59965)	(0.17)	1558623	4.40
	26. 25 Mar 2022	(48148)	(0.14)	1510475	4.26
	iii. At the End of the year			1510475	4.26
2.	Axis Mutual Fund				
	i. At the beginning of the year	1177672	3.32	1177672	3.32
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 30 Apr 2021	(8765)	(0.02)	1168907	3.30
	2. 11 Jun 2021	125000	0.35	1293907	3.65
	3. 19 Nov 2021	18833	0.05	1312740	3.70
	4. 26 Nov 2021	100000	0.28	1412740	3.98
	5. 03 Dec 2021	4948	0.01	1417688	4.00
	6. 10 Dec 2021	50000	0.14	1467688	4.14
	7. 17 Dec 2021	11262	0.03	1478950	4.17
	8. 24 Dec 2021	9013	0.03	1487963	4.20
	9. 31 Dec 2021	1942	0.01	1489905	4.20
	10. 07 Jan 2022	3366	0.01	1493271	4.21
	11. 14 Jan 2022	15000	0.04	1508271	4.25
	12. 21 Jan 2022	23903	0.07	1532174	4.32
	13. 28 Jan 2022	93306	0.26	1625480	4.58
	14. 04 Feb 2022	2900	0.01	1628380	4.59
	15. 11 Feb 2022	2542	0.01	1630922	4.60

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	16. 18 Feb 2022	6607	0.02	1637529	4.62
	17. 25 Feb 2022	30803	0.09	1668332	4.71
	18. 04 Mar 2022	5843	0.02	1674175	4.72
	19. 11 Mar 2022	5609	0.02	1679784	4.74
	20. 18 Mar 2022	1460	0.00	1681244	4.74
	21. 25 Mar 2022	29516	0.08	1710760	4.83
	iii. At the end of the year			1710760	4.83
3.	Abu Dhabi Investment Authority - Behave				
	i. At the beginning of the year	574107	1.62	574107	1.62
	1. 21 May 2021	(30963)	(0.09)	543144	1.53
	2. 28 May 2021	(21343)	(0.06)	521801	1.47
	3. 04 Jun 2021	(42581)	(0.12)	479220	1.35
	4. 11 Jun 2021	(100813)	(0.28)	378407	1.07
	5. 16 Jul 2021	395	0.00	378802	1.07
	6. 23 Jul 2021	200	0.00	379002	1.07
	7. 08 Oct 2021	200	0.00	379202	1.07
	8. 15 Oct 2021	517	0.00	379719	1.07
	9. 19 Nov 2021	(92)	0.00	379627	1.07
	10. 26 Nov 2021	(1220)	(0.00)	378407	1.07
	11. 21 Jan 2022	1778	0.01	380185	1.07
	12. 25 Feb 2022	(1778)	(0.01)	378407	1.07
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			378407	1.07
4.	Jayshree Ramesh				
	i. At the beginning of the year	558532	1.58	558532	1.58
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			558532	1.58
5.	Kotak Mutual Fund				
	i. At the beginning of the year	454327	1.28	454327	1.28
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 09 Apr 2021	20000	0.06	474327	1.34
	2. 23 Apr 2021	10672	0.03	484999	1.37
	3. 30 Apr 2021	5887	0.02	490886	1.38
	4. 21 May 2021	(2977)	(0.01)	487909	1.38
	5. 11 Jun 2021	10000	0.03	497909	1.40
	6. 18 Jun 2021	6211	0.02	504120	1.42
	7. 25 Jun 2021	6425	0.02	510545	1.44
	8. 30 Jun 2021	30000	0.08	540545	1.52
	9. 02 Jul 2021	12000	0.03	552545	1.56
	10. 09 Jul 2021	10000	0.03	562545	1.59
	11. 23 Jul 2021	8519	0.02	571064	1.61
	12. 30 Jul 2021	10552	0.03	581616	1.64
	13. 06 Aug 2021	8006	0.02	589622	1.66

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14.	13 Aug 2021	17207	0.05	606829	1.71
15.	20 Aug 2021	40000	0.11	646829	1.82
16.	27 Aug 2021	14228	0.04	661057	1.86
17.	03 Sep 2021	2916	0.01	663973	1.87
18.	10 Sep 2021	5268	0.01	669241	1.89
19.	24 Sep 2021	16508	0.05	685749	1.93
20.	30 Sep 2021	26000	0.07	711749	2.01
21.	08 Oct 2021	6418	0.02	718167	2.03
22.	22 Oct 2021	4155	0.01	722322	2.04
23.	05 Nov 2021	3190	0.01	725512	2.05
24.	19 Nov 2021	5755	0.02	731267	2.06
25.	03 Dec 2021	6443	0.02	737710	2.08
26.	31 Dec 2021	5567	0.02	743277	2.10
27.	07 Jan 2022	14658	0.04	757935	2.14
28.	14 Jan 2022	16897	0.05	774832	2.19
29.	21 Jan 2022	19698	0.06	794530	2.24
30.	28 Jan 2022	2547	0.01	797077	2.25
31.	04 Feb 2022	18000	0.05	815077	2.30
32.	11 Feb 2022	8000	0.02	823077	2.32
33.	18 Feb 2022	11811	0.03	834888	2.35
34.	25 Feb 2022	4404	0.01	839292	2.37
35.	04 Mar 2022	3954	0.01	843246	2.38
36.	11 Mar 2022	16000	0.05	859246	2.42
37.	31 Mar 2022	8758	0.02	868004	2.45
iii.	At the end of the year			868004	2.45
6.	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund				
i.	At the beginning of the year	366793	1.03	366793	1.03
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	09 Apr 2021	152	0.00	366945	1.03
2.	16 Apr 2021	1	0.00	366946	1.03
3.	23 Apr 2021	10097	0.03	377043	1.06
4.	30 Apr 2021	(157)	(0.00)	376886	1.06
5.	07 May 2021	62	0.00	376948	1.06
6.	14 May 2021	(56)	(0.00)	376892	1.06
7.	21 May 2021	(571)	(0.00)	376321	1.06
8.	28 May 2021	37	0.00	376358	1.06
9.	04 Jun 2021	(14)	(0.00)	376344	1.06
10.	11 Jun 2021	384	0.00	376728	1.06
11.	18 Jun 2021	129	0.00	376857	1.06
12.	25 Jun 2021	158	0.00	377015	1.06
13.	30 Jun 2021	(43)	(0.00)	376972	1.06
14.	02 Jul 2021	(62)	(0.00)	376910	1.06
15.	09 Jul 2021	(17)	(0.00)	376893	1.06
16.	16 Jul 2021	59	0.00	376952	1.06
17.	23 Jul 2021	82	0.00	377034	1.06
18.	30 Jul 2021	27	0.00	377061	1.06
19.	06 Aug 2021	12	0.00	377073	1.06

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
20.	13 Aug 2021	(43)	(0.00)	377030	1.06
21.	20 Aug 2021	3	0.00	377033	1.06
22.	27 Aug 2021	(8)	(0.00)	377025	1.06
23.	03 Sep 2021	(12)	(0.00)	377013	1.06
24.	10 Sep 2021	(94)	(0.00)	376919	1.06
25.	17 Sep 2021	(194)	(0.00)	376725	1.06
26.	24 Sep 2021	(95)	(0.00)	376630	1.06
27.	30 Sep 2021	116	0.00	376746	1.06
28.	08 Oct 2021	(11)	(0.00)	376735	1.06
29.	15 Oct 2021	7	0.00	376742	1.06
30.	22 Oct 2021	59	0.00	376801	1.06
31.	29 Oct 2021	167	0.00	376968	1.06
32.	05 Nov 2021	41	0.00	377009	1.06
33.	12 Nov 2021	(5)	(0.00)	377004	1.06
34.	19 Nov 2021	(18)	(0.00)	376986	1.06
35.	26 Nov 2021	85	0.00	377071	1.06
36.	03 Dec 2021	46	0.00	377117	1.06
37.	10 Dec 2021	129	0.00	377246	1.06
38.	17 Dec 2021	(2)	(0.00)	377244	1.06
39.	24 Dec 2021	(44)	(0.00)	377200	1.06
40.	31 Dec 2021	(60)	(0.00)	377140	1.06
41.	07 Jan 2022	(212)	(0.00)	376928	1.06
42.	14 Jan 2022	(57)	(0.00)	376871	1.06
43.	21 Jan 2022	(25)	(0.00)	376846	1.06
44.	28 Jan 2022	224	0.00	377070	1.06
45.	04 Feb 2022	156	0.00	377226	1.06
46.	11 Feb 2022	41	0.00	377267	1.06
47.	18 Feb 2022	64	0.00	377331	1.06
48.	25 Feb 2022	29	0.00	377360	1.06
49.	04 Mar 2022	88	0.00	377448	1.06
50.	11 Mar 2022	(53)	(0.00)	377395	1.06
51.	18 Mar 2022	31	0.00	377426	1.06
52.	25 Mar 2022	27	0.00	377453	1.06
53.	31 Mar 2022	170	0.00	377623	1.07
iii.	At the end of the year			377623	1.07
7.	ICICI Prudential Emerging Dominance Fund				
i.	At the beginning of the year	31134	0.09	31134	0.09
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	21 May 2021	11297	0.03	42431	0.12
2.	28 May 2021	6619	0.02	49050	0.14
3.	04 Jun 2021	3153	0.01	52203	0.15
4.	11 Jun 2021	970	0.00	53173	0.15
5.	25 Jun 2021	1870	0.01	55043	0.16
6.	03 Sep 2021	55000	0.16	110043	0.31
7.	17 Sep 2021	4660	0.01	114703	0.32
8.	30 Sep 2021	806	0.00	115509	0.33
9.	08 Oct 2021	2900	0.01	118409	0.33
10.	22 Oct 2021	4300	0.01	122709	0.35

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
11.	29 Oct 2021	9700	0.03	132409	0.37
iii.	At the end of the year			132409	0.37
8.	Canara Robeco Mutual Fund				
i.	At the beginning of the year	74351	0.21	74351	0.21
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	13 Aug 2021	12000	0.03	86351	0.24
iii.	At the end of the year			86351	0.24
9.	Padmanabh B Shanbhag				
i.	At the beginning of the year	118350	0.33	118350	0.33
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	09 Apr 2021	(10095)	(0.03)	108255	0.31
2.	13 Aug 2021	(6458)	(0.02)	101797	0.29
3.	03 Sep 2021	(1797)	(0.01)	100000	0.28
4.	15 Oct 2021	(1336)	(0.00)	98664	0.28
iii.	At the end of the year			98664	0.28
10.	Wilfred D'Silva				
i.	At the beginning of the year	88450	0.25	88450	0.25
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	30 Jun 2021	(500)	(0.00)	87950	0.25
2.	13 Aug 2021	(10)	(0.00)	87940	0.25
3.	19 Nov 2021	(10)	(0.00)	87930	0.25
iii.	At the end of the year			88180	0.25
11.	Matthews Asia Small Companies Fund				
i.	At the beginning of the year	111515	0.31	111515	0.31
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	02 Jul 2021	(8220)	(0.02)	103295	0.29
2.	09 Jul 2021	(9124)	(0.03)	94171	0.27
3.	08 Oct 2021	(15838)	(0.04)	78333	0.22
4.	29 Oct 2021	(14479)	(0.04)	63854	0.18
5.	05 Nov 2021	(4236)	(0.01)	59618	0.17
6.	12 Nov 2021	(11274)	(0.03)	48344	0.14
7.	24 Dec 2021	(592)	(0.00)	47752	0.13
8.	11 Feb 2022	(5659)	(0.02)	42093	0.12
9.	18 Feb 2022	(22277)	(0.06)	19816	0.06
10.	11 Mar 2022	(19816)	(0.06)	0	0.00
iii.	At the end of the year			0	0.00
12.	Stichting Depository APG Emerging Markets Equity Pool				
i.	At the beginning of the year	245308	0.69	245308	0.69
ii.	Increase/ (Decrease) in Shareholding during the year				
1.	25 Jun 2021	(4100)	(0.01)	241208	0.68
2.	30 Jun 2021	(27594)	(0.08)	213614	0.60
3.	02 Jul 2021	(14888)	(0.04)	198726	0.56

iv) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDR and ADR)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	4. 09 Jul 2021	(35418)	(0.10)	163308	0.46
	5. 13 Aug 2021	(11024)	(0.03)	152284	0.43
	6. 20 Aug 2021	(41645)	(0.12)	110639	0.31
	7. 27 Aug 2021	(13331)	(0.04)	97308	0.27
	8. 10 Dec 2021	(63308)	(0.18)	34000	0.10
	9. 17 Dec 2021	(34000)	(0.10)	0	0.00
	iii. At the end of the year			0	0.00
13.	Union Small Cap Fund				
	i. At the beginning of the year	98111	0.28	98111	0.28
	ii. Increase/ (Decrease) in Shareholding during the year				
	1. 09 Apr 2021	(16553)	-0.05	81558	0.23
	2. 16 Apr 2021	(10347)	-0.03	71211	0.20
	3. 23 Apr 2021	(29391)	-0.08	41820	0.12
	4. 30 Apr 2021	(9660)	-0.03	32160	0.09
	5. 24 Sep 2021	(16150)	-0.05	16010	0.05
	6. 01 Oct 2021	(16010)	-0.05	0	0.00
	iii. At the end of the year			0	0.00

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	U. Shekhar- Managing Director				
	i. At the beginning of the year	4226740	11.92	4226740	11.92
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			4226740	11.92
2.	G. Ramakrishnan- Non-Executive Director				
	i. At the beginning of the year	2362783	6.66	2362783	6.66
	ii. Increase/ (Decrease) in Shareholding during the year				
	iii. At the end of the year			2362783	6.66
3.	Shashikant R. Shanbhag- Non-Executive Director				
	i. At the beginning of the year	4097684	11.56	4097684	11.56
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			4097684	11.56
4.	K. Ganesh Kamath- Executive Director (Finance) and C.F.O.				
	i. At the beginning of the year	20000	0.05	20000	0.05
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			20000	0.05
5.	S. Ravindranath- Independent Director				
	i. At the beginning of the year	30000	0.08	30000	0.08
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			30000	0.08

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6.	Subodh Nadkarni- Independent Director				
	i. At the beginning of the year	30000	0.08	30000	0.08
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			30000	0.08
7.	M. G. Parameswaran- Independent Director				
	i. At the beginning of the year	30000	0.08	30000	0.08
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			30000	0.08
8.	Nandita Gurjar- Independent Director				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			0	0
9.	K. Natarajan- Executive Director and C.O.O.				
	i. At the beginning of the year	9600	0.03	9600	0.03
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			9600	0.03
10.	Vaijanath Kulkarni- Whole-time Director				
	i. At the beginning of the year	26000	0.07	26000	0.07
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			26000	0.07
13.	Niranjan Ketkar- Company Secretary				
	i. At the beginning of the year	0	0	0	0
	ii. Increase/ (Decrease) in Shareholding during the year	0	0	0	0
	iii. At the end of the year			0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount ₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year- (01.04.2021)				
i) Principal Amount	163.78	0.08	-	163.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.35	-	-	0.35
Total (i+ii+iii)	164.13	0.08	-	164.21
Change in Indebtedness during the financial year				
Addition	117.11	-	-	117.11
Reduction	(31.26)	(0.08)	-	(31.34)
Net Change	85.85	(0.08)	-	85.77
Indebtedness at the end of the financial year (31.03.2022)				
i) Principal Amount	249.47	-	-	249.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.51	-	-	0.51
Total (i+ii+iii)	249.98	-	-	249.98

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director and Whole-time Directors**

Sr. No.	Particulars of Remuneration	Name of Managing Director and Whole Time Directors				(₹ Crore)
		U. Shekhar (Managing Director)	K. Ganesh Kamath (Executive Director & CFO)	K. Natarajan (Executive Director & COO)	Vaijanath Kulkarni (Whole time Director)^	Total Amount
1. Gross Salary						
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.70	1.70	1.70	0.76	5.86
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	0.05	0.06	0.05	-	0.16
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2. Stock Options		-	-	-	-	-
3. Sweat Equity		-	-	-	-	-
4. Commission		0.19	0.19	0.19	0.09	0.66
	- as % of profit					
	- others, specify					
5. Others (Includes retirement benefits and variable pay)						
	Total (A)	1.94	1.95	1.94	0.85	6.68
	Ceiling as per the Act					19.84

^ Remuneration payable to Mr. Vaijanath Kulkarni as a Whole-time Director w.e.f. October 16, 2021

* Figures less than ₹50,000

B. REMUNERATION TO OTHER DIRECTORS:**1. Independent Directors**

Sr. No.	Particulars of Remuneration	Names of Director				(₹ Crore)
		M. G. Parameswaran	S. Ravindranath	Subodh S. Nadkarni	Nandita Gurjar	Total Amount
1.	Fee for attending Board / Committee Meetings	0.14	0.11	0.12	0.08	0.45
2.	Commission	0.12	0.15	0.12	0.12	0.51
3.	Other	0.00	0.00	0.00	0.00	0.00
	Total (1)	0.26	0.26	0.24	0.20	0.96

2. Other Non-Executive Directors

Sr. No.	Particulars of Remuneration	Names of Director				(₹ Crore)
		Shashikant Shanbhag	G. Ramakrishnan	Uday K. Kamat*	Nirmal Koshti#	Total Amount
1.	Fee for attending Board / Committee Meetings	0.05	0.08	0.02	0.00	0.15
2.	Commission	0.12	0.12	0.05	0.00	0.29
3.	Other	0.00	0.60\$	0.60\$	0.00	1.20
	Total (2)	0.17	0.80	0.67	0.00	1.64
	Total (B)=(1+2)					2.60
	Total Managerial Remuneration (A+B)					9.28
	Overall Ceiling as per the act					21.83

* Mr. Uday Kamat retired on September 8, 2021.

Dr. Nirmal Koshti resigned on October 7, 2021 and he did not received sitting fees during the FY 2021-22.

\$ Payment of fees for appointment as strategic advisor.

C. REMUNERATION TO KEY MANAGERIAL REMUNERATION OTHER THAN MD/WTD

(₹ Crore)

Sr. No.	Particulars of Remuneration	Niranjan Ketkar Company Secretary
1. Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.25
(b)	Value of perquisites under Section 17(2) of Income Tax Act, 1961	-
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-
2. Stock Option		-
3. Sweat Equity		-
4. Commission		-
	- as % of profit	-
	- others, specify	-
5. Others (Includes retirement benefits and variable pay)		-
Total		0.25

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (UNDER THE COMPANIES ACT): NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any(give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in default					
Penalty			None		

For and on behalf of the Board

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
(DIN: 00265017)

K. Natarajan
Executive Director & COO
(DIN: 07626680)

ANNEXURE C

**Report on Corporate Social Responsibility pursuant to
Companies (Corporate Social Responsibility Policy) Rules, 2014**

1. Brief outline on CSR Policy of the Company.

GALAXY strongly believes that Corporate Social Responsibility (CSR) is connected with the principles of sustainability and recognizes that its business activities have wide impact on the society in which it operates. Therefore, the Company endeavours to make CSR a key business process for sustainable development, through its integration in the overall business approach.

GALAXY is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on society. We further believe that our Corporate Responsibility lies in embracing core corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of all relevant stakeholders.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	U. Shekhar	Chairman, Managing Director	2	2
2.	K. Ganesh Kamath	Member, Executive Director (Finance) & CFO	2	2
3.	M.G. Parameswaran	Member, Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.galaxysurfactants.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	Not Applicable	

6. Average net profit of the company as per section 135(5).

₹ 232 Cr

7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 4.64 Cr

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Not Applicable

(c) Amount required to be set off for the financial year, if any Not Applicable

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 4.64 Cr

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent in Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specific under Schedule VII as per second provision to section 135 (5)		
	Amount.	Date of Transfer	Name of the fund	Amount	Date of Transfer
₹ 4.69 Cr	NIL	NA	NA	NIL	NA

8b. Details of CSR amount spent against ONGOING PROJECTS for the Financial Year

1	2	3	4	5	6	7	8	9	10	11		
Location of the Project						Mode of Implementation through Implementing Agency						
Sr. no.	CSR Project or Activity Identified	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	State	District	Project Duration	Amount allocated for the Project (s) (₹ In Crores)	Amount Spent in the current financial year (₹ In Crores)	Amount transferred to Unspent	CSR Account for the project as per Section 135(6) (in ₹)		
1	Aarogya Vardheeni	(i) promoting health care including preventive health care	Yes	Gujarat	Bharuch	March 2021 to December 2023	0.08	0.08	Nil	Yes	NA	NA
2	Gyan Sanjeevani	(ii) promoting education, including special education and employment enhancing vocational skills	Yes	Maharashtra	Nanded	March 2021 to October 2023	0.60	0.60	Nil	No	Sanskriti Samvardhan Mandal	CSR000000943
3	Samajeeek Utthaan	(x) rural development projects	Yes	Maharashtra	Nanded	March 2021 to October 2023	0.52	0.52	Nil	No	Sanskriti Samvardhan Mandal	CSR000000943
4	Samajeeek Utthaan	(iv) conservation of natural resources and maintaining quality of soil, air and water	Yes	Maharashtra	Nashik	March 2022 to September 2022	0.42	0.42	Nil	No	Yuva Mitra	CSR000000080
5	Samajeeek Utthaan	(x) rural development projects	Yes	Maharashtra	Raigad	March 2022 to September 2022	0.23	0.23	Nil	No	Anarde Foundation	CSR000000282
6	Samajeeek Utthaan	(ii) promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Palghar	September 2021 to June 2022	0.07	0.07	Nil	Yes	NA	NA
7	Paryavaran Suraksha	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	Maharashtra	Palghar	February 2022 to March 2022	0.17	0.17	Nil	No	Enviro Creator Foundation	CSR000003641
8	Paryavaran Suraksha	(iv) animal welfare	Yes	Maharashtra	Palghar	February 2022 to March 2022	0.03	0.03	Nil	No	Utkarsh Global Foundation	CSR000003193
9	Stree Unnati	(iv) conservation of natural resources and maintaining quality of soil, air and water	Yes	Maharashtra	Raigad	April 2021 to March 2024	0.05	0.05	Nil	No	Stree Mukti Sanghatan	CSR000001126
10	Stree Unnati	(iii) empowering women	Yes	Maharashtra	Palghar	February 2022 to August 2022	0.01	0.01	Nil	No	Rescue Foundation	CSR000002161
Total for Ongoing Projects for F.Y. 2021-22							2.18	2.18				

8c. Details of CSR amount spent on OTHER than ONGOING PROJECTS for the Financial Year

1	2	3	4	5			6	7	8
Location of the Project									
Mode of Implementation through Implementing Agency									
Sr. no.	CSR Project or Activity Identified	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	State	District	Amount Spent in the current financial year Amount in ₹ In Crores	Mode of Implementation - Direct (Yes/ No)	Name	CSR Registration Number
1	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare, Sanitation	Yes	(i) Maharashtra (ii) Gujarat	(i) Palghar (ii) Raigad, (iii) Bharuch	0.21	Yes	NA	NA
2	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare	Yes	Maharashtra	Thane	0.04	No	Triumph Foundation	CSR000006095
3	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare	Yes	Maharashtra	Raigad	0.02	No	Deepsikha	CSR000002693
4	Aarogya Vardheeni	(i) Eradicating hunger, poverty and malnutrition	No	Chhattisgarh	Bilaspur	0.30	No	Jan Swasthya Sahayog	CSR000005858
5	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare	Yes	Maharashtra	Raigad	0.05	No	Mangalam Foundation	CSR000003801
6	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare	Yes	Maharashtra	Raigad	0.02	No	Navdhrusti Seva Sanstha	CSR000004432
7	Aarogya Vardheeni	(i) Promoting health care including preventive healthcare and sanitation	Yes	Gujarat	Bharuch	0.33	No	SVADES	CSR000002452
8	Gyan Sanjeevani	(ii) Promoting education, including special education and employment enhancing vocational skills	Yes	(i) Maharashtra (ii) Gujarat	(i) Palghar (ii) Raigad (iii) Bharuch	0.24	Yes	NA	NA
9	Gyan Sanjeevani	(ii) Promoting education	Yes	Maharashtra	Mumbai	0.04	Yes	UDCT Alumni Association	CSR00012106
10	Gyan Sanjeevani	(ii) Promoting education	Yes	Maharashtra	Raigad	0.05	No	Stree Mukti Sanghatana	CSR000001126
11	Gyan Sanjeevani	(ii) Promoting education	Yes	Maharashtra	Palghar	0.02	No	PENS Sahyog Foundation	CSR000003433
12	Samajeek Utthaan	(iii) Facilities for senior citizens (x) Rural development projects	Yes	(i) Maharashtra (ii) Gujarat	i) Palghar ii) Raigad (i) Bharuch	0.01	Yes	NA	NA
13	Samajeek Utthaan	(x) Rural development projects	Yes	Maharashtra	Nashik	0.23	No	Yuva Mitra	CSR000000080
14	Samajeek Utthaan	(ii) Employment enhancing vocation skills especially among children, women, elderly and the differently abled	Yes	Maharashtra	Raigad	0.02	No	Shivshankar Shikshan Sanstha	CSR00010093
15	Samajeek Utthaan	(ii) Employment enhancing vocation skills especially among children, women, elderly and the differently abled	Yes	Maharashtra	Raigad	0.03	No	Aai Day Care Sanstha	CSR000001096

8c. Details of CSR amount spent on OTHER than ONGOING PROJECTS for the Financial Year

1	2	3	4	5		6	7	8
		Location of the Project			Mode of Implementation through Implementing Agency			
Sr. no.	CSR Project or Activity Identified	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	State	District	Amount Spent in the current financial year Amount in ₹ In Crores	Mode of Implementation - Direct (Yes/ No)	Name Registration Number
16	Samajeeek Utthaan	(iii) setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens	Yes	Maharashtra	Palghar	0.02	No	Anand Vrudhashram CSR000008248
17	Samajeeek Utthaan	(x) Rural development projects	Yes	Maharashtra	Nanded	0.24	No	Sanskriti Samvardhan Mandal CSR000000943
18	Stree Unnati	(iii) Empowering women	Yes	(i) Maharashtra (ii) Gujarat	i) Palghar (i) Bharuch	0.03	Yes	NA NA
19	Stree Unnati	(i) Sanitation (iii) Empowering women	Yes	Gujarat	Bharuch	0.04	No	Seva Yagna Samiti CSR000004225
20	Stree Unnati	(iii) Empowering women	Yes	Gujarat	Bharuch	0.01	No	Sharda Mahila Vikas Society CSR000002917
21	Paryavaran Suraksha	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Yes	(i) Maharashtra (ii) Gujarat	i) Raigad (i) Bharuch	0.04	Yes	NA NA
22	Paryavaran Suraksha	(iv) Conservation of natural resources and maintaining quality of soil, air and water	Yes	Maharashtra	Palghar	0.01	Yes	Rescue Foundation CSR000002161
23	Paryavaran Suraksha	(iv) Animal welfare	Yes	Tamil Nadu	Tanjore	0.2	Yes	Sri Panduranga Charities CSR00010988
24	Aapda Rahat	(xii) disaster management, including relief (COVID 19 relief work)	Yes	(i) Maharashtra (ii) Gujarat	(i) Mumbai (ii) Raigad (iii) Thane (iv) Palghar (i) Bharuch	0.08	Yes	NA NA NA
Total for Other than Ongoing Projects for F.Y. 2021-22						2.28		

(d) Amount spent in Administrative Overheads –	₹ 0.22 Cr
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 4.69 Cr

(g) Excess amount for set off if any

Sl. No.	Particular	Amount (in ₹ Cr.)
(i)	Two percent of average net profit of the company as per section 135(5)	4.64
(ii)	Total amount spent for the Financial Year	4.69
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.03
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

Note: Excess amount spent during this year will not be set off during the succeeding financial years.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specific under schedule VII as per section 135 (6), if any			Amount remaining to be spent in succeeding in financial year (in ₹)
				Name of the fund	Amount (in ₹)	Date of Transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial Year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital assets	Not Applicable
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

For and on behalf of the Board

Navi Mumbai
May 17, 2022

U. Shekhar
Chairman
(DIN: 00265017)

K. Ganesh Kamath
Member
(DIN: 07767220)

ANNEXURE D

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

This Policy on Nomination and Remuneration is being formulated in compliance with Section 178 of the Companies Act, 2013 ("the Act") read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. DEFINITIONS

"Board of Directors" or "Board" means the collective body of the Directors of the Company.

"Chief Executive Officer" (CEO) means Chief Executive Officer as defined under Section 2(18) of 2013 Act.

"Chief Financial Officer" (CFO) means Chief Financial Officer as defined under Section 2(19) of 2013 Act.

"Company Secretary" (CS) means a Company Secretary as defined in Section 2(24) of 2013 Act.

"Managing Director" means a Managing Director as defined in Section 2(54) of 2013 Act.

"Manager" means a Manager as defined in Section 2(53) of 2013 Act.

"Key Managerial Personnel" means:

1. Managing Director, or Chief Executive Officer or Manager;
2. Company Secretary;
3. Whole Time Director;
4. Chief Financial Officer;
5. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
6. Such other officer as may be prescribed.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Senior Management" means:

Officers¹/Personnel of the Company who are members of core management team excluding Board of Directors and comprising of all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.²

"Whole-time Director" means Whole-time Director as defined in Section 2(94) of 2013 Act.

All capitalised terms used in this Policy but not defined herein shall have the meaning ascribed to such term in Companies Act, 2013 and the Rules framed there under or in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3. OBJECTIVES

The objective of the policy is to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management of the quality required to run the company successfully;
- b) relationship between remuneration and performance is clear and is based on appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the NRC shall be in compliance with the provisions of section 178 of Companies Act, 2013 and regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. ROLE OF THE COMMITTEE

The functional role of the committee is as follows:

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

1. As defined in Reg. 16(d) of Listing Regulations

2 As redefined in SEBI (LODR) (Amendment) Regulations, 2018 dated May 9, 2018 effective April 1, 2019

³For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
- b) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
 - c) devising a policy on board diversity;
 - d) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
 - e) deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - f) recommend to the board, all remuneration, in whatever form, payable to senior management;⁴ and
 - g) perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

6. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise

and experience possessed by a person is sufficient / satisfactory for the position.

- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age limit fixed for retirement under the Company's policy. However, appointment or continuation of appointment of any person or extension of his term beyond the age of seventy years shall be subject to the provisions of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. POLICY FOR REMUNERATION TO DIRECTORS/ KMP AND OTHER EMPLOYEES

The Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/ company's operations, company's capacity to pay the remuneration and applicable provisions, rules under Companies Act 2013 and amendments thereto.

The overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors and employees aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Overall remuneration practices should be consistent with recognized best practices in the industry.

A. Remuneration to Managing Director / Whole-time Directors

- a) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The remuneration shall be based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters.
- c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- d) The approval of the Shareholders / Central Government shall be sought if required, for payment of remuneration to Managing / Whole-time Directors to comply with statutory provisions.

3 Inserted w.e.f. March 24, 2022.

4 As inserted in SEBI (LODR) (Amendment) Regulations, 2018 dated May 9, 2018 effective April 1, 2019

B. Remuneration to Non- Executive / Independent Directors

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees for attending the meetings of the Board and of committees of which they may be members. NED may be paid commission within regulatory limits as may be decided and approved by the Board. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the amount of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board.

In addition to the remuneration, sitting fees and commission (as the case may be) the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director on behalf of the Company while performing his/her role as a Director of the Company.

C. Remuneration to Key Managerial Personnel and Other employees:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and variable pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The variable pay shall be decided based on the balance between performance of the Company

and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

8. EVALUATION/ASSESSMENT OF DIRECTORS / KMP'S /SENIOR OFFICIALS OF THE COMPANY

The Committee shall specify the manner for effective evaluation of performance of Board of Directors, its Committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

The evaluation/assessment of the performance of the Board, Board Committees and Directors shall be done on the guiding criteria annexed with this policy as Annexure "A".

9. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

10. RETIREMENT

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Company's management shall have the discretion to retain the Director, KMP, Senior Management personnel as retainer or consultant on remuneration as may be decided by the management of the Company even after attaining the retirement age, for the benefit of the Company.

ANNEXURE E

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto for FY 2021-22

1. Details of contracts or arrangements or transactions not at arm's length basis

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
There are no contracts or arrangements or transactions entered during the year ended March 31, 2022 which were not at arm's length basis								

2. Details of material contracts or arrangement or transactions at arm's length basis

	(a)	(b)	(c)	(d)	(e)	(f)
Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Amit Ramakrishnan, son of Mr. G. Ramakrishnan, Promoter and Director	Appointment of Mr. Amit Ramakrishnan in TRI-K Industries Inc., wholly owned subsidiary	3 years from April 1, 2021	As per resolution no. 7 approved in the 35 th AGM of the Company	June 8, 2021	NIL
2	Mr. Vaijanath Kulkarni, Director (now Whole-time Director)*	Continuation as Managing Director of Galaxy Chemicals (Egypt) SAE, wholly owned subsidiary	3 years from October 1, 2019	As per resolution no. 9 approved in the 33 rd AGM of the Company	May 28, 2019	NIL
3	Dr. Nirmal Koshti, Ex-Director*	Continuation of employment in TRI-K Industries Inc, wholly owned subsidiary	from October 1, 2019 till October 7, 2021	As per resolution no. 7 approved in the 33 rd AGM of the Company	May 28, 2019	NIL
4	Ms. Renuka Koshti, daughter of Dr. Nirmal Koshti, Ex-Director*	Appointment of Ms. Renuka Koshti as Senior Chemist in TRI-K Industries Inc, wholly owned subsidiary	3 years from October 1, 2019	As per resolution no. 8 approved in the 33 rd AGM of the Company	May 28, 2019	NIL

	(a)	(b)	(c)	(d)	(e)	(f)
Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
5	Mr. G. Ramakrishnan, Promoter and Director*	Appointment as strategic advisor of the Company	Upto two years from June 1, 2020	As per resolution no. 08 approved in the 34 th AGM of the Company	June 25, 2020	NIL
6	Mr. Uday K. Kamat, Ex-Director [§]	Appointment as strategic advisor of the Company	Upto two years from June 1, 2020	As per resolution no. 09 approved in the 34 th AGM of the Company	June 25, 2020	NIL

* Mr. Vaijanath Kulkarni ceases to be a Managing Director of Galaxy Chemicals (Egypt) SAE and appointed as the Whole-Time Director in the Company w.e.f. October 16, 2021.

® Dr. Nirmal Koshti ceases to be a director of the Company w.e.f. October 7, 2021

* Proposal for his re-appointment has been made in the ensuing AGM.

§ Mr. Uday K. Kamat ceases to be a director of the Company w.e.f. September 8, 2021.

For **Galaxy Surfactants Limited**

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
(DIN: 00265017)

K. Natarajan
Executive Director & COO
(DIN: 07626680)

ANNEXURE F
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Galaxy Surfactants Limited

CIN: L39877MH1986PLC039877

C-49/2, TTC, Industrial Area, Pawne,

Navi Mumbai – 400703.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Galaxy Surfactants Limited** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances/ Board Processes for expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder ;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of, Overseas Direct Investment and External Commercial Borrowings;- **Not Applicable to the extent of Foreign Direct Investments and External Commercial Borrowings as there was no reportable event;**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable as there was no reportable event during the period under review;**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021); - **Not Applicable as the Company has not issued any shares / options to directors / employees under the said Guidelines/ Regulations during the period under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 15th August, 2021) - **Not Applicable as the Company has not issued and listed debt securities;**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June, 2021) and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June, 2021)- **Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the period under review;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back/**

proposed to buy-back any of its securities during the period under review.

- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021- **Not Applicable as the Company has not issued and listed any Non-convertible securities**
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
- vi. The Company has identified the following laws/rules as specifically applicable to the Company:
 1. The Drugs and Cosmetics Act, 1940;
 2. The Arms Act, 1959;
 3. The Explosives Act, 1884;
 4. The Narcotic Drugs and Psychotropic Substances Act, 1985;
 5. The Indian Boiler Act, 1923;
 6. The Petroleum Act, 1934;
 7. The Static & Mobile Pressure Vessels (Unfired) Rules, 2016;
 8. The Legal Metrology Act, 2009;
 9. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that: -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including at least one Independent Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors of the schedule of the Board/Committee Meetings and agenda and detailed notes on agenda were sent at least seven days in advance. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committee meetings were carried with requisite majority.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting, we are of the opinion that the Company has adequate systems and processes in place in the Company which is commensurate with its size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the review period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The Report is to be read with our letter of even date which is annexed as Annexure A hereto and forms an integral part of this report.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner

ACS: 14713 | COP No.: 8430

ICSI UDIN: A014713D000330886

17th May, 2022 | Thane

ANNEXURE – A

To,
The Members,
Galaxy Surfactants Limited
CIN: L39877MH1986PLC039877
C-49/2, TTC, Industrial Area, Pawne,
Navi Mumbai – 400703.

Our Secretarial Audit Report for the financial year ended **31st March 2022** of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance about whether the statements prepared, documents or Records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **S. N. ANANTHASUBRAMANIAN & Co.**

Company Secretaries

ICSI Unique Code: P1991MH040400

Peer Review Cert. No.: 606/2019

Aparna Gadgil

Partner

ACS: 14713 | COP No.: 8430

ICSI UDIN: A014713D000330886

17th May, 2022 | Thane

ANNEXURE G

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Particulars		
(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;*	Mr. S. Ravindranath	5.6
	Mr. U. Shekhar	57.44
	Mr. K. Natarajan	57.44
	Mr. K. Ganesh Kamath	57.44
	Mr. G. Ramakrishnan	17.11
	Mr. Uday K. Kamat ^{&}	7.84
	Dr. Nirmal Koshti [#]	0.00
	Mr. Vaijanath Kulkarni [@]	9.57
	Mr. Subodh Nadkarni	5.12
	Mr. M. G. Parameswaran	5.44
	Ms. Nandita Gurjar	4.32
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**;	Mr. Shashikant Shanbhag	3.52
	Mr. U. Shekhar	4.59%
	Mr. K. Natarajan	4.59%
	Mr. K. Ganesh Kamath	4.59%
	Mr. Vaijanath Kulkarni [@]	-
(iii) The percentage increase in the median remuneration of employees in the financial year;	Mr. Niranjana Ketkar, CS	7.30%
		8.19%
(iv) The number of permanent employees on the rolls of Company [§] ;		1546
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration [^] ;	Average percentile increase in salaries of employees other than managerial personnel	11.21%
	Percentile increase in salaries of managerial personnel [^]	4.59%
(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration is as per the remuneration policy of the Company.	

* Calculated on the basis of Annual CTC including full variable pay in case of Executive Directors and sitting fees and commission in case of Non-Executive Directors. Remuneration paid to Non-Executive Directors working in executive capacity in subsidiaries has not been considered.

**Given only for Executive Directors and Company Secretary

[§] As on March 31, 2022

[&] Mr. Uday K. Kamat ceases to be a director of the Company w.e.f. September 8, 2021.

[#] Dr. Nirmal Koshti ceases to be a director of the Company w.e.f. October 7, 2021.

[@] Mr. Vaijanath Kulkarni was appointed as a Whole-time Director w.e.f. October 16, 2021

[^] Whole time Directors

[^] Calculated on the basis of Annual CTC of common employees in the two years.

For **Galaxy Surfactants Limited**

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
(DIN: 00265017)

K. Natarajan
Executive Director & COO
(DIN: 07626680)

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the foundation of great organisations. Your Company is committed to the highest standards of corporate governance in all its activities and processes. It regards corporate governance as the cornerstone for sustained management performance and as a responsibility towards all the stakeholders and society. At the heart of the Company's Corporate Governance policy, the ideology is of transparency and openness in the effective working of the Management and Board.

This report is in compliance with Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as (SEBI (LODR) Regulations)).

2. BOARD OF DIRECTORS

The Board of Directors is constituted in compliance with the Companies Act, 2013 ("the Act") and Regulation 17 of the SEBI (LODR) Regulations.

The Board of Directors function as a full board and also through various committees constituted to oversee specific operational areas. Company's executive management provides the Board of Directors detailed reports on its performance periodically.

Composition of Board of Directors

As on March 31, 2022, the Board consisted of 10 (ten) Directors, comprising 4 (four) Independent Directors (including one woman director), 4 (four) Executive Directors, 2 (two) Non-Executive Directors.

The maximum tenure of the Independent Directors is in compliance with the Act and SEBI (LODR) Regulations. All Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1) (b) of SEBI (LODR) Regulations and Section 149(6) of the Act.

The Management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions between them and the Company which could have potential conflict of interest with Company at large.

None of the Directors is a director in more than 10 public limited companies (as specified in section 165 of the Act) or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/ she serves as Whole-time Director in any listed company (as specified in Regulation 17A of SEBI (LODR) Regulations). None of our Executive Directors are serving as an Independent Director in any other listed entity.

Further none of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees as specified in Regulation 26 of SEBI (LODR) Regulations.

Mr. S. Ravindranath was the Chairman and Independent Director till April 19, 2022. Mr. Subodh Nadkarni, Mr. M. G. Parameswaran and Ms. Nandita Gurjar (Woman Director) are the other Independent Directors. Mr. Ravindranath retired on completing his second term on April 19, 2022. Mr. M. G. Parameswaran, Independent Director has been appointed as the Chairman w.e.f. April 20, 2022.

Mr. U. Shekhar is the Managing Director of the Company. Mr. K. Natarajan is the Executive Director and Chief Operating Officer, Mr. K. Ganesh Kamath is the Executive Director (Finance) & Chief Financial Officer.

Mr. Vaijanath Kulkarni is the Whole-time Director of the Company w.e.f. October 16, 2021.

Mr. G. Ramakrishnan and Mr. Shashikant Shanbhag are Non-Executive and Non-Independent Directors.

Annual General Meeting and Board Meetings held during the year and attendance of Directors at the said meetings

During the financial year ended on March 31, 2022, 6 (Six) meetings of Board of Directors were held on June 08, 2021, August 10, 2021, November 10, 2021, February 12, 2022, March 24, 2022 and March 25, 2022. All the board and its committee meetings during the financial year 2021-22 were held through Video Conferencing / Other Audio Visual means (OAVM) pursuant to relaxations provided by the Government from time to time for the financial year 2021-22. 1 (one) meeting of Independent Directors was held on March 24, 2022.

Details of the directors and their attendance at the above mentioned Board meetings and last Annual General Meeting held on September 08, 2021 through VC/OAVM are given below:

Name	Category of Director Executive Director (ED), Non-Executive Director (NED), Independent Director (ID)	Total Board Meetings held during the year	No. of Board Meetings attended during the year	Attendance of last AGM held on September 08, 2021	No. of Directorships in other public limited companies	No. of committee* positions held in other public limited companies		Names of the listed entities where the person is a director and the category of Directorship
						Chairman	Membership	
Mr. S. Ravindranath [^]	NED and ID	6	6	Yes	NIL	NIL	NIL	NIL
Mr. U. Shekhar	Promoter/ ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Ganesh Kamath	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Natarajan	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. G. Ramakrishnan	Promoter/ NED	6	6	Yes	1	NIL	1	NIL
Dr. Nirmal Koshti	NED	6	2 [§]	Yes	NIL	NIL	NIL	NIL
Mr. Vaijanath Kulkarni [§]	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Subodh Nadkarni	NED and ID	6	6	Yes	2	1	1	1) Grindwell Norton Ltd. (ID) 2) Goa Carbon Ltd. (ID)
Mr. M. G. Parameswaran	NED and ID	6	6	Yes	2	NIL	1	FDC Ltd. (ID)
Ms. Nandita Gurjar	NED and ID	6	6	Yes	2	NIL	3	Birlasoft Ltd.(ID)
Mr. Uday K. Kamat	NED	6	2 [%]	Yes	NIL	NIL	NIL	NIL
Mr. Shashikant Shanbhag	Promoter/ NED	6	6	Yes	NIL	NIL	NIL	NIL

[^] Retired on April 19, 2022.

* only Audit Committee and Stakeholders Relationship Committee are considered for the purpose.

[§] Dr. Nirmal Koshti, Non-Executive Director of the Company resigned on October 7, 2021. He attended Board meetings held on June 8, 2021 and August 10, 2021.

[%] Mr. Uday K. Kamat, Non-Executive Director of the Company retired by rotation on September 8, 2021. He attended Board meetings held on June 8, 2021 and August 10, 2021. The vacancy created by the retirement was not filled-up.

[§] Mr. Vaijanath Kulkarni was a Non-Executive Director, was appointed as a Whole-time Director w.e.f. October 16, 2021.

Disclosure of relationships between Directors inter-se

None of the Directors are related to each other within the meaning of "relative" under section 2(77) of the Act.

Number of shares and convertible instruments held by Non- Executive Directors

The details of equity shares of the Company held by non-executive directors as on March 31, 2022 are as under:

Name of Director	Category of Director	No. of equity shares held
Mr. G. Ramakrishnan ^{§#}	Promoter, Non-Executive	23,62,783
Mr. S. Ravindranath	Independent	30,000
Mr. Subodh Nadkarni	Independent	30,000
Mr. M. G. Parameswaran	Independent	30,000
Ms. Nandita Gurjar	Independent	Nil
Mr. Shashikant Shanbhag ^{§#}	Promoter, Non-Executive	40,97,684

[§]Mr. Shashikant Shanbhag and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director and legal heirs of late Ms. Sandhya Patil (wife of Promoter, late Mr. Sudhir Patil) are partners in the partnership firm namely M/s Galaxy Chemicals. The said partnership firm is holding 77,52,850 equity shares of the Company.

(The shares held by late Mrs. Sandhya Patil are in the process of transmission to her legal heirs.)

[§]Mr. Shashikant Shanbhag and Mr. G. Ramakrishnan, Promoter and Non-Executive Directors along with Mr. U. Shekhar, Managing Director are shareholders in Galaxy Emulsifiers Private Limited which holds 5,43,000 equity shares of the Company.

Familiarisation programmes imparted to Independent Directors

A policy on familiarisation of independent directors is formed and is available under the investor section on the Company's website www.galaxysurfactants.com.

Details of familiarisation programme imparted to Independent Directors has also been uploaded under the investor section on the Company's website www.galaxysurfactants.com.

Skills & Competencies

The Board of your Company has identified the following Skills / Expertise / Competencies that are required in the context of the business of the Company:

1. Knowledge of Company's business and the industry in which the Company operates.
2. Finance, management and administration skills.
3. Technical / Professional knowledge in functional areas like Finance/ HR / Legal / Manufacturing / Marketing / Innovation / Project management etc.
4. Competencies which enable taking business decisions and exercising prudent judgement on business matters like strategic thinking, business acumen, managing risk, networking, powerful questioning, conflict management etc.

The Directors are having above specified Skills/Expertise/Competencies which are required in the context of the Company are as follows:

Skills / Expertise / Competencies	S. Ravindranath	Subodh Nadkarni	M. G. Parameswaran	Nandita Gurjar	U. Shekhar	K. Ganesh Kamath	K. Natarajan	Vaijanath Kulkarni	G. Ramakrishnan	Shashikant Shanbhag
Knowledge of Company's business and the industry in which the Company operates.	√	√	√	√	√	√	√	√	√	√
Management and Administration Skills	√	√	√	√	√	√	√	√	√	√
Finance	√	√				√	√		√	√
Sales & Marketing	√	√	√		√		√	√	√	√
Information Technology & System				√			√			
HRM	√	√	√	√	√			√	√	√
Manufacturing	√				√			√		
Legal & Secretarial		√				√			√	
Innovation					√			√	√	√
Project Management	√	√			√			√		
Competencies which enable taking business decisions and exercising prudent judgement on business matters	√	√	√	√	√	√	√	√	√	√

The Board hereby confirms that the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.

None of the Independent Directors resigned before the expiry of their tenures. Mr. S. Ravindranath, Mr. Subodh Nadkarni and Mr. M. G. Parameswaran who completed their first term at the 33rd AGM and Ms. Nandita Gurjar who completed her first term at the 34th AGM were re-appointed as Independent Directors for their second term by members by passing special resolution at the 33rd and 34th AGM respectively.

3. AUDIT COMMITTEE

The Company has complied with the provisions of section 177 of the Act and Regulation 18(1) of SEBI (LODR) Regulations applicable to composition of Audit Committee. The Audit Committee has 4 (four) members i.e. Mr. Subodh

Nadkarni (Chairman), Mr. M. G. Parameswaran, Mr. S. Ravindranath and Mr. G. Ramakrishnan. All the members of the Audit Committee are financially literate as per the requirement of the Regulations.

During the financial year ended March 31, 2022, 4 (four) meetings of the Audit Committee were held on June 08, 2021, August 10, 2021, November 10, 2021 and February 12, 2022.

Attendance at Audit Committee Meetings:

Name of the Members	No. of Meetings attended
Mr. Subodh Nadkarni (Chairman)	4
Mr. M. G. Parameswaran	4
Mr. S. Ravindranath	4
Mr. G. Ramakrishnan	4

The terms of reference of the Audit Committee, are as under:

1. oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. reviewing the financial statements with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:
 - a. matters required to be included in the Directors Responsibility Statement to be included in the Board of Director's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgement by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
6. reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval of any subsequent modification of transactions of the company with related parties;
10. scrutiny of inter-corporate loans, investments and guarantees;
11. valuation of undertakings or assets of the company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. discussion with internal auditors of any significant findings and follow up there on;
16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. reviewing the functioning of the whistle blower mechanism;
20. overseeing the vigil mechanism established by the Company, with the chairman;
21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
22. review of utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
23. review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;

24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
25. carrying out any other function as is mentioned in the terms of the Audit Committee.

The minutes of the Audit Committee Meeting are noted on regular basis by the Board of Directors.

The Chairman of the Audit Committee Mr. Subodh Nadkarni was present at the last Annual General Meeting of the Company held on September 08, 2021 to answer queries of the shareholders.

4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted Nomination and Remuneration Committee ("NRC") in terms of Regulation 19(1) of SEBI (LODR) Regulations. The Committee comprises of 4 (four) Independent Directors i.e. Mr. M. G. Parameswaran (Chairman), Mr. S. Ravindranath, Mr. Subodh Nadkarni and Ms. Nandita Gurjar. The Committee meets the criteria as laid down under the Act and SEBI (LODR) Regulations.

During the financial year ended March 31, 2022, 4 (four) meetings of the NRC were held on June 07, 2021, August 10, 2021, November 09, 2021 and March 24, 2022.

Attendance at NRC meetings

Name of the Members	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	4
Mr. Subodh Nadkarni	4
Mr. S. Ravindranath	4
Ms. Nandita Gurjar	4

The terms of reference of the NRC are as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;

- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates
2. formulation of criteria for evaluation of Independent Directors and the Board of Directors;
 3. devising a policy on board diversity;
 4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and assist the Company in disclosing the remuneration policy and the evaluation criteria in its annual report;
 5. deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
 6. recommend to the Board, all remuneration in whatever form, payable to senior management; and
 7. perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by SEBI Listing Regulations or by any other applicable law or regulatory authority.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on September 08, 2021 to answer queries of the Shareholders. Mr. M. G. Parameswaran has been appointed as a Chairman of the Board w.e.f. April 20, 2022. Accordingly, Ms. Nandita Gurjar has replaced Mr. M. G. Parameswaran as the Chairman of the Nomination and Remuneration Committee from the above date. Mr. Parameswaran would continue as a member of the Committee.

Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board of Directors have prepared criteria for evaluation of the performance of Directors including Independent Directors. Pursuant to the provisions of the Act and the SEBI (LODR) Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance. The Board has carried out the annual performance evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and Regulation 17 (10) of the SEBI (LODR) Regulations.

5. REMUNERATION OF DIRECTORS

Remuneration to Executive Directors for the financial year 2021-22

₹ Crores				
Name of Director	Salary	Commission	Perquisites	Total
U. Shekhar	1.70	0.19	0.05	1.94
K. Natarajan	1.70	0.19	0.05	1.94
K. Ganesh Kamath	1.70	0.19	0.06	1.95
Vaijanath Kulkarni	0.76	0.09	0.00	0.85

There is no provision for payment of severance fee to Executive Directors at the time of their cessation of directorship.

Sitting fees and commission paid to Non-Executive Directors for the financial year 2021-22

₹ Crores				
Name of Non-Executive Director	Sitting Fees	Commission	Others	Total
Mr. S. Ravindranath	0.11	0.15		0.26
Mr. Subodh Nadkarni	0.12	0.12		0.24
Mr. M. G. Parameswaran	0.14	0.12		0.26
Ms. Nandita Gurjar	0.08	0.12		0.20
Mr. G. Ramakrishnan*	0.08	0.12	0.60	0.80
Mr. Uday K. Kamat*	0.02	0.05	0.60	0.67
Mr. Shashikant Shanbhag	0.05	0.12		0.17

The above does not include any payment made to directors who are appointed on the Board of subsidiaries and/ or at any office or place of profit in the subsidiaries pursuant to the approval given by the members.

*Mr. G. Ramakrishnan and Mr. Uday K. Kamat have been re-appointed as a Strategic Advisors to the Company w.e.f. June 1, 2020 pursuant to approval of the members in 34th AGM held on September 08, 2020 and have been paid fees during the financial year 2021-22 which are shown in "Others" column above. Mr. Uday K. Kamat retired as a director w.e.f. September 8, 2021.

Dr. Nirmal Koshti (till October 7, 2021) and Mr. Vaijanath Kulkarni (Till October 15, 2021) were non-executive directors of the Company and they did not receive any sitting fees and commission from the Company during the current financial year 2021-22 as they were holding executive position in the subsidiary companies.

Criteria for making payments to non-executive directors is available on the Company's website www.galaxysurfactants.com.

The Company has not granted any stock option to any of its non-executive directors.

Mr. M. G. Parameswaran (Chairman), Mr. G. Ramakrishnan and Mr. K. Ganesh Kamath.

During the financial year ended March 31, 2022, 1 (one) meeting of SRC was held on June 07, 2021.

Attendance at SRC Meetings

Name of Director	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	1
Mr. G. Ramakrishnan	1
Mr. K. Ganesh Kamath	1

The terms of reference to SRC are as under:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has formed a Stakeholders' Relationship Committee ("SRC") in compliance with the Regulation 20 of the SEBI (LODR) Regulations and Section 178 of the Act. The Committee comprises of 3 (three) directors i.e.

The status of complaints received from the investors during the year is as follows

Particulars of Complaints	Complaints Nos.
Complaints as on April 1, 2021	Nil
Complaints received during the financial year 2021–22	2
Complaints disposed during the financial year 2021–22	2
Complaints remaining unsolved as on March 31, 2022	Nil
Complaints not solved to the satisfaction of shareholder	Nil

Mr. Nirnanjan Ketkar, Company Secretary, is the Compliance Officer of the Company.

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on September 08, 2021 to answer queries of the Shareholders.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has formed a Corporate Social Responsibility Committee ("CSRC") under section 135 of the Act. The Committee comprises of 3 (three) directors viz. Mr. U. Shekhar (Chairman), Mr. M. G. Parameswaran and Mr. K. Ganesh Kamath.

During the financial year ended March 31, 2022, 2 (two) meetings of CSRC was held on June 07, 2021 and November 10, 2021.

Attendance at CSRC Meeting

Name of Director	No. of Meetings attended
Mr. U. Shekhar (Chairman)	2
Mr. M. G. Parameswaran	2
Mr. K. Ganesh Kamath	2

The terms of reference of CSRC are as under:

1. formulate and recommend to the Board of Directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
4. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. RISK MANAGEMENT COMMITTEE

The Company has formed a Risk Management Committee ("RMC") as per the Regulation 21 of the SEBI (LODR) Regulations. The Committee comprises of 6 (Six) members i.e. Mr. Vaijanath Kulkarni, Chairman & Chief Risk Officer, Mr. K. Ganesh Kamath, Mr. K. Natarajan, Mr. Subodh Nadkarni, Mr. Garikiparthi Sesha Samba Murthy and Mr. Abhijit Damle.

During the financial year ended March 31, 2022, 3 (three) meetings of RMC were held on May 06, 2021, May 31, 2021 and October 26, 2021.

Attendance at RMC Meetings

Name of Member	No. of Meetings attended
1. Mr. Vaijanath Kulkarni (Chairman and Chief Risk Officer)	3
2. Mr. K. Ganesh Kamath	3
3. Mr. K. Natarajan	3
4. Mr. Subodh Nadkarni*	1
5. Mr. Garikiparthi Sesha Samba Murthy	3
6. Mr. Abhijit Damle	3

*Mr. Subodh Nadkarni was inducted as a member of Risk Management Committee with effect from June 8, 2021.

The terms of reference of RMC are as under:

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.”

9. GENERAL BODY MEETINGS

- (a) The details of last three Annual General Meetings are as follows

Meeting	Day, Date	Time	Venue
33 rd AGM	Tuesday, August 13, 2019	3.00 p.m.	CIDCO Convention Center Auditorium, Swami Pranabananda Marg, Sector 30-A, Gate - Opp. Joyalukkas Jewellers, Vashi, Navi Mumbai 400703
34 th AGM	Tuesday, September 08, 2020	3.00 p.m.	Meeting was conducted through video conferencing / other audio visual means
35 th AGM	Wednesday, September 08, 2021	3.00 p.m.	Meeting was conducted through video conferencing / other audio visual means

- (b) Special resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolution
33 rd AGM	<ul style="list-style-type: none"> To approve re-appointment of Mr. S. Ravindranath (DIN: 00011680) as an Independent Director for second term To approve re-appointment of Mr. Subodh Nadkarni (DIN: 00145999) as an Independent Director for second term To approve re-appointment of Mr. M.G. Parameswaran (DIN: 00792123) as an Independent Director for second term
34 th AGM	<ul style="list-style-type: none"> To approve re-appointment of Ms. Nandita Gurjar (DIN: 01318683) as an Independent Director for second term
35 th AGM	<ul style="list-style-type: none"> NIL

- (c) During the year under review, the Company has not passed any special resolution through postal ballot.

10. MEANS OF COMMUNICATION

The quarterly/ annual results are published in Business Standard and Mumbai Lakshdeep (a Marathi Daily published from Mumbai). The Annual Report, Quarterly results/ Half Yearly Result and Audited Financial

Statements, the press releases of the Company, Investors Presentations, and/or any other updates are also uploaded on the Company's website- www.galaxysurfactants.com.

Presentations made for institutional investors as well as transcripts of the conference calls which are arranged by the Company are uploaded on the website- www.galaxysurfactants.com.

The Company's website www.galaxysurfactants.com has a separate section for investors where shareholders information is available.

The Company also has a separate email id viz. investorservices@galaxysurfactants.com, for investor grievances.

11. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

36th Annual General Meeting will be held on Friday, August 5, 2022 through Video conferencing or OAVM at 3:00 p.m. (IST)

b) Financial Year

The Company follows financial year of 12 months starting from April 1 and ending on March 31.

- c) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)-

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited

Name of Exchange	Address of Exchange
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Annual Listing Fees for the financial year 2022-23 have been paid to stock exchanges.

d) Stock Code

National Stock Exchange of India Ltd.: GALAXYSURF
BSE Ltd.: 540935

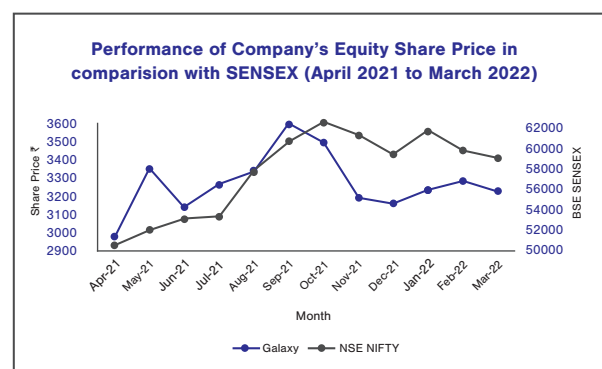
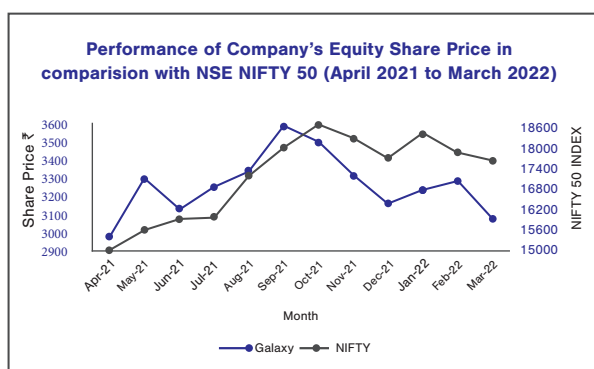
e) Market price data- high, low during each month in last financial year-

Month Wise Stock Market Data

National Stock Exchange of India Limited				BSE Limited			
Month	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lakhs)	Month	High Price (₹)	Low Price (₹)	Volume (Nos.) (in lakhs)
Apr-21	2974.00	2441.00	7.64	Apr-21	2975.35	2413.95	0.57
May-21	3294.70	2780.00	10.19	May-21	3350.00	2778.55	0.86
Jun-21	3129.00	2915.00	12.38	Jun-21	3139.00	2903.65	0.70
Jul-21	3250.00	2991.05	7.23	Jul-21	3265.50	2990.00	0.63
Aug-21	3337.00	2869.75	10.26	Aug-21	3330.00	2880.00	0.90
Sep-21	3585.65	3105.60	11.09	Sep-21	3600.00	3104.55	0.66
Oct-21	3495.00	3100.85	6.49	Oct-21	3490.15	3104.45	0.46
Nov-21	3309.00	2671.00	6.86	Nov-21	3184.00	2667.60	0.43
Dec-21	3155.00	2762.05	4.86	Dec-21	3151.75	2731.10	0.38
Jan-22	3231.45	3028.45	6.04	Jan-22	3235.00	3036.25	0.29
Feb-22	3280.00	2779.75	3.83	Feb-22	3281.10	2648.30	0.22
Mar-22	3077.70	2590.00	3.83	Mar-22	3227.40	2598.00	0.54

Source: NSE and BSE Websites

f) Performance in comparison to broad-based indices such as SENSEX and NIFTY



g) Details of unpaid dividend

Year of the Declaration	Date of declaration of dividend	Date of transfer to IEPF	Amount (In ₹)
Fin Div 14-15	28-09-2015	03-12-2022	5,45,000
Int Div 15-16	05-03-2016	10-05-2023	6,50,500
Spl Div 15-16	26-09-2016	01-12-2023	1,92,400
Int Div 16-17	04-03-2017	09-05-2024	7,27,335
Fin Div 16-17	17-08-2017	22-10-2024	5,10,585
Fin Div 17-18	09-08-2018	14-10-2025	10,21,713
Int Div 18-19	29-03-2019	02-06-2026	7,12,510
Fin Div 18-19	13-08-2019	18-10-2026	3,67,605
Int Div 19-20	16-03-2020	21-05-2027	12,03,860
Int Div 20-21	08-02-2021	15-04-2028	17,41,751
Fin Div 20-21	08-09-2021	13-11-2028	3,53,759

h) Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai – 400 083
Tel: +91-22-4918 6000
Fax: +91-22-4918 6060
rnt.helpdesk@linkintime.co.in

i) Share transfer system

In terms of the Listing Regulations, effective from April 1, 2019, securities of listed companies can only be transferred in dematerialised form except where the claim is lodged for transmission or transposition of shares or where the transfer deed(s) was lodged prior to April 1, 2019 and returned due to deficiency in the document. Shareholders are advised to dematerialise their shares held by them in physical form. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository

Services India Limited (CDSL) within the statutory time limit from the date of receipt of share certificates provided the documents are complete in all respects.

Share Transfers are normally processed within the stipulated time (15 days) as mentioned in the SEBI (LODR) Regulations, from the date of receipt, subject to documents being valid and complete in all respects. As per the requirement, the Company obtains certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of SEBI (LODR) Regulations and file a copy of the said certificate with Stock Exchanges.

The Company files certificates pertaining to maintenance of share transfer agency Regulation 7(3), statement of pending complaints Regulation 13(2) under SEBI (LODR) Regulations with stock exchanges.

j) Distribution of shareholding

Shareholding Pattern as on March 31, 2022

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1.	Promoter and Promoter Group	2,51,48,384	70.93
2.	Public Shareholding	1,03,06,368	29.07
	Total	3,54,54,752	100.00

Distribution of Shareholding (Shares)

Sr. No.	Range of Shareholding			Shareholder (Folios)	Percentage of Total	Total Shares	Percentage of total
1.	1	to	500	62516	98.61	14,68,647	4.14
2.	501	to	1000	342	0.54	2,52,494	0.71
3.	1001	to	2000	172	0.27	2,56,639	0.72
4.	2001	to	3000	147	0.23	4,02,146	1.13
5.	3001	to	4000	35	0.06	1,20,618	0.34
6.	4001	to	5000	30	0.05	1,36,378	0.38
7.	5001	to	10000	74	0.12	5,22,355	1.47
8.	10001		and above	83	0.13	3,22,95,475	91.09
	Total			63399	100	3,54,54,752	100

k) Dematerialization of shares and liquidity

Status of dematerialisation of shares and liquidity as on March 31, 2022 is as under

Mode of holding	No. of shares	% of total shareholding
Dematerialised	3,49,47,310	98.57
Physical	5,07,442	1.43
Total	3,54,54,752	100.00

We request shareholders whose shares are held in the physical mode to dematerialise their shares and update their bank accounts, emails with the respective depository participants.

- l) There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments.

m) Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to Commodity Price Risk and Foreign Exchange Risk arising from its business operations. Currently the Company does not engage in any direct commodity hedging activities. However, the Company has internal systems through which commodity price risk on account arising on account of operations is monitored and controlled.

As the revenues and expenses are denominated in foreign currency, the Company is also exposed to foreign exchange risks. The Company imports certain

raw materials, the price of which is denominated in foreign currency. The Company also exports its products which that are paid for in foreign currency, which acts as a natural hedge against its imports. The Company also enters into forward contracts / foreign currency borrowing to manage its foreign currency exposures.

n) Plant locations

- 1) Plot No. V-23, M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.
- 2) Plot No. 1, Village Chal, CIDCO, Near M.I.D.C. Taloja, Panvel, Dist. Raigad, Pin - 410 208.
- 3) Plot No. 892, Jhagadia Industrial Estate, Taluka-Jhagadia via Ankleshwar, Dist. Bharuch, Gujarat Pin-393 110 (100% EOU).
- 4) Plot Nos. W-67 (B), G-59, M-3, M.I.D.C. Tarapur, Post Boisar - 401 506.

o) Address for correspondence

Address of the Company	Address of the Registrar and Transfer Agent
Mr. Niranjana Ketkar, Company Secretary Galaxy Surfactants Limited Rupa Solitaire, Ground Floor, Unit No. 8, Millennium Business Park, Mahape Navi Mumbai – 400710 Tel: +91-22-33063700 Fax: +91-22-2761 4507 email: investorservices@galaxysurfactants.com	Link Intime India Private Limited C 101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 email: mumbai@linkintime.co.in

p) Credit rating

During the year the longterm credit rating AA-/Stable was reaffirmed by CRISIL and the short term credit rating A1+ was also reaffirmed by CRISIL. The Company has not issued any debt instruments or fixed deposit during the year.

12. OTHER DISCLOSURES

- (a) The Company's related party transactions are mainly with its subsidiaries. All the contracts/ arrangements/ transactions entered by the Company during the current financial year with related parties were in the ordinary course of business and at an arms' length basis. None of the transactions entered with the related parties during the financial year were in conflict with Company's interest.
- (b) The Company's equity shares are listed on Stock Exchanges namely National Stock Exchange of India Limited and BSE Limited. There are no non-compliances during the period from listing of shares in relation to capital markets.

- (c) The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adapting highest standards of professionalism and ethical behaviour. The Company is committed to developing a culture where it is safe for all directors/ employees to raise concerns about any poor or unacceptable practice and any event of misconduct. Accordingly, the Company has a Whistle Blower Policy in place under which Director/ employee are free to raise concern. No person has been denied access to the Audit Committee.

- (d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements.

The Company has complied with all mandatory requirements of Regulation 34 of SEBI (LODR) Regulations.

- (e) The Company's policy on Related Party Transactions and Determining Material Subsidiary are uploaded on website of the Company at <https://>

www.galaxysurfactants.com/investor-relations/corporate-governance.aspx

- (f) During the year under review, no funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (LODR) Regulations.
- (g) The Company has received certificate from Secretarial Auditor confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.
- (h) During the year, recommendations made to the Board by the Committees were accepted by the Board.
- (i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part are ₹ 2.12 Cr.

- (j) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Particulars	Number
(a) number of complaints filed during the financial year	1
(b) number of complaints disposed of during the financial year	1
(c) number of complaints pending as on end of the financial year	0

- (k) Disclosure by the company and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount: Nil
- (l) The Company has formulated Code of Conduct (Insider Trading) to Regulate, Monitor and Report Trading by Insider based on the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code formulated by the Company is uploaded on the website of the Company at <https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>

13. The Company has complied with requirement of Corporate Governance report of sub paras (2) to (10) of part C of Schedule V of SEBI (LODR) Regulations.

14. The disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations shall be made in the section on Corporate Governance of the Annual Report.

Sr. No.	Particulars	Regulation No.	Compliance Status
1.	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders' Remuneration Committee	20	Yes
5.	Risk Management Committee	21	Yes
6.	Vigil Mechanism	22	Yes
7.	Related Party Transactions	23	Yes
8.	Subsidiaries of the Company	24	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Persons, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	The posts of Chairman and Managing Director are held by two different persons
12.	Website of the Company	46 2(b) to (i)	Yes

Declaration – Code of Conduct

Declaration under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015:

All the members of the Board and the Senior Management Personnel of the Company have for the year ended March 31, 2022, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Galaxy Surfactants Limited

Navi Mumbai
May 17, 2022

U. Shekhar
Managing Director
(DIN: 00265017)

CEO/ CFO Certificate

The Board of Directors
Galaxy Surfactants Limited
Navi Mumbai

Dear Sirs/ Madam,

Certificate under Regulation 17(8) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (1) significant changes in the internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Galaxy Surfactants Limited

U. Shekhar
Managing Director
(DIN: 00265017)

K. Ganesh Kamath
Executive Director (Finance)
& Chief Financial Officer
(DIN: 07767220)

Navi Mumbai
May 17, 2022

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO,
The Members of
Galaxy Surfactants Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no.KR/21-22/001 dated July 7, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Galaxy Surfactants Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje

Place: Mumbai
Date: 17th May, 2022

Partner
(Membership No. 102637)
(UDIN: 22102637AJCADK5831)

Business Responsibility & Sustainability Report

BRSR SECTION A: GENERAL DISCLOSURES

Details of the listed entity

1. **Corporate Identity Number (CIN):** L39877MH1986PLC039877
2. **Name of the Listed Entity:** Galaxy Surfactants Limited
3. **Year of Incorporation:** Tuesday, May 20, 1986
4. **Registered Office Address:** C-49/2, TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra – 400703
5. **Corporate Address:** C-49/2, TTC Industrial Area, Pawne, Navi Mumbai, Maharashtra – 400703
6. **E-mail:** investorservices@galaxysurfactants.com
7. **Telephone:** +91-22-2761 6666
8. **Website:** <http://www.galaxysurfactants.com/>
9. **Financial year for which reporting is being done:** April 1, 2021 to March 31, 2022
10. **Paid-up Capital:** ₹ 35,45,47,520
11. **Name of the Stock Exchange(s) where shares are listed:** Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**
 - Mr. U. Shekhar - Managing Director (DIN 00265017) and Mr. K Ganesh Kamath - Executive Director (Finance) and CFO (DIN 07767220)
 - Telephone number- +91-22-27616666
 - E-mail id - sustainability@galaxysurfactants.com
13. **Reporting boundary:** Disclosure of Galaxy Surfactant BRSR a standalone basis

Products / services

14. **Details of business activities (accounting for 90% of the turnover):**

Description of main activity	Description of business activity	% of turnover
Manufacture of chemicals and chemical products	Home and Personal Care Products	100

15. **Products / Services sold by the entity (accounting for 90% of the entity's turnover):**

Sr. No.	Product / Service	NIC Code	% of total turnover contributed
1	Surface-active agents, Cosmetic ingredients, and Speciality care products for Personal and Home care applications.	20	100

Operations

16. **Number of locations where plants and / or operations / offices of the entity are situated:**

Locations	Number of plants	Number of offices	Total
National	5	4	9
International	2*	1	3

*Subsidiary plants

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (no. of states)	Pan-India
International (no. of countries)	80

b) What is the contribution of exports as a percentage of the total turnover of the entity?

About 50% of the turnover is from exports.

c) A brief on types of customers:

Our diversified customer base currently comprises multinational, regional and local FMCG companies. We believe that the long-standing relationships that we enjoy with our customers are a catalyst for our continued growth and success. In addition to our domestic sales in India, we have significantly increased our geographical footprint in recent years by focusing on certain emerging markets such as Africa, The Middle East and Turkey (AMET).

Almost all of our customers operate within the consumer-centric personal care and home care segments, and thus, their purchasing decisions are driven primarily by product performance, advanced chemistry and the need for customized and competitive solutions. We believe that a number of our products enjoy a strong position in the ingredients value chain. Our products provide some of the key functional characteristics to a host of consumercentric personal care and home care products, including, shampoos, conditioners, body wash formulations, soap bars, liquid soaps, toothpastes, laundry detergents and dishwashing products. Our customers maintain strict qualification and/or certification procedures, which typically result in a high degree of collaboration for proficient product development.

Employees

18. Details as at the end of financial year:

a) Employees and workers (including differently abled):

	No.	% of total
Employees		
Permanent	750	
Male	623	83
Female	127	17
Other than Permanent	-	-
Male	-	-
Female	-	-
Total Employees	750	
Male	623	83
Female	127	17
Workers		
Permanent	796	
Male	796	100
Female	-	-
Other than Permanent*	694	
Male	671	97
Female	23	3
Total Workers	1490	
Male	1467	98
Female	23	2

* Other than Permanent workers consists of contractual workers

b) Differently abled employees and workers:

	No.	% of total
Differently abled employees		
Permanent	3	
Male	2	0.3
Female	1	0.8
Other than permanent	-	-
Male	-	-
Female	-	-
Total differently abled employees	3	
Male	2	0.3
Female	1	0.8

No differently abled workers working with the company.

19. Participation / Inclusion / Representation of women:

	No.	% of total
Board of Directors	10	
Female	1	10%
Key Management Personnel	5	
Female	0	0%

20. Turnover rate for permanent employees and workers:

	Turnover rate in FY2022	Turnover rate in FY2021	Turnover rate in FY2020
Permanent employees	23%	19%	17%
Male	13%	12%	9%
Female	19%	13%	12%
Permanent workers	8%	5%	6%
Male	8%	5%	6%
Female	0%	0%	0%

Holding, Subsidiary and Associate Companies (including Joint Ventures)**21. Names of holding / subsidiary / associate companies / joint ventures:**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% of shares held by listed entity	Entity (A) participate in the business responsibility initiatives of the listed entity
1	Galaxy Chemicals Inc.*	Subsidiary	100	Yes
2	Galaxy Holdings (Mauritius) Ltd.	Subsidiary	100	Yes
3	Galaxy Chemicals (Egypt) S.A.E.	Subsidiary	100	Yes
4	Rainbow Holdings GmbH	Subsidiary	100	Yes
5	TRI-K Industries Inc.	Subsidiary	100	Yes
6	Sorion Solar Private Limited	Associate Company	28.49	No

As on 31st March 2022, Galaxy has 5 wholly owned subsidiaries. Galaxy encourages its Subsidiary Companies to participate in BR initiatives.

* The Board has approved winding up of the Company and the same would be commenced after necessary approvals are received from the authorities in India and US.

CSR Details**22. CSR Activities**

- I. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- II. Turnover: ₹ 2,628.59 Cr*
- III. Net worth: ₹ 1,137.69 Cr*
- IV. Total amount spent on CSR for FY 22: ₹ 4.69 Cr

*The details are related to standalone financials for the year end 31st March, 2022.

Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	FY 2021-22			FY 2020-21		
	If Yes, then provide web-link for grievance redress policy	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	Nil	Nil	-
Employees and workers	Yes	1	1	-	1	1	-
Customers	Yes	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-
Other	Yes	Nil	Nil	-	Nil	Nil	-

24. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee Safety, Health and Well-being	Risk and opportunity	Aim to achieve and sustain an incident-free organization	<ul style="list-style-type: none"> Launched behavior-based safety (BBS) programme to rejuvenate safety thinking and behavior of employees Implemented ISO 45001:2018 Occupational Health and Safety management system at various manufacturing locations Monthly safety performance is reviewed by the top management in monthly Safety and Conversion meet. External/ Internal Board also reviews the safety performance quarterly and provide their inputs for improvement Regularly provide training to company and contractor employees on topics like Behavioural Safety, Fire Safety, SCBA, MSDS, EMS-OHandS Standards, Responsible Care, etc. Process Safety 	<ul style="list-style-type: none"> It helps us to run our plants efficiently and effectively for budgeted number of hours. It helps us to achieve zero accident It helps to meet our financial goals/ objectives/ KPI

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Innovation-Product Quality and Safety	Opportunity	<ul style="list-style-type: none"> Regulations on product safety, quality Sustainability norms of customers 	<ul style="list-style-type: none"> Committed to develop safe, sustainable and eco-friendly products, processes, technologies and services and to adopt Life Cycle thinking contributing towards product stewardship Successfully completed Life Cycle Assessment of 40 products. Focuses on strengthening Sustainable Product Development, Product Safety Plans to assess the majority of its product range for their total environment impacts, moving beyond basics like energy and water intensity of the products. Galaxy took up Life Cycle Assessment based on ISO 14040 / 14044 as a part of assessing total impact of product Adopted the principles of GMP and Quality Risk Management Approaches at all manufacturing sites 	<ul style="list-style-type: none"> It helps us to understand our customers in a better manner and meet their requirements on quality improvement and product safety on continuous basis. Innovation has given us an opportunity to cull out revenue enhancement projects.
3	Ethics and Governance	Opportunity	<ul style="list-style-type: none"> Committed to developing an excellent working culture Good governance help to attract and retain talent Improve brand value among stakeholders Smooth business operation 	<ul style="list-style-type: none"> Corporate BSC considers compliance as one of the Key Result Areas and continuous stress is put on monitoring, reporting and corrective / preventive actions of the same. A continuous awareness program on the whistleblower policy on Whistleblower Policy is conducted to sensitize all employees. Encourage, protect and recognize "Whistle blowing" to prevent the brand and reputational risks Zero tolerance for statutory non-compliance. and ethical standards are demonstrated without any delay to ensure rigor and communication Bringing 'Galaxy Code of Conduct' into the realm of discussion while handling dilemmas, conflicting choices and paradoxes "Value Workshops" is conducted to ensure that the linkages between values and behaviors are well-understood 	<ul style="list-style-type: none"> These mitigation practices help us with derisking facilities, healthy work environment which brings better productivity. Adherence to regulatory compliance, attract customers and grow business

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Water Stewardship	Risk and Opportunity	Water Disclosure Climate Change	<ul style="list-style-type: none"> Ensuring that our manufacturing units in India are Zero Liquid Discharge Units since 2017 Aim to achieve ZLD at our Egypt location as well Working on water reduction projects since FY 2011-12. We have taken up multiple water conservation projects like recycling, condensate recovery, steam recovery and have even incorporated several water stress adaptation projects in society Some of the initiatives related to water stewardship are rainwater harvesting, water conservation projects, drinking water availability, Rejuvenation of Wells, proper sanitation facilities, check dam creation, De-silting of water bodies, Installation of Kedia Farm Pattern (Patented) rainwater harvesting structures in fields of farmers etc Established mechanisms for monitoring water intake and consumption 	We are certified as water positive by 1.4x across organization. We have an opportunity to be water positive at individual sites. Water scarcity can affect our production site which may impact a lesser generation of revenue
5	Waste Management	Opportunity	Focuses on waste elimination, recycling and optimum utilization of resources	<ul style="list-style-type: none"> Continually improving our waste monitoring mechanism TPM is adopted since 2003 Implemented CEP and WESAP projects that have reduced waste Hazardous waste is sent to authorized waste management agencies and Non-Hazardous waste is sent to authorized recyclers for further recycling 	We have the opportunity to increase yield of finished goods. We can carry out waste mapping for all our sites. We need to find out solutions and apply those solutions to nullify waste
6	Climate Change	Risk	<ul style="list-style-type: none"> Strives to minimize environmental impact by setting long-term sustainability goals We identify the principal risks – physical and transitional, prioritize and estimate the impacts, thereby assessing resilience upon transitioning to a low carbon economy 	<ul style="list-style-type: none"> Process of setting our emission targets in line with the Science Based Targets approach Following the TCFD approach to identify our climate related risks and opportunities and will soon embed them in our ERM process The initiative includes resource efficiency, cost savings, adoption of low-emission energy sources, development of new products 	We are planning to analyze to derive climate change risk. This will help us to create a mechanism to measure, monitor, review and mitigate risk proactively

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Oil Palm Derivatives	Opportunity	Customer demands for RSPO (MB) finished goods	<ul style="list-style-type: none"> Organization is RSPO certified across globe since 2014. Organization has witnessed growth of RSPO (Mass Balance) certified finished goods year on year Organization is already RSPO (MB) certified since 2014. Organization is carrying out oil palm traceability since 2016 	There are very few players in the market who can provide RSPO (MB) finished goods. This has helped organization to create a differentiation
8	Financial Growth	Risk and Opportunity	<p>Opportunity: The Home and Personal Care (HPC) industry in which we operate provides exciting opportunities for growth worldwide from newer market trends like safe and sustainable consumption, increase in the per capita consumption of surfactants driven by economic growth, elevated levels of consciousness on health and hygiene needs etc. We are well positioned with our wide range of Performance Surfactants and Specialty Ingredients to cater to these requirements.</p> <p>Risk: Financial Growth also comes with additional demands on infrastructure and capabilities building</p>	Focus on succession planning, undertaking well defined programs for upgradation of technologies, competencies, capacity building, training, and learning from time to time enable the growth	Financial growth would certainly serve the interest of all the stake holders of the enterprise
9	Labour Relations	Opportunity	<ul style="list-style-type: none"> Happy and engaged employees keep customers happy and delighted We ensure goal setting, performance reviews and reward and recognitions are done in a very structured way to keep our employees engaged 	<ul style="list-style-type: none"> Galaxy since its inception inception is very conscious about the wellbeing of people. All the policies pertaining to people care has been keeping the wellbeing of people in mind Apart from people policies, we have also formulated and established Human Right Policy ensuring we keep our focus and monitoring on the progress and improvements We have a robust Grievance Redressal Mechanism in place and multiple forums for our employees to express it and get resolutions 	We have proper annual goal setting and review mechanism. We have a proper reward and recognition mechanism in place. As well as we financially help our employees for continuing their education

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10 Customer Communication	Opportunity	<ul style="list-style-type: none"> Committed to deliver consistently high quality and high performing products and services Focus relentlessly on continuous improvement in quality in all domains and implemented key Best Practices at our sites 	<ul style="list-style-type: none"> Regular business reviews with key customers Customer satisfaction surveys and feedback Customer audits and customer questionnaire responses Meeting customer requirements and requests for improvement on environmental and social responsibility BQ Flash: Technical Flysheet from the Desk of BQ (Business Quality): addresses basic queries of customers related to the product such as its application, grades handling and storage, first aid and environmental measures 	We participate in two international and two national exhibitions. This helps us to showcase our capabilities and attract new customers. Participation in exhibitions helped us to understand customers issues in-depth. Over the years, we have seen a growing customer base through these engagements and helping us to grow our revenue

To enhance integrated thinking, decision making and actions that support long term value creation for Galaxy and all its stakeholders, we are focusing on better inclusion of ESG issues into our strategy and operational management through the process of Materiality. In February 2020 we surveyed with all the key stakeholders of the company to understand the ESG issues that are important to them. In 2022 online survey response form was circulated to evaluate for their relevance to the business and Materiality matrix was constructed. These issues are referred from the Global frameworks like GRI, SASB and UNSDG's to ensure that all the ESG issues of global importance are included in our Materiality study.

BRSR SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1 a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board?*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies	Yes**	Yes*	Yes**	Yes*	Yes*	Yes*	Yes**	Yes*	Yes*
2 Whether the entity has translated the policy into procedures.	Yes, in all its business activities, the company has translated and incorporated the policies into its procedures and practices.								
3 Do the enlisted policies extend to your value chain partners?	As part of the sustainability Policy, Galaxy is committed to integrate sustainability considerations into value chain by engaging with and creating awareness among stakeholders including suppliers. Currently, more than 60%(by value) of suppliers participate in sustainability initiatives.								
4 Name of the national and international codes / certifications / labels / standards adopted by your entity and mapped to each principle	Galaxy is an ordinary member of the Roundtable on Sustainable Palm Oil (RSPO) which facilitates sustainability in the palm oil supply chain. More than 90% of Galaxy's supplies (by value) are from suppliers adhering to internal or external sustainability standards / codes / policies. This includes international standards like RSPO, REACH, ISO standards, their internal standards, adherence to our supplier code of conduct, etc. Galaxy is a signatory to the Responsible Care to Responsible Care Global Charter (RCGC) and is permitted to use Responsible Care® logo for manufacturing units in India till January 2024.								

Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5 Specific commitments, goals and targets set by the entity with defined timelines	Commitments and Goals includes: a) Galaxy has Sustainability Goals with a focus on areas of climate change, energy, greenhouse gases, renewable energy, tree plantation, water, packaging waste and life cycle assessment. With a clear roadmap in mind, focus and vision, Galaxy is determined towards making a positive impact and further difference to our society in the coming years. The performance of these goals and material topics are being reviewed on a quarterly basis in Sustainability Cell meetings and the internal review meetings b) Major focus areas for upcoming years are: Exploring various route to achieve 100% waste circularity by 2030; Natural gas as the main source of fuel at various locations; Working closely with our value chain partners to reduce the overall impact of climate change; Enhancing social inclusion by helping economically vulnerable people find work and an income; Net water positive and ZLD at Egypt by 2023; Transitioning to low carbon economy. Addressing the climate risks through setting Science Based Target; and increasing the focus on renewable electricity (40% renewable electricity share by 2025 for India level)								

** Policies are accessible only to employees.

* Policies available on the Company's website – <https://www.galaxysurfactants.com/about/our-policies.aspx>

All nine principles as articulated in India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' are covered by policies of Galaxy as outlined in the following table:

NVG Principle	Applicable policies
P1 - Conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct (CoC) for Board and senior managers, CoC for employees, Whistle Blower Policy, Policy on Sexual Harassment
P2 - Provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability Policy, Quality Policy, SHE Policy, Corporate Social Responsibility Policy, Sourcing Policy, GMP Policy, Energy Policy
P3 - Promote the well-being of all employees	SHE Policy, Human Rights Policy, Sexual Harassment at Workplace Policy, People Energy Policy
P4 - Respect the interests of, and be responsive towards all stakeholders, specially disadvantaged, vulnerable and marginalized	CoC, Sourcing Policy, Corporate Social Responsibility Policy
P5 - Respect and promote human rights	CoC, Human Rights Policy
P6 - Respect, protect, and make efforts to restore the environment	CoC, Sustainability Policy, SHE Policy, Quality Policy, Sourcing Policy, Energy Policy
P7 - Influencing public and regulatory policy in a responsible manner	CoC
P8 - Support inclusive growth and equitable development	Corporate Social Responsibility Policy
P9 - Engage with and provide value to their customers and consumers in a responsible manner	CoC, Quality Policy, SHE Policy, GMP Policy, Business Creation Policy

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met:

- P1** Ethics and Integrity: Business ethics implies adherence to appropriate business policies and practices including ethical trade practices, corporate governance, insider trading, anti-bribery, discrimination, corporate social responsibility, and fiduciary responsibilities. Galaxy adheres to the fair and transparent conduct of the affairs of its constituents by adopting the highest standards of professionalism and ethical behavior. Galaxy is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. Galaxy has a policy for addressing sexual harassment in the workplace which has been formulated keeping in view the provisions under the sexual harassment of women in the workplace and for the prevention and redressal of complaints in relation to sexual harassment. The whistle blower and sexual harassment policy applies to all the stakeholders of Galaxy and is communicated to them through the company website.

For more details visit: Corporate governance policies- <https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>

- P2** Product Responsibility: Galaxy plans to assess the majority of its product range for their total environmental impacts, moving beyond basics like energy and water intensity of products. Galaxy took up Life Cycle Assessment based on ISO 14040 / 14044 as a part of assessing total impact of product through its lifecycle and completed LCA for 40 identified products with the help of GaBi tool. We display product information like product trade name, gross wt., tare wt. etc. on regular product labels. In addition, in case of specific countries / customers, we share information for respect to product hazard as per the GHS (Globally Harmonised System of Classification and Labelling of Chemicals) / CLP (Classification, Labelling and Packaging) regulation. While transporting dangerous goods, we ensure the use of UN certified packing material and affixation of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association).
- P3** Human Resources: Our human resource policies widely focus on training and retaining our employees. We are committed to building a high-performance learning culture in which the employees are challenged and rewarded. Employees are provided opportunities to demonstrate their skills and capabilities. Galaxy has laid down an employee code of conduct (COC) applicable to all employees, to establish and uphold high ethical conduct with utmost transparency and accountability. Besides the Corporation's Code of Conduct, other policies include the Policy on Protection of Women against Sexual Harassment at the Workplace, Diversity and Inclusion Policy, Policy on Health and Safety of Employees, Comprehensive Employee Health Insurance Policy and Personal Accident Policy.
- P4** Responsive to Stakeholders: By continuously enriching our stakeholder relationships, we try to gain insights about matters that are important to them, including the environmental, social and economic issues that affect our ability to create value. These insights help us understand how our stakeholders perceive value, identify emerging trends, risks and opportunities that may be of relevance to Galaxy and develop suitable strategic responses. Materiality matrix constructed as per the Global frameworks like GRI, SASB and UNSDG to ensure all the ESG issues of global are included in the study.
- P5** Respecting Human Rights: Galaxy has established a human rights policy that is communicated to every employee. We also ensure that forced or child labor is not practiced at our work premises and strict compliance audits are conducted to ensure the same. All the labor laws and other policies about workplace ethics are well communicated to employees through display boards, handbooks and other forms of communication. We have developed a Human Rights checklist to improve human rights reporting across our units.
- P6** Protect and restore environment: Galaxy employs green technology i.e., products which can be produced sustainably in an environmentally friendly manner; all in all a complete value proposition for all its customers as well as end consumers. We are in the process of setting our emission targets in line with the Science Based Targets approach which provides companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. We have also followed the TCFD approach to identify our climate related risks and opportunities and will soon embed them in our ERM process.
- P7** Legislative and Regulatory: Galaxy ensures to comply with laws and regulations in India and in the countries in which it operates. The company has a Whistle Blower Policy in place under which Directors / employees are free to raise any concern.
- P8** Inclusive Growth: Our Corporate Social Responsibility (CSR) policy is formulated keeping in view the holistic development of the community and the environment, which are directly impacted by our operations. We try to touch as many lives as possible through our CSR initiatives manifested through upliftment, support, enlightenment, relief and development work.
- P9** Customer communication: Regular business reviews with key customers; Customer satisfaction surveys and feedback; Customer audits and customer questionnaire responses; Meeting customer requirements and requests for improvement on environmental and social responsibility.

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

The Purpose of our business is to create value for customers and delight them through service and innovation. I personally expect businesses to become a lot more proactive and make giant strides in the areas of Environment, Society and Governance. As a responsible citizen of the society, it is upon us to ensure a better tomorrow for our future generations. At Galaxy, multiple initiatives have been taken for Water Conservation, Energy Management, Waste, and GHG emission reductions. When it comes to our Society, our focus areas primarily

include – Provision of Food and Water Security, ensuring Health, Hygiene and Education and creating avenues to empower as well as enable a better living for the deprived sections. Demonstrating the highest standards of Corporate Governance, Ethical Practices and Succession Planning is something we have practiced since our inception. Qualitative Factors combined with ESG related initiatives have ensured sustainable growth for Galaxy in the last decade; we see the same continuing in the next decade. At Galaxy, we believe, the next decade will be the decade of Innovation, Sustainability and Digitization. Galaxy has not only successfully adapted to the Work from Home culture, but also enhanced its digital marketing presence through various channels. Right from Customer interactions to multiple product-application promotion

campaigns to new product launches, we are steadily and surely stepping up in the digital arena. The coming year would see Galaxy enhancing its digital presence and reach further. While adaptability to the digital age was all about equipping ourselves for the future, building on the sustainability and innovation journey which began years ago, today, has become a pre-cursor for survival. Galaxy is committed to Science Based Targets initiative (SBTi) for setting a highly ambitious target to transition to low carbon economy.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy (ies):

Mr. U. Shekhar, Managing Director (DIN 00265017) and Mr. K. Ganesh Kamath, Executive Director (Finance) and CFO (DIN 07767220).

9. Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? If Yes, provide details.

The Managing Director and Senior Leadership Team review the BR performance periodically as part of the overall Management Review process. The Board level CSR Committee (formed under section 135 of the Companies Act, 2013) reviews the performance of Corporate Social Responsibility programmes and initiatives. To drive new and focused initiatives in our next decade of sustainability journey, a Sustainability Core Committee is being formed to act as an advisory group for long-term projects which may have a significant impact on our business.

10 Details of Review of NGRBCs by the Company.

	Subject for review	Indicate whether review was undertaken by director / committee of the board / any other committee									Frequency (annually / half yearly / quarterly / any other)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a	Performance against above policies and follow up action	We drive sustainability at Galaxy through a three-tier structure called the Sustainability Cell. It has a Steering Committee at the apex comprising of Board of Directors, working pillars comprised of process heads and leaders and working teams to carry out projects.									The Sustainability Cell meets thrice in a year to assess and review the sustainability performance.								
b	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the statutory requirements as applicable.																	

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? If Yes, provide name of the agency.	Yes, we have sought for external assurance of Sustainability Report. The report is verified and assured by Bureau Veritas (India) Private Limited as per the assurance statement.								

12 If principles not covered by a policy, provide reasons for the same.

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a	The entity does not consider the Principles material to its business	NA	NA	NA	NA	NA	NA	NA	NA	NA
b	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
c	The entity does not have the financial or / human and technical resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
d	The entity does not have the financial or / human and technical resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
e	Any other reason	NA	NA	NA	NA	NA	NA	NA	NA	NA

All nine principles as articulated in India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' are covered by the policies of Galaxy Surfactants.

BRSR SECTION C: PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	10	Thomas PPA Certification Program, BRSR Compliance Program, Leadership Talk from industry leaders, Compliance Program like POSH, Whistle-blower Policy, Code of Conduct, Human Rights	100%
Key Managerial Personnel	5	ESG Training Programme, Leadership Talk from Industry Leaders, Thomas PPA Certification Program, BRSR Compliance Program	50%
Employees other than BoD and KMPs	600	<ul style="list-style-type: none"> Behavioural and Functional Training is provided for capability building Compliance Programs include POSH Awareness and Cybersecurity Awareness Program 	89%
Workers	950	<ul style="list-style-type: none"> We regularly provide training, education and development opportunities to company and contractor employees on topics like behavioural safety, Fire Safety, SCBA, MSDS, EMS-OHAndS standards, Responsible Care, etc. to enhance safety awareness among employees and contractors, various emergency drills and training have also been conducted. Safety culture is imbibed among employees by imparting and creating awareness about BBS (Behavioral Based Safety) and other Safety training ensuring their participation by continuously motivating them Compliance programs include POSH awareness, whistle-blower, code of conduct and human rights 	95%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30f SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred?
Monetary					
Penalty / Fine			Nil		
Settlement					
Compounding fee					
Non-Monetary					
Imprisonment			Nil		
Punishment					

No penalties or fines were reported. We comply with the regulations and policies.

3. Of the instances disclosed in question 2 above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Nil

No penalties or fines were reported. We comply with the regulations and policies.

4. Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.

The organization do not have any anti-bribery or anti-corruption policy. Organization has whistle blower and code of conduct policies. These policies are available at company's website (<https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>)

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2021-22	FY 2020-21
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

In the case of a director, every director discloses his/her interest at the beginning of the year. In case there is any change in directorship, the same is informed to the board. The Board of Directors and senior management are subject to the provisions of the Code of Conduct.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

There were no non-disputed fines / penalties imposed on your business by regulatory and judicial institutions, and no complaints / cases of corruption and conflicts of interest registered during the year. In the case of a director, every director discloses his/her interest at the beginning of the year. In case there is any change in directorship, the same is informed to the board. The Board of Directors and senior management are subject to the provisions of the Code of Conduct.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
2 Nos.	Sustainability Awareness, Oil palm traceability, Science based targets	90%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same.

Yes, we have a process in place to avoid/manage conflict of interests involving members of the Board. In the case of a director, every director discloses his/her interest at the beginning of the year. In case there is any change in directorship, the same is informed to the board. The Board of Directors and senior management are subject to the provisions of the Code of Conduct.

BRSR SECTION C: PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R and D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R and D and capex investments made by the entity, respectively.

	Current financial year (%)	Previous financial year (%)	Details of improvements in environmental and social impacts
R and D (Consumables for the synthesis of natural and benign products)	25	Nil	Galaxy understands that 'Innovation' is a vital component of its business strategy that provides a sustainable and long-term competitive advantage to the organization. Galaxy has adopted an innovation funnel model comprising various stages wherein ideas are screened as they progress through various developmental stages before getting converted into a successful business. Galaxy invests to enhance its R and D capabilities and new product scalability. In Galaxy's performance product portfolio, innovation efforts are in process of innovation. Galaxy continuously conducts a thorough analysis of its sites and production processes, plan and execute de-bottlenecking and free up resources to run sites to their fullest potential.
CAPEX (Lab expansion and Instrument Purchase for studies on natural and benign products)	33	Nil	

We couldn't spend anything during the year 2020-21 on specific technologies to improve the environmental and social impacts of product and processes. Though we have budgeted for expenditure, we couldn't spend anything as we were developing our labs (GRC expansion project) which was delayed due to the COVID-19 pandemic.

2. Does the entity have procedures in place for sustainable sourcing? If Yes, what percentage of inputs were sourced sustainably?

Galaxy has defined internal procedures for sustainable sourcing. Galaxy evaluates vendors on environment, social, safety and quality parameters before registration of a vendor. The suppliers are asked to endorse the supplier Code of Conduct containing the organization approach to quality, environment, and occupational health and safety management systems. Galaxy is an ordinary member of the Roundtable on Sustainable Palm Oil (RSPO) which facilitates sustainability in palm oil supply chain. More than 90% of Galaxy's supplies (by value) are from suppliers adhering to internal or external sustainability standards / codes / policies. This includes international

standards like RSPO, REACH, ISO standards, their internal standards, adherence to our supplier code of conduct, etc. Galaxy is a signatory to the Responsible Care Global charter to Responsible Care Global Charter (RCGC) and is permitted to use the Responsible Care® logo for manufacturing units in India till January 2024. Galaxy adheres to the requirements of the 'Distribution Code and Product Stewardship Code' of the framework to ensure safe and sustainable transportation.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Not Applicable.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If Yes, provide details in the following format?

	NIC code	Name of product / service	% of total turnover contributed	Boundary for which the life cycle perspective / assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain. If Yes, provide the web-link
1	We have different grades for ethoxylates categories (MW251, MW252, MW252(16), MW253, MW257, MW258, MW259, MW287), hence INC name is different for each grade.	Ethoxylates	13.96	Yes, re-evaluated with current data	Yes, the first study was performed in collaboration with external agency	No, Results are shared with relevant stakeholders
2	Lauramidopropylamine oxide/ Myristamidopropylamine oxide	Galaxy LAPAO	0.328	Yes, re-evaluated with current data	Yes, the first study was performed in collaboration with external agency	No, Results are shared with relevant stakeholders
3	Polyquaternium -7	Galsilk 7	0.034	Yes	No, Reviewed internally	No, Results are shared with relevant stakeholders
4	Polyquaternium -7	Galsilk 700	0.158	Yes	No, Reviewed internally	No, Results are shared with relevant stakeholders

We perform Life Cycle Assessment according to ISO 14040 and ISO 14044, evaluating the potential environmental impact of a product system during its lifetime. We use Gabi Software as a tool to perform LCA modelling for product sustainability. We have performed Life Cycle Assessments of 40 major products, which cover a major percentage of our production volume.

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

NIL

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable.

BRSR SECTION C: PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1a. Details of measures for the well-being of employees:

	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	623	623	100	623	100	-	-	-	-	-	-
Female	127	127	100	127	100	127	100	0	0	127	100
Total	750	750	100	750	100	127	100	0	0	127	100
Other than Permanent employees											
Male											
Female											
Total											

NA

Employee Welfare Council is constituted in manufacturing units as a platform for employees to voice their concerns and grievances to the management on monthly basis. Employees are encouraged to provide their feedback and there is anonymous speak-up mechanism set up for sharing their concerns and grievances.

* All employees are covered under either mediclaim or ESIC scheme

1b. Details of measures for the well-being of workers:

	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent workers											
Male	796	796	100	796	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	796	796	100	796	100	-	-	-	-	-	-
Other than Permanent workers											
Male	671	671	100	671	100	-	-	-	-	-	-
Female	23	23	100	23	100	23	100	-	-	23	100
Total	694	694	100	694	100	23	100	-	-	23	100

* All workers are covered either under Mediclaim Insurance Policy or ESIC Scheme

2. Details of retirement benefits, for current financial year and previous financial year:

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
Employee State Insurance (ESI)	2	62	Yes	4	69	Yes
Others	-	-	-	-	-	-

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Our offices are accessible to PWDs. Factories are evaluated and infrastructure to be developed.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Galaxy is an equal opportunity employer and strongly endorses the right of equal opportunity for potential candidates who are differently abled. As part of the Valuable 500 initiative, Galaxy has committed to having 40 differently abled members as a part of its family by 2022. Our work culture fosters diversity and equal opportunity.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Return to work rate	Retention rate
Permanent employees		
Male	NA	NA
Female	100%*	100%
Total	100%	100%
Permanent workers		
Male	NA	NA
Female	Nil	Nil
Total	Nil	Nil

* Galaxy does not have a parental leave policy but we have a maternal leave policy. Only one permanent female employee has taken maternal leave and return to work during the year.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief:**

	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes.
Other than Permanent Workers	<ul style="list-style-type: none"> Employee Welfare Council (EWC): EWC is constituted in manufacturing units as a platform for employees to voice their concerns and grievances to the management on monthly basis. Employees are encouraged to provide their feedback and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances.
Permanent Employees	
Other than Permanent Employees	<ul style="list-style-type: none"> Vigil Mechanism: Company has established a vigil mechanism for the Directors and employees to report genuine concerns.

7. **Membership of employees and worker in association(s) or unions recognised by the listed entity:**

	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B / A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or union(D)	% (D / C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

Galaxy is a union-free organization. Galaxy recognises and respects employees' rights to freedom of peaceful association and collective bargaining. Galaxy also facilitates open communication and direct engagement between workers and management. Employee Welfare Council (EWC) consist of worker and management meet once a month to discuss key issues pertaining to work.

8. Details of training given to employees and workers:

	FY 2021-22					FY 2020-21				
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Male	623	402	65	304	49	522	258	49	299	57
Female	127	42	33	72	57	102	26	25	62	61
Total	750	444	59	376	50	624	284	46	361	58
Workers										
Male	796	683	86	607	76	746	588	79	568	76
Female	-	-	-	-	-	-	-	-	-	-
Total	796	863	86	607	76	746	588	79	568	76

9. Details of performance and career development reviews of employees and worker:

	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	623	623	100	522	522	100
Female	127	127	100	102	102	100
Total	750	750	100	624	624	100
Workers						
Male	796	796	100	746	746	100
Female	-	-	-	-	-	-
Total	796	796	100	746	746	100

We train our employees on a regularly basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We conduct engagement surveys through which we attempt to establish two-way communication and involve employees in the development process by giving them a direct voice in the management team.

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? If Yes, the coverage such system?

Galaxy has implemented ISO 45001:2018 Occupational Health and Safety management system at various manufacturing locations. The monthly meeting of the joint safety committee is chaired by the site head and safety incharge

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Periodic Risk Assessment studies like HAZOP, HAC (Hazard Area Classification), JSA, PSSR, weekly / monthly inspections, AI and HIRA, cross functional safety audit, external safety audit, workplace

monitoring study etc. Conducted total evacuation mock drill in presence of District Collector along with DISH, MARG and Fire official in the year officials in year 2018 for strengthening emergency preparedness etc.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

We have Parivartan- WESAP (Waste Elimination Suggestion Award Program), which enables workers at site to provide their suggestions on Safety front. We also have Galaxy Parivar Banay Surakshit (GPBS) program. Under this program, it provides the opportunity to carry out safety observation and report them. WESAP suggestion and safety observations are reviewed and if feasible implemented at the site. We encourage workers for participating in these programmes.

d) Do the employees / worker of the entity have access to non-occupational medical and healthcare services?

We cover all our Employees under Mediciam or ESIC to all our employees.

11. Details of safety related incidents:

Safety Incident / Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.90	2.05
	Workers	0.12	0.27
Total recordable work-related injuries	Employees	1	2
	Workers	2	1
No. of fatalities	Employees	0	3
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	2	3
	Workers	1	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At manufacturing sites monthly safety performance is reviewed by the top management in the monthly Safety and Conversion meet. External/ Internal Board also reviews the safety performance quarterly and provides their inputs for improvement. The monthly meeting of the Joint safety committee is chaired by Site Head and Safety in-charge. Members are from staff, operator and contractor categories. We regularly provide training to company and contractor employees on topics like behavioral safety, Fire Safety, SCBA, MSDS, EMS-OHandS standards, Responsible Care, etc. To enhance safety awareness among employees and contractors, various emergency drills and training have also been conducted. As a good practice in health and safety, preliminary health check-up and induction training through STK (Safety Training Kiosk) is conducted for all those including visitors, drivers, contractors and new employees recruits. Sensitization and remembrance at all time is ensured by announcing Safety Anthem every shift through the public address system at our manufacturing unit. The software portal system is available for reporting any near miss as well as any incident including incident investigation and recommendations. The software system is helping to track incident investigations as well as the closure of recommendations. ECC (Emergency Control Centre) is available equipped with all communications infrastructures including walkie-talkies and emergency

hotline with important list of telephone numbers. Galaxy follows the systems of periodical internal and external training including induction training through the STK (Safety Training Kiosk) online module. Periodic Risk Assessment studies like HAZOP, HAC (Hazard Area Classification), JSA, PSSR, weekly / monthly inspections, AI and HIRA, cross functional safety audit, external safety audit, workplace monitoring study etc. We have well equipped OHC (Occupational Health Centre) which operates round the clock. All the employees including contract employees undergo periodic medical check-up and health records are maintained well. The frequency of medical check-up of employees is twice a year from DISH (Directorate of Industrial Safety and Health) approved medical practitioner. FMO conducts periodic training and guide on lifestyle diseases. (Such as healthy diet and exercise etc). We have certified First Aiders round the clock available at the site and we have on site emergency plan for handling various emergencies happening inside the plant. we have launched cross-functional Project Abhayatam – A Fearless, New Beginning. This project comprises an 8-step review mechanism by a Team of subject specialists to strengthen and enhance the Design, Operations, safety, and skill levels of all our plant personnel across the organization and enable us to identify the areas requiring improvement in Safety. The project was based on various pillars like design review, PnID, SOP /BMR review, Aspect/Impact and HIRA review, MSDS training and maintenance management etc, subsequent findings were taken forward for improvement.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	FY 2021-22	FY 2020-21
Health and safety practices	100	100
Working Conditions	100	100

15. Provide details of any corrective action taken or underway to address safety-related incidents and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

As a good practice in health and safety, preliminary health check-up and induction training through STK (Safety Training Kiosk) is conducted for all those including visitors, Drivers, Contractors and new employees recruits. The health condition of the person is assured by OHC before working at height and inside the factory. Safety culture is imbibed among employees by imparting and creating awareness about BBS (Behavioural Based Safety) and other Safety training ensuring their participation by continuously motivating them. New verticals are formulated to strengthen process safety management. Various types of gas detection systems such as SO₂, LPG, Ammonia, EO, etc are provided. All plants

are equipped with Automated PLC / DCS controlled plant with Safety interlock and mitigation devices are in place.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers?

Insurance coverage is in place for all employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Galaxy ensures that statutory dues applicable to all the transactions are deducted and deposited as per regulations. We are in the process to carry out an assessment related to the statutory dues of our value chain partners.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	FY 2021-22	FY 2020-21
Total no. of affected employees / workers		
Employees	Nil	Nil
Workers	Nil	Nil
No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment		
Employees	Nil	Nil
Workers	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

There are no policy or transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices*	RM: Ideal Chemicals: 2.1%(3577098 kg) Anant Chemicals : 2.4% (4167962 kg) Meera : Audit is done, new vendor, still on trial order stage, commercial purchasing not started yet. Black Rose Chemicals: 0.00122% (2100 kg) PM: Priya Fabril : 0.0741% (4960 kg) Huhtamaki India Ltd. : 1.49% (100000 kg) DGR Packaging Company : 0.0018% (125 kg) Jayant Packing Industry : 0.153% (10250 kg)
Working Conditions^	RM: Ideal Chemicals: 2.1%(3577098 kg) Anant Chemicals : 2.4% (4167962 kg) Meera : Audit is done, new vendor, still on trial order stage, commercial purchasing not started yet. Black Rose Chemicals: 0.00122% (2100 kg) PM: Priya Fabril : 0.0741% (4960 kg) Huhtamaki India Ltd. : 1.49% (100000 kg) DGR Packaging Company : 0.0018% (125 kg) Jayant Packing Industry : 0.153% (10250 kg)

* Health and safety practices for suppliers are assessed at the time of audit. Audits for international and domestic suppliers are conducted periodically.

^ Working conditions of suppliers are assessed at the time of audit. Audits for international and domestic suppliers are conducted periodically. We carry out supplier assessment every year.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Health and safety practices for suppliers are assessed at the time of audit. Audits for international and domestic suppliers are conducted periodically but due to COVID and travel restrictions, we were not able to conduct audits of suppliers.

BRSR SECTION C: PRINCIPLE 4

Businesses should respect the interests of and be responsive to all their stakeholder

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	<ul style="list-style-type: none"> Regular business reviews with key customers Customer satisfaction surveys and feedback Customer audits and customer questionnaire responses Meeting customer requirements and requests for improvement on environmental and social responsibility 	Quarterly	<ul style="list-style-type: none"> Carbon footprint / Carbon disclosure, Management of Environmentally hazardous substances, Innovation, Customer Satisfaction Survey
2	Investors	No	<ul style="list-style-type: none"> AGM Annual Reports Investor Meets Investor call is arranged after the declaration of financial results every quarter. The details for participation are updated on stock exchanges. 	Annually (AGM) Quarterly (event based investor conferences) one to one Investor Meetings	<ul style="list-style-type: none"> Business performance Challenges faced by the company
3	Government and regulatory bodies	No	Statutory and Legal Compliance filings	Annually and on need based	Environmental and Social Compliance
4	Suppliers and vendors	No	<ul style="list-style-type: none"> Supplier workshops and annual suppliers meet Suppliers consultation and auditing Informing suppliers through feedback mechanism Supplier Sustainability assessment questionnaire 	Half Yearly	<ul style="list-style-type: none"> Environmental initiatives (e.g., reduced packaging and recycling) Supply chain management Compliance with laws and regulations Work environment and hygiene Machine / equipment safety Human Rights

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We have identified the key Stakeholders for Galaxy based on the following attributes:

(a) Dependency - Stakeholders who are directly dependent on the organizations' activities, products, services or on whom the organization is dependent to operate.

(b) Responsibility - Stakeholders towards whom the organization has legal, commercial, operational, or moral / ethical responsibilities.

	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
5	Transporter	No	<ul style="list-style-type: none"> Transporter consultation and auditing Informing transporter through a feedback mechanism 	Half Yearly	<ul style="list-style-type: none"> Supply chain management Carbon management Road Safety Safe System Compliance with laws and regulations
6	Employees (Employee and contract employees)	No	<ul style="list-style-type: none"> Meetings and Training Employee Engagement Survey 360 degree feedback One-on-one interviews with managers Performance communication Communication meetings with recruits Employees can communicate through internal channels Energy Week, Safety Month, Environment Day celebrations EWC, Dialogue 	Quarterly	<ul style="list-style-type: none"> Ethics / integrity management Human rights Learning and growth Work environment / Working conditions Salary / Benefits Health and safety Employee Well-being Career Development Balance of work and life
7	Community	Yes	<ul style="list-style-type: none"> CSR initiatives Sustainability Report Participation in conferences One to one interaction 	Quarterly	<ul style="list-style-type: none"> Environmental awareness Community Development

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- Customer: Regular business reviews with key customers; Customer satisfaction surveys and feedback; Customer audits and customer questionnaire responses; Meeting customer requirements and requests for improvement on environmental and social responsibility
- Suppliers and Vendors: Supplier workshops and annual suppliers meet; Suppliers consultation and auditing; Informing suppliers through feedback mechanism; Supplier Sustainability assessment questionnaire
- Transporter: Transporter consultation and auditing; Informing transporter through feedback mechanism
- Employees (employee and the contract employees): Safety meetings / training, Stakeholder Engagements communication; Communication meetings with new recruits; Employees can communicate through internal channels.

The board is updated periodically on above mentioned activities

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, various CSR related activities were planned after inputs from relevant stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

Galaxy focuses on:

- Development of the communities around our operations, in particular to people mostly living in distant rural areas and tribal belts through the Samajeek Utthaan programme.
- Providing avenues for financial and social inclusion of girls and women through the Stree Unnati programme
- Providing relief material to the natural calamity affected people through the Aapda Rahat program

BRSR SECTION C: PRINCIPLE 5**Businesses should respect and promote human rights****Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	750	129	17	624	287	46
Other than permanent	-	-	-	-	-	-
Total Employees	750	129	17	624	287	46
Workers						
Permanent	796	65	8	746	325	44
Other than permanent	-	-	-	-	-	-
Total Workers	796	65	8	746	325	44

2. Details of minimum wages paid to employees and workers:

	FY 2021-22				FY 2020-21					
	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C / A)	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C / A)
Employees										
Permanent										
Male	623	-	-	623	100	522	-	-	522	100
Female	127	-	-	127	100	102	-	-	102	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	796	48	6	748	94	746	36	5	710	95
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	671	632	94	39	6	600	562	94	38	6
Female	23	23	100	-	-	27	27	100	-	-

3. Details of remuneration / salary / wages:

	Number	Median remuneration / salary / wages of respective category
Male		
Board of Directors (BoD)	9	₹ 0.80 Cr
Key Managerial Personnel	5	₹ 2.96 Cr
Employees other than BoD and KMP	619	₹ 0.06 Cr
Workers	796	₹ 0.03 Cr
Female		
Board of Directors (BoD)	1	₹ 0.20 Cr
Key Managerial Personnel	Nil	Nil
Employees other than BoD and KMP	127	₹ 0.06 Cr
Workers	Nil	Nil

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

The focal point is the People Energy Process (Human resource team) which takes care of human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Galaxy has established a human rights policy that is communicated to every employee. Employees are encouraged to provide their feedback and there are anonymous speak up mechanisms set up for sharing their

concerns and grievances. We have developed a Human Rights checklist to improve human rights reporting across our units. It was found that, none of the manufacturing units considered were found to have any risk for incidents of child labor, forced labor and young workers exposed to hazardous work. All hiring is done centrally with supporting documentation and proof of age required.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	1	0	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All the labor laws and other policies about workplace ethics are well communicated to employees through display boards, handbooks, and other forms of communication. These include policies such as whistle blower policy, sexual harassment policy and strict legal compliance observed as laid down by local and national acts and regulations. There is no discrimination in recruitment, development, promotion based on gender, age, religion or disability. The Company also undergoes Responsible Sourcing Audit from its customers which include an audit of various areas and business practices.

8. Do human rights requirements form part of your business agreements and contracts?

Yes.

9. Assessments for the year:

	% of plants and offices that were assessed
Child labour	100
Forced / involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Surveys or questionnaires on different aspects like working conditions, availability of personal protective equipment, and welfare facilities are addressed on regular basis.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

We have human rights policy in the public domain which covers – no child labor, no forced labors, no discrimination at the workplace, compensation above legal standards, standard working hours as per stated in laws, no harassment and violence, HSE committees

to drive HSE excellence, legal compliance wherever we operate. We have standard best practices to monitor and comply with on all these fronts.

In FY 2021-22 we have not made any modification in business processes for our current monitoring, addressing human rights grievances/complaints.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

- (a) The organization upheld the principles of human rights and it is aligned with Human Rights policy. The organization regularly create awareness among its employees on the /human rights policy through various training programs.
- (b) Tracking the effectiveness of measures and processes to address adverse human rights impacts to know if they are working. We are in the process of implementing monitoring effectiveness of measures for processes to address human rights impacts

- (c) Communicating how impacts are being addressed and showing stakeholders – in particular affected stakeholders – that there are adequate policies and processes in place. We conduct stakeholder meets with relevant stakeholders at regular intervals and update progress on this front. Due to covid-19 pandemic we witnessed a lessening of this engagement FY 2021-22. For Stakeholder Engagement at factory locations, we communicate to our stakeholder about our best practices and performance whichever is relevant for HSE, Sustainability, CSR, Legal, PE front

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

We are in the business of specialty chemicals manufacturing. We have to consider the safety of visitors at the top most priority. Yes, we do allow differently-abled visitors to enter at site only in the admin area, under strict supervision and due care.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	100
Forced Labour / Involuntary Labour	100
Wages	100
Others – please specify	100

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at question 4 above.

Not Applicable.

BRSR SECTION C: PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	We are in process of calculating energy consumed by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	125,921.05 GJ
Total fuel consumption (B)		117,418.40 GJ
Energy consumption through other sources (C)		-
Total energy consumption (A+B+C)		243,339.45 GJ
Energy intensity per rupee of turnover		-
(Total energy consumption/ turnover in rupees)		-
Energy intensity (optional) – the relevant metric may be selected by the entity		-
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	We are in the process to carry out an independent assessment for FY 2021-22 information	

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken.

Not Applicable.

3. Provide details of the following disclosures related to water:

	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)	We are in process of calculating water withdrawn by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	
(i) Surface water		279,823
(ii) Groundwater*		-
(iii) Third party water*		-
(iv) Seawater / desalinated water*		-
(v) Others		-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		279,823
Total volume of water consumption (in kilolitres)		214,817
Water intensity per rupee of turnover (Water consumed / turnover)		-
Water intensity (optional) – the relevant metric may be selected by the entity		-
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.	We are in the process to carry out an independent assessment for FY 2021-22 information	

* We do not extract groundwater.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.

With a focus on every drop of water, we have taken up water conversation and stewardship across all our manufacturing units and functions. With stringent targets for water reduction in our Egypt and India Operations since 2017, we have ensured that our manufacturing units in India are Zero Liquid Discharge Units. We aim to achieve ZLD at our Egypt location as well.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

	Unit	FY 2021-22	FY 2020-21
NOx	Tonne	We are in process of calculating air emission generated by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	17
SOx	Tonne		47
Particulate matter (PM)	Tonne		20
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		-	-
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency	Yes, Galaxy Surfactant air emission related information for FY 2020-21 is verified and assured by Bureau Veritas (India) Private Limited. We are in process to carry out independent assessment for FY 2021-22 information.		

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

	Break-up	Unit	FY 2021-22	FY 2020-21
Total scope 1 emissions	CO2	Metric tonnes	We are in process of calculating GHG emission generated by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	16,490.19
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	Metric tonnes		
Total scope 2 emissions	CO2	Metric tonnes		27,267.17
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	Metric tonnes		
Total scope 1 and scope 2 emissions per rupee of turnover				-
Total scope 1 and scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		CO2 equivalent / Metric tonnes		-
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.		Yes, Galaxy Surfactant GHG emission related information for FY 2020-21 is verified and assured by Bureau Veritas (India) Private Limited. We are in the process to carry out an independent assessment for FY 2021-22 information .		

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Energy conservation themes and GHG reduction projects have resulted in improved energy efficiency. Project description: (a) For low-carbon energy consumption project initiative includes LED lamps replacing conventional lights, power saving by blade design in the dryer and 803 KWp rooftop solar installation; (b) For energy efficiency in production processes project initiative includes Internal consumption of byproducts, steam elimination in the last stage of the new dryer and waste heat recovery.

8. Provide details related to waste management by the entity:

	FY 2021-22	FY 2020-21
Total waste generated (in metric tonnes)		
Plastic waste (A)	229.01	194.90
E-waste (B)	4.45	3.25
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	11.65	3.33
Radioactive waste (F)	0.00	0.00
Other hazardous waste. Please specify, if any. (G)	4,593.91	2,755.01
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	894.23	795.12
Total (A+B + C + D + E + F + G + H)	5,733.56	3,751.61
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		

	FY 2021-22	FY 2020-21
(i) Recycled	0.10	0.00
(ii) Re-used	2,076.35	1633.19
(iii) Other recovery operations	0.00	0.00
Total	2,076.45	1,633.19
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	156.93	153.88
(ii) Landfilling	360.88	252.79
(iii) Other disposal operations	4,770.82	3,012.67
Total	5,288.63	3,419.33
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.		

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

World-class practices such as TPM is adopted at our manufacturing sites since 2003. Also, annually we conduct Galaxy Manufacturing Excellence Award (GMEA). Galaxy has implemented projects that have reduced waste and improved the yield of production. Hazardous waste is sent to authorized waste management agencies and non-hazardous waste is sent to authorized

recyclers for further recycling. Alternative fuel usage, agreement made with local bodies or other industries to facilitate AF usage.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Not Applicable.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
Proposed New Synthetic Organic Chemicals manufacturing unit at Plot No. 902/3, Jhagadia GIDC Industrial Area, District Bharuch, 393110, Gujarat. EIA by EIA Consultant, Siddhi Green Excellence Private Limited, Kamal Arcade-The Vertical Sunclock, Common plot No. -3/3, Near SBI Ind. Branch, GIDC, Ankleshwar-393002.	2006. Sr. No. 5(f)	28th Feb 2022	Yes	Yes	http://environmentclearance.nic.in/proposal/status_state.aspx?pid=ClosedECandstatename=Gujarat (Proposal-EC-71901)

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

We are complying with the applicable environmental law/ regulations/ guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

	FY 2021-22	FY 2020-21
From renewable sources	We are in process of calculating energy consumed by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	2,558.00 GJ
Total electricity consumption (A)		-
Total fuel consumption (B)		-
Energy consumption through other sources (C)		-
Total energy consumed from renewable sources (A+B+C)		2,558.00 GJ
From non-renewable sources		123,363.05 GJ
Total electricity consumption (D)		-
Total fuel consumption (E)		117,418.40 GJ
Energy consumption through other sources (F)		-
Total energy consumed from non-renewable sources (D+E+F)		240,781.45 GJ
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.	We are in process to carry out independent assessment for FY 2021-22 information.	

2. Provide the following details related to water discharged:

	FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	Nil	Nil
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency	We are in process to carry out independent assessment for FY 2021-22 information.	

As all plants are Zero Liquid Discharge plants above values are mentioned as zero.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility / plant located in areas of water stress, provide the following information:

- I. Name of the area
- II. Nature of operations
- III. Water withdrawal, consumption and discharge in the following format:

Not Applicable as Galaxy's operations are not carried out in water stressed areas.

4. Please provide details of total Scope 3 emissions and its intensity:

	Break-up	Unit	FY 2021-22	FY 2020-21
Total scope 3 emissions	CO2	Metric tonnes	We are in process of calculating GHG emission generated by Galaxy and it will be disclosed in Sustainability Report FY 2021-22	21,073.8
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	Metric tonnes		
Total scope 3 emissions per rupee of turnover				
Total scope 3 emission intensity – the relevant metric may be selected by the entity				
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.				
Yes, Galaxy Surfactant GHG emission related information for FY 2020-21 is verified and assured by Bureau Veritas (India) Private Limited. We are in process to carry out independent assessment for FY 2021-22 information.				

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2 waste heat recovery boilers of 1000 Kg/hr capacity of steam output are running on waste heat released from manufacturing process	-	Reuse of steam inside the process improved the efficiency of the process
Condensate recovery (60 %) as condensate sent to boiler feed tank	-	Reduction in condensate losses
From 2017, Galaxy Surfactants Limited is Zero Liquid Discharge unit	-	No effluent is released outside the organizational boundary thereby reducing the impact generated. Hence it is considered as an achievement in waste reduction to the maximum extent
<ul style="list-style-type: none"> Nearly, 90% effluent is recycled back and for 10% MEE has been installed and commissioned in Feb 2020 Various process effluent reduction themes implemented resulting 5.1% reduction effluent generation and also 5.2% reduction in domestic waste generation 	-	Waste water management and monitoring mechanism enhanced the performance
<ul style="list-style-type: none"> Absolute power reduction by installing compressors and chillers Air loss reduction by replacement of corroded airlines 	-	Improved the energy efficiency of the compressors and chillers

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
<ul style="list-style-type: none"> Flanges, valves and elbows are reused within the premises for different processes instead of sending to scrap dealers as a regular practice Replacement of 250 TR primary pump with higher capacity in chiller helped in achieving power reduction Reduction in steam consumption/generation to 30537 tons through regular monitoring of steam trapping and condensate recovery. Installation of cyclone separator in oil fired boiler Installation of cyclone separator with bag filter in coal boiler Stack monitoring on regular intervals as per MPCB norms. Wet Scrubber installation in EOU and MED units Acoustic enclosure for stack monitoring in place Chiller load Optimization 	-	Chiller efficiency Improvement

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

The Company has a Business Continuity Plan (BCP) which consists of annual budgeting, long-term budgeting, a career development plan for the majority of employees and succession plan for all the key positions. Succession plan progress is reviewed by the board on half yearly basis. This BCP is complemented by Strategic Deployment Metrics (SDM). BCP is guided by various process policies such as sustainability, SHE, business creation, business development, innovation, people energy, sourcing, conversion, quality process etc. The main objective is to ensure business continuity and zero negative impact on society, environment, stakeholders and economic losses. To make this BCP more robust in the company, organization conducts internal and external trainings for its employees and workers. Major organizational risks are identified, measured, monitored and reviewed by central risk review committee. This risk review committee consists of board of directors. Galaxy is also working on the Task Force on Climate-Related Financial Disclosures (TFCD) framework to evaluate and manage climate related risks.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No adverse impact to environment arise from the value chain entity. Following proactive measures as been taken by the entity to derisk:

- Traceability - Galaxy launched Oil palm traceability system in year 2016 and it involves work from Galaxy

and its value chain partners. Organization developed a template which enable suppliers, customers, Galaxy, Customer appointed third party agencies to capture and analyse required details. OIL Palm traceability cycle is carried out annually.

2) Sourcing policy:

- Organization shall strive to ensure our suppliers commit to protect the rights of local communities, workers and palm oil small holders.
- Organization shall strive to ensure our suppliers commit to protection of Peat land and High Carbon stock areas, use deforestation- free Palm Oil feedstock and comply with the laws in the country they operate.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

50%

BRSR SECTION C: PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1a. Number of affiliations with trade and industry chambers / associations.

Galaxy is a member of several industries and trade bodies and regulatory participates in industry events and

stakeholder consultation/dialogue leading to policy formulation by various regulatory bodies. Detailed table mentioned as per SEBI guidance table.

1b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to:

	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations
1	Indian Chemical Council (ICC)	National
2	American Cleaning Institute (ACI)	International
3	Bombay Chamber of Commerce and Industry (BCCI)	National
4	CHEMEXCIL - Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council	National
5	Indian Specialty Chemical Manufacturers' Association (ISCMA)	National
6	CII TPM Club	National
7	Renewable Energy Demand Enhancement (REDE) initiative	National
8	Taloja Manufacturing Association	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not Applicable.

BRSR SECTION C: PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (RandR) is being undertaken by your entity.

Not Applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

Not Applicable.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs small producers	Raw Materials: 12% Packing Materials: 83%	Raw Materials: 9.6% Packing Materials: 88%
Sourced directly from within the district and neighbouring districts	Raw Materials: 11.5% Packing Materials: 62%	Raw Materials: 9.2% Packing Materials: 66%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above).

Not Applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

No Projects are done in Aspirational Districts.

3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?

We do not have a preferential procurement policy wherein purchase from suppliers comprising marginalized / vulnerable groups is given preference.

3b. From which marginalized / vulnerable groups do you procure?

Not Applicable.

3c. What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not Applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable.

6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
a) Aarogya Vardheeni - Healthcare and Preventive Healthcare		
b) Gyan Sanjeevani - Education		
c) Samajeeek Utthaan - Rural Development		
d) Paryavaran Suraksha - Environment Protection	1,39,638	100
e) Stree Unnati - Women Empowerment		
f) Aapda Rahat - Calamity Relief		

BRSR SECTION C: PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Galaxy has a dedicated team which conducts customer satisfaction survey once in every two years to understand levels of customer satisfaction with products and services provided by the Company.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and / or safe disposal	100

3. Number of consumer complaints in respect of the following:

	FY 2021-22			FY 2020-21		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive trade practice	Nil	Nil	-	Nil	Nil	-
Unfair trade practices	Nil	Nil	-	Nil	Nil	-
Other	Nil	Nil	-	Nil	Nil	-

4. Details of instances of product recalls on account of safety issues:

Not Applicable.

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.

Galaxy follows the Information Security policy prepared by the IT team. The organization functions as per the requirements of the policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Galaxy displays product information like product trade name, gross weight, tare weight etc. on regular product labels. In addition, in the case of specific countries / customers, Galaxy shares information concerning product hazard as per the GHS (Globally Harmonised System of Classification and Labelling of Chemicals) / CLP (Classification, Labelling and Packaging) regulation. While transporting dangerous goods, Galaxy ensures the use of UN certified packing material and affixation of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

We educate consumer through our Safety Data Sheets (SDS), Questionnaires, Product Brochures, Customer Interactions, and BQ-Flash Booklets.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

We have an online platform for Management of Change wherein communication to customers is activated by the team in case of any changes that would impact our customers. Our Business Creation and Key Account Managers' team takes care of all the key information-flow to customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, we have storage and handling instructions on labels. We display product information like product trade name, gross wt., tare wt. etc. on regular product labels. Galaxy has a dedicated team which conducts customer satisfaction survey once in every two years to understand levels of customer satisfaction with products and services provided by the Company. Technical data sheet and safety data sheet provided for more information as per Globally Harmonized System.

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

Galaxy has no instances of data breaches reported so far. No personally identifiable information of customers is revealed without consent. Information security policy is in place.

b) Percentage of data breaches involving personally identifiable information of customers

As on 31st March, 2022 there is no data breach reported to us.

FINANCIAL STATEMENTS

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Independent Auditor's Report

To The Members of Galaxy Surfactants Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Galaxy Surfactants Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Fair valuation of financial instruments- Investment in Preference shares in subsidiary company (Refer Note 6, sub note (p), (t) of Note 1(B), Note 50 and note 52 to Standalone financial statements of the Company)</p> <p>The Company's investment in preference shares in the subsidiary Company amounting to ₹ 205.64 Crores is considered as a financial asset and is measured at fair value through Profit & loss in accordance with Ind AS 109.</p> <p>In terms of Ind AS 113, Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Management has determined the fair values with the assistance of an external expert (management expert).</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the valuation techniques used by the management for valuation of these financial instruments. We tested the design and operative effectiveness of the controls over valuation of investments including controls over assumptions used by the management's expert. We obtained the fair valuation report of management's expert. We assessed the objectivity and competence of the management's expert. We evaluated the reasonableness of the future cash flows considered by the management in respect of the preference shares. We tested the assumptions used by the management's expert to determine whether these were reasonable and consistently applied. We involved our valuation specialists to assist in our assessment of the fair value of the preference shares.

Sr. No.	Key Audit Matter	Auditor's Response
	The fair value was determined based on the discounted cash flow model. The result of the fair value measurement depends to a large extent on the management's assessment of future cash inflows and the discount rate used, and is therefore subject to significant judgement. Due to the estimation uncertainty of the valuation and due to the fact that changes in assumptions could affect the fair value of the financial assets, this matter was of particular significance in the context of our audit.	<ul style="list-style-type: none"> With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by: <ul style="list-style-type: none"> Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation. Developing a range of independent estimates and comparing those to the discount rate selected by management

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company

shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 1 (under Statement of Changes to Equity) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Kedar Raje

(Partner)

Place: Mumbai

Date: May 17, 2022

(Membership No. 102637)

(UDIN: 22102637AJBZQN5810)

Annexure A To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Galaxy Surfactants Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje

(Partner)

Place: Mumbai
Date: May 17, 2022

(Membership No. 102637)
(UDIN: 22102637AJBZQN5810)

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress, and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the records provided to us, we report that, the title deeds of all the immovable properties of land and buildings (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in progress, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders / custodians.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and credit monitoring arrangement reports filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

	Loans	Guarantees
	(In ₹ Crores)	
A. Aggregate amount granted/provided during the year:		
- Others	0.86	-
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	-	25.26
- Others	0.82	-

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan or advance in the nature of loan granted by the Company which has fallen during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investment made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been delay in respect of remittance of Provident Fund dues.
- There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Statute	Nature of Dues	Amount involved (₹ In Crores)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	4.93*	2006-17	Appellate Tribunal
		0.57	2016-18	Deputy Commissioner
		0.32	2016-18	Commissioner (Appeals)
Finance Act, 1994	Service Tax	1.15	2011-15	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	0.97	2010-11	Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	Value Added Tax/	2.76^	2012-17	Joint Commissioner
	Central Sales Tax	0.47\$	2012-13	Sales Tax Tribunal
Gujarat Value Added Tax Act, 2003	Value Added Tax/ Central Sales Tax	0.12	2016-17	Joint Commissioner
The Custom Act, 1962	Custom Duty	3.06#	2012-13	Commissioner (Appeals)
		0.003	2017-19	Additional Commissioner
		32.97@	2014-21	Appellate Tribunal

* Net of ₹ 0.30 Cr paid under protest

^ Net of ₹ 0.79 Cr paid under protest

\$ Net of ₹ 0.23 Cr paid under protest

Net of ₹ 5.00 Cr paid under protest

@ Net of ₹ 1.08 Cr paid under protest

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) is not applicable.
- (b) Refer clause 3(xvi)(a)
- (c) Refer clause 3(xvi)(a)
- (d) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board

of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet date and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Kedar Raje

(Partner)

Place: Mumbai

Date: May 17, 2022

(Membership No. 102637)

(UDIN: 22102637AJBZQN5810)

Balance Sheet

as at 31st March 2022

₹ Crores

Particulars	Note	2022	2021
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	383.82	358.53
(b) Right of use Asset	3	98.52	99.17
(c) Capital Work-in-Progress	4	178.18	116.20
(d) Other Intangible Assets	5	5.28	5.57
(e) Financial Assets			
(i) Investments	6	208.16	216.71
(ii) Loans	7	0.43	0.29
(iii) Other Financial Assets	8	6.60	5.62
(f) Income Tax Assets (Net)		8.53	8.01
(g) Other Non-Current Assets	9	22.25	28.58
Total Non-Current Assets		911.77	838.68
Current Assets			
(a) Inventories	10	409.46	270.19
(b) Financial Assets			
(i) Trade Receivables	11	474.69	339.55
(ii) Cash and Cash Equivalents	12	8.15	11.93
(iii) Bank Balances other than Cash and Cash Equivalents	12	5.80	12.90
(iv) Loans	7	0.39	0.25
(v) Other Financial Assets	8	7.49	5.96
(c) Other Current Assets	9	61.76	78.10
Total Current Assets		967.74	718.88
Total Assets		1,879.51	1,557.56
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	35.45	35.45
(b) Other Equity	14	1,102.24	981.37
Total Equity		1,137.69	1,016.82
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	62.75	53.02
(ii) Lease Liabilities	16	4.82	4.77
(iii) Other Financial Liabilities	17	0.33	0.35
(b) Provisions	18	7.61	10.08
(c) Deferred Tax Liabilities (Net)	19	29.05	29.32
Total Non-Current Liabilities		104.56	97.54
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	186.72	110.84
(ii) Lease Liabilities	16	3.02	2.66
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	22	13.02	7.51
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	22	405.96	299.03
(iv) Other Financial Liabilities	17	4.29	3.96
(b) Provisions	18	5.28	5.15
(c) Current Tax Liabilities (Net)		2.24	1.21
(d) Other Current Liabilities	20	16.73	12.84
Total Current Liabilities		637.26	443.20
Total Equity And Liabilities		1,879.51	1,557.56

The accompanying notes 1 to 56 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Statement of Profit and Loss

for the year ended 31st March 2022

₹ Crores

Particulars	Note	2021-22	2020-21
Revenue from operations	23	2,628.59	1,830.50
Other Income	24	(1.21)	4.40
Total Income		2,627.38	1,834.90
EXPENSES			
Cost of materials consumed	25	1,999.53	1,247.95
Purchases of Stock-in-trade	26	17.59	10.38
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(67.80)	(50.27)
Employee benefit expenses	28	113.62	105.70
Finance costs	29	7.75	8.37
Depreciation, amortisation and impairment expenses	30	43.75	49.80
Other expenses	31	331.90	223.65
Total Expenses		2,446.34	1,595.58
Profit before exceptional items and tax		181.04	239.32
Exceptional Items		-	-
Profit before tax		181.04	239.32
Tax Expenses			
Current Tax	32	47.83	62.23
Deferred Tax charge / (credit)	32	(0.66)	(0.77)
Total Tax Expenses		47.17	61.46
Profit for the year		133.87	177.86
OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans		1.58	(1.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss	33	(0.40)	0.42
B. (i) Items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		1.18	(1.24)
Total Comprehensive Income for the year		135.05	176.62
Earnings per equity share :			
(Face value ₹ 10 per share)			
Basic (₹)	34	37.76	50.17
Diluted (₹)	34	37.76	50.17

The accompanying notes 1 to 56 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Statement of Changes in Equity

for the year ended 31st March 2022

A) EQUITY SHARE CAPITAL

₹ Crores		
Particulars	2022	2021
Issued and Subscribed :		
Balance at the beginning of the current reporting period	35.45	35.45
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	35.45	35.45
Changes in Equity Share Capital during the current year	-	-
Balance at the end of the current reporting period	35.45	35.45

B) OTHER EQUITY

₹ Crores				
Particulars	Reserves and Surplus			Total Other Equity
	Securities Premium Account	General Reserve	Retained Earnings	
Balance as at 1st April, 2020	0.20	26.38	827.81	854.39
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	0.20	26.38	827.81	854.39
Profit for the year	-	-	177.86	177.86
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	(1.24)	(1.24)
Total Comprehensive Income for the year	-	-	176.62	176.62
Interim Dividend	-	-	(49.64)	(49.64)
Balance as at 31st March, 2021	0.20	26.38	954.79	981.37
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	0.20	26.38	954.79	981.37
Profit for the year	-	-	133.87	133.87
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	1.18	1.18
Total Comprehensive Income for the year	-	-	135.05	135.05
Dividend on Equity Shares	-	-	(14.18)	(14.18)
Balance as at 31st March, 2022	0.20	26.38	1,075.66	1,102.24

Note:

B.1 Details of Dividend proposed:

₹ Crores		
Particulars	2022	2021
Dividend per share (In ₹)	18.00	4.00
Dividend proposed on Equity Shares	63.82	14.18
Total Dividend proposed	63.82	14.18

The Board of Directors of the Company at its meeting held on 17th May 2022 has approved final dividend of ₹ 18 per share (180% of the face value of the equity share of face value of ₹ 10 each) amounting to ₹ 63.82 crores for the year ended 31st March 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on 5th August 2022.

The accompanying notes 1 to 56 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Statement of Cash Flows

for the year ended 31st March 2022

₹ Crores

Particulars	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	133.87	177.86
Adjustments for :		
Income tax expense	47.17	61.46
Finance costs	7.75	8.37
Interest Subvention income	(1.67)	(0.71)
Interest income	(0.56)	(3.14)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	-	(0.03)
Net foreign exchange (gain)/loss	(0.66)	(0.29)
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	1.08	1.35
Depreciation, amortisation and impairment expenses	43.75	49.80
Net loss/(gain) arising on financial assets mandatorily measured at Fair Value through Profit and Loss (Preference shares)	8.24	1.47
Allowance for doubtful debts and advances	0.30	0.35
Liabilities no longer required written back	(0.02)	(0.03)
Provision for diminution in Investments	0.31	-
	105.69	118.60
Operating Profit before Working Capital changes	239.56	296.46
Changes in :		
Trade receivables & Other Assets	(122.61)	(58.45)
Inventories	(139.27)	(68.07)
Trade payables & Other Liabilities	115.88	79.93
	(146.00)	(46.59)
Cash generated from operations	93.56	249.87
Income Taxes Paid (net of refunds)	(47.33)	(66.16)
NET CASHFLOWS FROM / (USED IN) OPERATING ACTIVITIES	46.23	183.71
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	0.90	2.88
Payments for Property, Plant & Equipment and intangible assets	(117.14)	(95.56)
Proceeds from disposal of Property, Plant & Equipment	0.43	0.35
(Increase)/ Decrease in Earmarked balances with banks (net)	0.10	(0.16)
(Increase)/ Decrease in bank deposits not considered as Cash & Cash Equivalents (net)	7.00	(12.00)
NET CASHFLOWS FROM / (USED IN) INVESTING ACTIVITIES	(108.71)	(104.49)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	40.00	-
Repayment of long term borrowings	(31.23)	(52.59)
Proceeds from/(Repayment of) short term borrowings (net)	76.96	31.16
Dividends paid on equity shares	(14.24)	(49.49)
Interest paid	(9.46)	(10.16)
Payment of lease liabilities	(3.36)	(3.10)
NET CASHFLOWS FROM / (USED IN) FINANCING ACTIVITIES	58.67	(84.18)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(3.81)	(4.96)
OPENING CASH AND CASH EQUIVALENTS	11.93	16.91
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.03	(0.02)
CLOSING CASH AND CASH EQUIVALENTS	8.15	11.93

Note:

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

The accompanying notes 1 to 56 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Notes to the Financial Statements

for the year ended 31st March 2022

1. (A) CORPORATE INFORMATION

Galaxy Surfactants Ltd. ("the Company") is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The address of its registered office is C-49/2, TTC Industrial Area, Pawne, Navi Mumbai – 400 703, Maharashtra.

The Company is engaged in manufacturing of surfactants and other specialty ingredients for the personal care and home care industries. The products of the Company find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Standalone financial statements of the Company 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 of the Company for the year ended 31st March 2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th May 2022.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date,

regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116– Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The principal accounting policies are set out below

c) Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains control of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns & goods and service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the

Notes to the Financial Statements

for the year ended 31st March 2022

financial asset to that asset's net carrying amount on initial recognition.

d) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and cost can be measured reliably.

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, Plant and Equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis.

Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Property, Plant and Equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

e) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and Amortisation expense in the Statement of Profit and Loss.

Software

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding ten years commencing from the date of acquisition.

Research & Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

Notes to the Financial Statements

for the year ended 31st March 2022

f) Inventories

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

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value, whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

g) Equity Investments in Subsidiaries

Equity Investments in Subsidiaries are carried individually at cost less accumulated impairment, if any.

h) Leases

The Company as a lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right of use (ROU) Asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The Right of use Asset are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use Asset are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease Liabilities and Right of use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

i) Foreign exchange transactions and translations

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in the Statement of Profit and Loss in the period in which they arise.

Notes to the Financial Statements

for the year ended 31st March 2022

j) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the Statement of Profit and Loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Company are entitled to compensated absences for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

k) Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

m) Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events

where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Company becomes

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for the year ended 31st March 2022

a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through Profit and Loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the

Statement of Profit and Loss. Any gain and loss on derecognition is recognised in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purposes. Upon the application of Ind AS 109, the Company has chosen to designate these investments as at FVTOCI as the Company believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the

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for the year ended 31st March 2022

substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the

risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase

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for the year ended 31st March 2022

in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

q) Dividend Distribution

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts

The Company uses derivative financial instruments such as foreign exchange forward contracts to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is

Notes to the Financial Statements

for the year ended 31st March 2022

available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

t) Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company

determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in the Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

u) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

Notes to the Financial Statements

for the year ended 31st March 2022

2 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) COST						
Balance as at 1 st April 2020	153.78	482.35	18.99	6.20	23.15	684.47
Add : Additions during the year	4.19	27.05	0.92	0.20	3.03	35.39
Less : Disposals / Adjustments during the year	(0.21)	(16.13)	(0.01)	(0.18)	(3.21)	(19.74)
Balance as at 31 st March 2021	157.76	493.27	19.90	6.22	22.97	700.12
Add : Additions during the year	2.95	55.86	1.60	1.52	2.90	64.83
Less : Disposals / Adjustments during the year	(0.13)	(4.17)	(2.43)	(1.47)	(1.88)	(10.08)
Balance as at 31 st March 2022	160.58	544.96	19.07	6.27	23.99	754.87
(II) ACCUMULATED DEPRECIATION						
Balance as at 1 st April 2020	49.11	231.17	14.69	2.85	17.06	314.88
Add : Depreciation expenses for the year	5.96	26.65	1.27	0.61	2.41	36.90
Add : Impairment expenses for the year (Refer Note 2.5)	0.57	6.54	0.09	-	0.02	7.22
Less : Disposals / Adjustments during the year	(0.05)	(13.99)	-*	(0.18)	(3.19)	(17.41)
Balance as at 31 st March 2021	55.59	250.37	16.05	3.28	16.30	341.59
Add : Depreciation expenses for the year	5.79	27.76	1.18	0.67	2.63	38.03
Less : Disposals / Adjustments during the year	(0.03)	(3.21)	(2.38)	(1.08)	(1.87)	(8.57)
Balance as at 31 st March 2022	61.35	274.92	14.85	2.87	17.06	371.05
NET CARRYING AMOUNT (I-II)						
Balance as at 31 st March 2021	102.17	242.90	3.85	2.94	6.67	358.53
Balance as at 31 st March 2022	99.23	270.04	4.22	3.40	6.93	383.82

Notes:

2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -* (2020-21 : ₹ -*)

2.2 The amount of borrowing costs capitalised is ₹ 1.38 Crores (2020-21 : ₹ 0.07 Crores).

₹ Crores

Particulars	2022	2021
Buildings	0.07	0.03
Plant & Equipment	1.31	0.04

2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 2.85 crores (2020-21 : ₹ 0.10 crores) out of which ₹ 1.25 Crores (2020-21 : ₹ Nil) is incurred in current year.

2.4 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

2.5 The Company had provided for impairment of assets at one of its facilities at Tarapur location. The facility was established in 1984 and the civil structures and some of the other assets are nearing its useful life. The Company had identified such assets and had conservatively provided for the same by way of impairment. The operations at the said facility had been suboptimal for the past 2 years and we do not expect the said suspension to have any material impact on the operations of the Company.

*Figures less than ₹ 50,000.

Notes to the Financial Statements

for the year ended 31st March 2022

3 RIGHT OF USE ASSET

₹ Crores			
Particulars	Building	Land	Total
(I) COST			
Balance as at 1 st April 2020	11.39	97.07	108.46
Add : Additions during the year (Refer Note 3.2)	0.39	0.09	0.48
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31 st March 2021	11.78	97.16	108.94
Add : Additions during the year (Refer Note 3.2)	3.19	-	3.19
Less : Disposals / Adjustments during the year	-	-	-
Balance as at 31 st March 2022	14.97	97.16	112.13
(II) ACCUMULATED AMORTISATION			
Balance as at 1 st April 2020	2.58	3.48	6.06
Add : Amortisation expenses for the year	2.65	1.06	3.71
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31 st March 2021	5.23	4.54	9.77
Add : Amortisation expenses for the year	2.78	1.06	3.84
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31 st March 2022	8.01	5.60	13.61
NET CARRYING AMOUNT(I-II)			
Balance as at 31 st March 2021	6.55	92.62	99.17
Balance as at 31 st March 2022	6.96	91.56	98.52

Notes:

- 3.1 The amortisation expenses of Right of use Asset have been included under 'Depreciation, amortisation and impairment expenses' in the Statement of Profit and Loss.
- 3.2 Addition during the year includes modification amounting to ₹ 0.59 Crores (2020-21: ₹ Nil).

4 CAPITAL WORK-IN-PROGRESS

₹ Crores		
Particulars	2022	2021
Capital Work-in-Progress (Refer Note 4.1)	178.18	116.20
Total	178.18	116.20

Notes:

- 4.1 Capital work-in-progress (CWIP) Ageing Schedule:

As at 31st March 2022

₹ Crores					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	107.19	47.07	20.20	3.72	178.18
Projects temporarily suspended	-	-	-	-	-
Total	107.19	47.07	20.20	3.72	178.18

As at 31st March 2021

₹ Crores					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	87.04	25.43	3.73	-	116.20
Projects temporarily suspended	-	-	-	-	-
Total	87.04	25.43	3.73	-	116.20

Notes to the Financial Statements

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4.2 Capital work-in-progress (CWIP) Completion Schedule for Projects that either are overdue or has exceeded its cost compared to its original plan:

As at 31st March 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Efficiency Improvement and Capacity Expansion	145.09	-	-	-	145.09
Total	145.09	-	-	-	145.09

₹ Crores

As at 31st March 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Efficiency Improvement and Capacity Expansion	97.04	-	-	-	97.04
Total	97.04	-	-	-	97.04

₹ Crores

4.3 There are no projects where activity has been suspended permanently in both the years.

5 OTHER INTANGIBLE ASSETS

₹ Crores			
Particulars	Computer Software	Technical Know How	Total
(I) COST			
Balance as at 1 st April 2020	11.57	0.30	11.87
Add : Additions during the year	2.24	-	2.24
Less : Deductions/Adjustments during the year	(0.02)	-	(0.02)
Balance as at 31 st March 2022	13.79	0.30	14.09
Add : Additions during the year	1.59	-	1.59
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31 st March 2022	15.38	0.30	15.68
(II) ACCUMULATED AMORTISATION			
Balance as at 1 st April 2020	6.40	0.17	6.57
Add : Amortisation expenses for the year	1.94	0.03	1.97
Less : Deductions/Adjustments during the year	(0.02)	-	(0.02)
Balance as at 31 st March 2022	8.32	0.20	8.52
Add : Amortisation expenses for the year	1.85	0.03	1.88
Less : Deductions/Adjustments during the year	-	-	-
Balance as at 31 st March 2022	10.17	0.23	10.40
NET CARRYING AMOUNT(I-II)			
Balance as at 31 st March 2021	5.47	0.10	5.57
Balance as at 31 st March 2022	5.21	0.07	5.28

Note:

5.1 The amortisation expenses of other intangible assets have been included under 'Depreciation, amortisation and impairment expenses' in the Statement of Profit and Loss.

Notes to the Financial Statements

for the year ended 31st March 2022

6 NON CURRENT INVESTMENTS

Particulars	Face Value Per Unit	2022		2021	
		Number	₹ Crores	Number	₹ Crores
Investments in Equity Instruments:					
Unquoted (all fully paid unless otherwise specified)					
(A) At Cost					
(i) In Subsidiary Companies					
Equity shares					
Galaxy Chemicals Inc.	US \$ 0.01	12,000	0.46	12,000	0.46
Galaxy Holdings (Mauritius) Ltd.	US \$ 1	5,00,000	2.37	5,00,000	2.37
Investments in Equity Instruments (Total)			2.83		2.83
Less : Provision for diminution in value of Investments (Refer Note 6.1)			(0.31)		-
Investments in Equity Instruments (Net)			2.52		2.83
Investments in Preference Shares:					
Unquoted (all fully paid unless otherwise specified)					
(A) Carried at Fair Value Through Profit & Loss (FVTPL)					
(i) In Subsidiary Companies					
Preference shares					
10% Non Cumulative Redeemable Preference Shares					
Galaxy Holdings (Mauritius) Ltd.	US \$ 1	3,40,50,000	205.64	3,40,50,000	213.88
Investments in Preference Shares (Total)			205.64		213.88
Total Non Current Investments (Net)			208.16		216.71
Other Disclosures					
Aggregate carrying value of unquoted investments			208.16		216.71

Note:

- 6.1 The Board of Directors of the Company have approved winding up of its subsidiary Galaxy Chemical Inc, USA at its meeting held on 24th March 2022. The winding up is subject to approvals by the statutory authorities and relevant compliances. In view of above, provision has been made for diminution in value of Investments after considering the realisation value of assets and settlement of liabilities.

7 LOANS

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost :				
Other Loans (Employees)				
- Unsecured, considered good	0.39	0.43	0.25	0.29
Total	0.39	0.43	0.25	0.29

Notes:

- 7.1 Loans given to employees as per the company's policy are not considered for the purpose of disclosure under section 186 (4) of the Companies act 2013.
- 7.2 The company has not granted any loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

Notes to the Financial Statements

for the year ended 31st March 2022

8 OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost : (Considered Good, unless otherwise stated)				
Security Deposits				
- Unsecured, considered good	0.14	6.58	0.24	5.60
Dues from Related Parties (Refer Note 42)	0.33	-	0.19	-
Advances				
- Considered Good	6.55	-	4.68	-
Interest accrued	0.13	-	0.47	-
Other Financial assets	-	0.02	-	0.02
	7.15	6.60	5.58	5.62
Derivatives Financial instruments not designated as hedging instruments carried at Fair value through Profit and Loss				
Derivative Financial instruments	0.34	-	0.38	-
Total	7.49	6.60	5.96	5.62

9 OTHERS ASSETS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Capital Advances	-	6.72	-	13.84
	-	6.72	-	13.84
Advances other than capital advances				
Balance with government authorities	40.32	15.27	50.37	14.48
Prepaid Expenses	6.93	0.28	3.86	0.29
Other Advances (Refer Note 9.1)				
- Considered Good	8.31	-	13.55	-
	55.56	15.55	67.78	14.77
Less: Allowance for Doubtful Advances	-	(0.02)	-	(0.03)
	55.56	15.53	67.78	14.74
Export Incentives receivable	6.20	-	10.32	-
Total	61.76	22.25	78.10	28.58

Note:

9.1 Other advances mainly include Advances to suppliers, etc.

10 INVENTORIES

₹ Crores

Particulars	2022	2021
Raw Materials [Including in transit of ₹ 78.11 Crores (2020-21 : ₹ 40.26 Crores)]	158.55	95.99
Packing Materials	6.96	5.83
Work-in-Progress	85.43	53.76
Finished Goods	125.22	88.80
Stock-in-Trade [Including in transit of ₹ 1.13 Crores (2020-21 : ₹ 0.26 Crores)]	5.71	6.00
Consumables, Stores and Spares [Including in transit of ₹ -(2020-21 : ₹ 0.56 Cr)]	27.59	19.81
Total	409.46	270.19

Notes to the Financial Statements

for the year ended 31st March 2022

Notes :

10.1 The cost of inventories recognised as an expense during the year was ₹ 2,180.40 Crores (2020-21 : ₹ 1,406.49 Crores).

10.2 The cost of inventories recognised as an expense includes ₹ 0.27 crores (2020-21 : ₹ 2.70 crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 0.59 crores (2020-21 : ₹ 0.47 crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption.

10.3 The company has availed bank facilities which are secured by hypothecation of inventories.

10.4 The mode of valuation of inventories is stated in sub-note (f) of Note 1B.

*Figures less than ₹ 50,000.

11 TRADE RECEIVABLES

₹ Crores		
Particulars	2022	2021
Undisputed		
Unsecured, considered good (Refer Note 11.1)	474.69	339.55
Unsecured, Credit Impaired (Refer Note 11.2)	0.16	0.19
	474.85	339.74
Less : Allowance for expected credit loss (Refer Note 11.2)	(0.16)	(0.19)
Total	474.69	339.55

Notes:

11.1 Includes ₹ 82.02 Crores (2020-21 ₹ 37.32 Crores) receivable from subsidiaries. (Refer Note 42)

11.2 Also refer note 46(B) for disclosure related to Credit risk, Impairment of trade receivable under Expected Credit Loss and related disclosures.

11.3 The company has availed bank facilities which are secured by hypothecation of Trade Receivables.

11.4 Trade receivables Ageing Schedule:

As at 31st March 2022

₹ Crores							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	393.89	80.70	0.03	0.02	0.01	0.04	474.69
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.15	-	0.01	-*	0.16
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivables	393.89	80.70	0.18	0.02	0.02	0.04	474.85
Less : Allowance for expected credit loss	-	-	-	-	-	-	(0.16)
Net Trade Receivables	393.89	80.70	0.18	0.02	0.02	0.04	474.69

Notes to the Financial Statements

for the year ended 31st March 2022

As at 31st March 2022

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	259.34	78.48	1.32	0.15	0.19	0.07	339.55
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	0.13	0.03	-*	0.02	0.01	0.19
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivables	259.34	78.61	1.35	0.15	0.21	0.08	339.74
Less : Allowance for expected credit loss	-	-	-	-	-	-	(0.19)
Net Trade Receivables	259.34	78.61	1.35	0.15	0.21	0.08	339.55

* Figures less than ₹ 50,000.

12 CASH AND BANK BALANCES

₹ Crores

Particulars	2022	2021
Cash and cash equivalents		
Balances with banks		
- On Current Accounts	7.97	6.73
- Fixed Deposits with original maturity 3 months or less than 3 months	-	5.00
	7.97	11.73
Cash on hand	0.18	0.20
Total Cash and cash equivalents	8.15	11.93
Bank balances other than cash and cash equivalents		
Earmarked balances with banks (Refer Note 12.1)	0.80	0.90
Term Deposits	5.00	12.00
Total Other Bank balances	5.80	12.90

Note :

12.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

13 EQUITY SHARE CAPITAL

₹ Crores

Particulars	2022	2021
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)	50.00	50.00
Issued, Subscribed and Paid Up :		
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up.	35.45	35.45
(Previous Year : 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)	35.45	35.45
Total	35.45	35.45

Notes to the Financial Statements

for the year ended 31st March 2022

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

Particulars	2022		2021	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
Issued and Subscribed:				
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Balance as at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

B. Rights, Preferences and Restrictions attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10 per share. The Equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

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

Name of the Shareholder	2022		2021	
	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil# as Partners of M/s Galaxy Chemicals	77,52,850	21.87	77,52,850	21.87
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92
Late Sandhya Patil#	41,06,040	11.58	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,783	6.66	23,62,783	6.66
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20
SBI Mutual Fund	15,10,475	4.26	24,14,587	6.81
	2,58,99,544	73.05	2,68,03,656	75.60

D. Details of shares held by promoters and promoters group at the end of the year:

Name of the Shareholder	2022		2021		% Change during the year
	No. of Shares	% Share holding	No. of Shares	% Share holding	
Promoters:					
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	-
Late Sandhya Patil#	41,06,040	11.58	41,06,040	11.58	-
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56	-
Gopalkrishnan Ramakrishnan	23,62,783	6.66	23,62,783	6.66	-
Promoters group:					
Galaxy Chemicals, Partner Unnathan Shekhar	19,38,550	5.47	19,38,550	5.47	-
Galaxy Chemicals, Partner Gopalkrishnan Ramakrishnan	19,38,100	5.47	19,38,100	5.47	-
Galaxy Chemicals, Partner Shashikant R. Shanbhag	19,38,100	5.47	19,38,100	5.47	-
Galaxy Chemicals, Partner Late Sandhya Patil#	19,38,100	5.47	19,38,100	5.47	-
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20	-
Galaxy Emulsifiers Private Limited	5,43,000	1.53	5,43,000	1.53	-
Lakshmy Shekhar	1,27,400	0.36	1,27,400	0.36	-
Sridhar Unnathan	44,811	0.13	44,544	0.13	0.60

Notes to the Financial Statements

for the year ended 31st March 2022

Name of the Shareholder	2022		2021		% Change during the year
	No. of Shares	% Share holding	No. of Shares	% Share holding	
Anuradha Dayanand Prabhu	12,000	0.03	12,000	0.03	-
Vandana Shashikant Shanbhag	10,000	0.03	10,000	0.03	-
K. Natarajan	6,704	0.02	6,704	0.02	-
Gajanan Nilkant Sinai Amonkar	6,000	0.02	6,000	0.02	-
Saraswathy	3,370	0.01	3,370	0.01	-
Vanita Hiren Kerkar	3,000	0.01	3,000	0.01	-
Sumathi Gopal	3,000	0.01	3,000	0.01	-
Shreekant Shanbhag	20	0.00	20	0.00	-
Lata Nayak	10	0.00	10	0.00	-
	2,51,48,384	70.93	2,51,48,117	70.93	0.00

Mrs. Sandhya Patil expired on 25th April 2019. The shares held by her in her individual capacity as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

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.

14 OTHER EQUITY

Particulars	₹ Crores	
	2022	2021
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Retained Earnings	1,075.66	954.79
Total	1,102.24	981.37

Description of the nature and purpose of reserves in statement of changes in equity

Securities Premium: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

15 NON-CURRENT BORROWINGS

Particulars	₹ Crores	
	2022	2021
Carried at amortised cost :		
Secured :		
Term Loan From Banks (Refer Note 15.1 and 15.2)	62.75	53.02
Total	62.75	53.02

Current maturities in respect of long term borrowings that have been included in Note 21 are as under :

Particulars	₹ Crores	
	2022	2021
Term Loan From Banks	21.40	22.39
Deferral Sales Tax Liability	-	0.08
Total	21.40	22.47

Notes to the Financial Statements

for the year ended 31st March 2022

Notes:

15.1 Term loans from banks are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

15.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ 9.98 Crores (2021: ₹ 21.66 Crores)	PLR - 3.75%	12 Quarterly instalments of ₹2.92 Crores starting from November 2020.
Term Loan ₹ Nil (2021: ₹ 13.75 Crores)	3M MCLR+ Spread	20 Quarterly instalments of ₹1.25 Crores starting from March 2019.
Term Loan ₹ 39.90 Crores (2021: ₹ Nil)	Repo Rate + 2.40%	14 Quarterly instalments of ₹2.86 Crores starting from June 2023.
Term Loan ₹ 34.27 Crores (2021: ₹ 40 Crores)	3M T Bill + 3.1 %	14 Quarterly instalments of 2.86 Crores starting from November 2021.

* PLR - Prime Lending Rate

T Bill - Treasury Bill

MCLR - Marginal Cost of Funds based Lending Rate

15.3 Deferral sales-tax liability denotes interest-free sales tax deferral under 'The Package Schemes of Incentives of 1988 and 1993' formulated by the Government of Maharashtra. Sales tax deferral liability under the 1988 Scheme is repayable after 12 years in 6 annual instalments and in case of 1993 Scheme after 10 years in 5 annual instalments from the initial date of deferment of liability.

16 LEASE LIABILITIES

Particulars	₹ Crores			
	2022		2021	
	Current	Non-Current	Current	Non-Current
Lease Liabilities (Refer Note 16.1)	3.02	4.82	2.66	4.77
Total	3.02	4.82	2.66	4.77

Notes:

16.1 The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

16.2 The following is the movement in lease liabilities during the year :

Particulars	₹ Crores	
	2022	2021
Opening Balance	7.43	9.37
Add : Additions (Refer Note 3.2)	3.19	0.39
Add : Finance cost accrued during the period	0.58	0.77
Less : Deletions	-	-
Less : Payment of lease liabilities	(3.36)	(3.10)
Closing Balance	7.84	7.43

Notes to the Financial Statements

for the year ended 31st March 2022

17 OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Carried at amortised cost:				
Interest accrued on borrowings	0.51	-	0.35	-
Unclaimed dividends (Refer Note 17.1)	0.80	-	0.86	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 17.2)	-	-	-	-
Security Deposits	-	0.33	-	0.35
Other liabilities (Refer Note 17.3)	2.98	-	2.75	-
Total	4.29	0.33	3.96	0.35

Notes :

17.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

17.2 Unclaimed matured deposits and interest accrued thereon (current) is less than ₹ 50,000.

17.3 Other liabilities mainly include creditors for capital goods, etc.

18 PROVISIONS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Provision for Employee Benefits				
Compensated absences	1.46	5.78	1.82	5.80
Gratuity	3.82	1.83	3.33	4.28
Total	5.28	7.61	5.15	10.08

19 DEFERRED TAX LIABILITIES (NET)

₹ Crores

Particulars	2022	2021
Deferred Tax Liabilities (Refer Note 19.1)	29.05	29.32
Total	29.05	29.32

Note:

19.1 Movement in Deferred Tax Liabilities:

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) as at 1st April 2020	29.95	(4.28)	4.84	30.51
Charge/ (credit) to Statement of Profit and Loss	(1.71)	0.97	(0.03)	(0.77)
Charge/ (credit) to OCI	-	(0.42)	-	(0.42)
Deferred tax liabilities/ (assets) as at 31st March 2021	28.24	(3.73)	4.81	29.32
Charge/ (credit) to Statement of Profit and Loss	1.05	0.19	(1.90)	(0.66)
Charge/ (credit) to OCI	(0.01)	0.40	-	0.39
Deferred tax liabilities/ (assets) as at 31st March 2022	29.28	(3.14)	2.91	29.05

Notes to the Financial Statements

for the year ended 31st March 2022

20 OTHER LIABILITIES

Particulars	₹ Crores			
	2022		2021	
	Current	Non-Current	Current	Non-Current
Advances received from customers	10.77	-	5.60	-
Others (Refer Note 20.1)	5.96	-	7.24	-
Total	16.73	-	12.84	-

Note:

20.1 Others mainly include government dues and taxes payable, salary deductions payable, etc.

21 CURRENT BORROWINGS

Particulars	2022		2021	
	₹ Crores		₹ Crores	
Secured (Carried at amortised cost) :				
Packing credit loan from banks (Refer Note 21.1 & 21.2)	165.32		88.37	
Current maturities of long-term debt (Refer Note 15.1 & 15.2)	21.40		22.39	
Unsecured (Carried at amortised cost) :				
Current maturities of Deferral Sales Tax Liability (Refer Note 15.3)	-		0.08	
Total	186.72		110.84	

Notes :

21.1 Packing credit loan from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future.

21.2 Rate of Interest for loans ranges from 1.50% p.a. to 8.10% p.a.

22 TRADE PAYABLES

Particulars	2022		2021	
	₹ Crores		₹ Crores	
Carried at amortised cost				
Trade payable - Micro and Small Enterprises (Refer Note 22.1)	13.02		7.51	
Trade payable - Other than Micro and Small Enterprises (Refer Note 22.2)	405.96		299.03	
Total	418.98		306.54	

Notes :

22.1 The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2022.

22.2 Trade payable - Other than Micro and Small Enterprises includes payable to subsidiary company ₹ 3.47 Crores (2020-21 ₹ 2.00 Crores). (Refer Note 42)

Notes to the Financial Statements

for the year ended 31st March 2022

22.3 Relationship with struck off companies:

As at 31st March 2022

₹ Crores

Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at 31 st March 2022	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Payables	0.09	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	(0.01)	Vendor

As at 31st March 2021

₹ Crores

Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at 31 st March 2021	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Payables	0.19	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	-	Vendor

22.4 Trade payables Ageing Schedule:

As at 31st March 2022

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of Micro Enterprises and Small Enterprises	11.88	1.09	0.05	-	-	13.02
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	385.76	19.77	0.16	0.10	0.17	405.96
Disputed dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Disputed dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	397.64	20.86	0.21	0.10	0.17	418.98

As at 31st March 2021

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of Micro Enterprises and Small Enterprises	6.58	0.93	-	-*	-	7.51
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	278.84	19.33	0.54	0.21	0.11	299.03
Disputed dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Disputed dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	285.42	20.26	0.54	0.21	0.11	306.54

* Figures less than ₹ 50,000.

Notes to the Financial Statements

for the year ended 31st March 2022

23 REVENUE FROM OPERATIONS

	₹ Crores	
Particulars	2021-22	2020-21
Revenue from contracts with customers		
Sale of products (Refer Note 23.2)	2,615.37	1,816.62
Other operating revenue		
Scrap Sales	2.32	2.06
Government Grant and Incentives (including export benefits)	10.90	11.82
Total	2,628.59	1,830.50

Notes:

23.1 Refer note 37 for geography wise revenue from contracts with customers.

23.2 Sale of products includes sale to step down subsidiary companies ₹ 446.43 Crores (2020-21 ₹ 264.35 Crores). (Refer Note 42)

24 OTHER INCOME

	₹ Crores	
Particulars	2021-22	2020-21
Interest Income		
On Financial Assets at amortised cost (Refer Note 24.1)	0.52	1.06
On Non Financial Assets	0.04	2.08
Other Non - Operating Income		
Profit / (Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.08)	(1.35)
Liabilities no longer required written back	0.02	0.03
Foreign exchange differences (Net)	0.61	0.82
Commission received (Refer Note 24.2)	0.21	0.26
Others (Refer Note 24.3)	6.71	2.97
Other gains and losses		
Net gain/(loss) arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	(8.24)	(1.47)
Total	(1.21)	4.40

Notes :

24.1 Includes ₹ 0.22 Crores (2020-21 : ₹ 0.09 Crores) interest on overdue receivable from step down subsidiary companies. (Refer Note 42)

24.2 Includes ₹ 0.21 Crores (2020-21 : ₹ 0.26 Crores) guarantee commission received from step down subsidiary companies. (Refer Note 42)

24.3 Others include insurance claim received, interest subvention, etc.

25 COST OF MATERIALS CONSUMED

	₹ Crores	
Particulars	2021-22	2020-21
Raw materials	1,928.11	1,188.34
Packing materials	71.42	59.61
Total	1,999.53	1,247.95

Notes to the Financial Statements

for the year ended 31st March 2022

26 PURCHASE OF STOCK-IN-TRADE

₹ Crores		
Particulars	2021-22	2020-21
Purchase of Stock-in-trade	17.59	10.38
Total	17.59	10.38

27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Crores		
Particulars	2021-22	2020-21
Opening Stock		
Finished goods	88.80	50.66
Work-in-progress	53.76	41.10
Stock-in-trade	6.00	6.53
	148.56	98.29
Less: Closing Stock		
Finished goods	(125.22)	(88.80)
Work-in-progress	(85.43)	(53.76)
Stock-in-trade	(5.71)	(6.00)
	(216.36)	(148.56)
Net (increase) / decrease in inventory	(67.80)	(50.27)

28 EMPLOYEE BENEFIT EXPENSES

₹ Crores		
Particulars	2021-22	2020-21
Salaries and wages, including bonus	97.31	93.00
Contribution to provident and other funds	8.16	7.17
Workmen and staff welfare expenses	8.15	5.53
Total	113.62	105.70

29 FINANCE COSTS

₹ Crores		
Particulars	2021-22	2020-21
Interest expense	6.60	7.32
Other borrowing cost (Refer Note 29.2)	1.15	1.05
Total	7.75	8.37

Notes:

29.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.39% (2020-21 : 5.96%).

29.2 Finance Cost during current year includes interest on lease liabilities amounting to ₹ 0.58 Crores (2020-21 : ₹ 0.77 Crores).

30 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

₹ Crores		
Particulars	2021-22	2020-21
Depreciation on Property, Plant and Equipment	38.03	36.90
Amortisation of Other Intangible Assets	1.88	1.97
Amortisation of Right to use Asset	3.84	3.71
Impairment of Property, Plant and Equipment (Refer Note 2.5)	-	7.22
Total	43.75	49.80

Notes to the Financial Statements

for the year ended 31st March 2022

31 OTHER EXPENSES

		₹ Crores
Particulars	2021-22	2020-21
Power and fuel	52.58	42.47
Water charges	1.20	1.14
Repairs and maintenance	15.42	15.23
Consumption of stores, spares & consumables	16.64	12.39
Rates and taxes	2.50	1.77
Insurance	8.85	7.61
Freight and forwarding	170.53	84.87
Travelling and conveyance	8.60	6.41
Discount and commission on sales	0.96	1.42
Bad Debts and allowance for Doubtful Debts	0.30	0.35
Royalty	0.16	0.18
"REACH" registration expenses (Net)	0.07	0.29
CSR expenditure (Refer Note 39)	4.69	4.10
Donations	0.06	0.03
Directors' sitting fees	0.59	0.61
Commission to non-executive directors	0.80	0.72
Rent (including storage charges)	1.99	2.26
Legal and professional fees (Refer Note 31.1)	14.69	15.97
Miscellaneous expenses	31.27	25.83
Total	331.90	223.65

Note :

31.1 Legal & Professional fees include:

(a) Amounts paid/payable to Statutory Auditors :

		₹ Crores
Particulars	2021-22	2020-21
Audit fees	0.82	0.70
Certification Charges	0.05	0.05
Other services	0.08	0.18
Out of pocket expenses	0.03	0.03
Total	0.98	0.96

(b) Amounts paid/payable to Cost Auditors :

		₹ Crores
Particulars	2021-22	2020-21
Audit fees	0.05	0.05
Out of pocket expenses	-	-
Total	0.05	0.05

Notes to the Financial Statements

for the year ended 31st March 2022

32 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

	₹ Crores	
Particulars	2021-22	2020-21
Current Tax:		
In respect of current year	47.76	62.19
In respect of prior years	0.07	0.04
	47.83	62.23
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(0.60)	(0.77)
In respect of prior years	(0.06)	-
	(0.66)	(0.77)
Total income tax expenses	47.17	61.46

33 INCOME TAX (RECOGNISED)/CREDITED IN OTHER COMPREHENSIVE INCOME

	₹ Crores	
Particulars	2021-22	2020-21
Deferred tax related to items (recognised)/credited in Other Comprehensive Income:		
Remeasurement of defined benefit obligations	(0.40)	0.42
Total	(0.40)	0.42
Classification of income tax (recognised)/credited in Other Comprehensive Income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.40)	0.42
Total	(0.40)	0.42

34 EARNINGS PER SHARE (EPS)

Particulars	2021-22	2020-21
Profit for the year (₹ Crores)	133.87	177.86
Weighted average number of Ordinary (Equity) Shares used in computing basic & diluted EPS	3,54,54,752	3,54,54,752
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	37.76	50.17

35 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSES AT TAX RATE TO INCOME TAX EXPENSES REPORTED IN STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

	₹ Crores	
Particulars	2021-22	2020-21
Profit before tax	181.04	239.32
Applicable Income tax rate	25.17%	25.17%
Expected income tax expenses	45.56	60.23
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses:		
- Effect of expenses/provision not deductible in determining taxable profit	1.20	1.04
- Impact on account of prior years taxation	0.01	0.04
- Impact on account of differential Tax Rate on investments	0.16	(0.03)
- Other Differences	0.24	0.18
Reported income tax expenses	47.17	61.46

Notes to the Financial Statements

for the year ended 31st March 2022

36 THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

₹ Crores			
Assessment Year	2022	2021	Available Up to A.Y.
2016-17	3.99	3.99	2024-25
2020-21	12.32	12.32	2028-29

37 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segments is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

₹ Crores						
Particulars	2022			2021		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	1,311.27	1,304.10	2,615.37	907.75	908.87	1,816.62
Non Current Assets*	696.58	-	696.58	616.06	-	616.06

* includes property plant and equipment, right of use asset, other intangible assets, capital work-in-progress, income tax assets (net) and other non-current assets.

Information about major customers

During the year ended 31st March 2022 and 31st March 2021 respectively, revenue from transaction with a single external customer did not amount to 10% or more of the company's revenue from external customers.

38 DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 14.54 Crores (2020-21 : ₹ 13.00 Crores) debited to the Statement of Profit and Loss.

39 DETAILS OF CSR EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financials years on corporate social responsibility (CSR) activities. The area for CSR activities are promoting healthcare including preventive healthcare; Promoting education, including special education and employment enhancing vocational skills among children, women, elderly, and the differently abled and livelihood enhancement projects; Rural development projects; Ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; Animal welfare; Empowering women; Disaster management, including relief (COVID 19 relief work). A CSR committee has been formed by the company as per the Act.

₹ Crores		
Particulars	2021-22	2020-21
(a) Amount required to be spent by the company during the year	4.64	4.07
(b) Amount of expenditure incurred	4.69	4.10
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	N.A.	N.A.

Notes to the Financial Statements

for the year ended 31st March 2022

₹ Crores

Particulars	2021-22	2020-21
(f) Nature of CSR activities	Promoting healthcare including preventive healthcare; Promoting education, including special education and employment enhancing vocational skills among children, women, elderly, and the differently abled and livelihood enhancement projects; Rural development projects; Ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; Animal welfare; Empowering women; Disaster management, including relief (COVID 19 relief work)	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	N.A.	N.A.
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	~*	0.09

There is no unspent amount to be deposited in specified fund of Schedule VII under section 135(5) of the Companies Act, 2013 in both the years.

*Figures less than ₹ 50,000.

40 CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

₹ Crores

Particulars	2021-22	2020-21
(a) Corporate guarantees given to bank in connection with borrowings by subsidiary company	25.26	36.55
(b) Claims against the Company not acknowledged as debts comprise of claims disputed by the Company relating to issues of applicability, classification, deductibility, etc. (Refer Note below)		
- Excise duty & Service tax	7.27	5.58
- Income tax	0.97	0.97
- Sales tax	5.09	6.41
- Custom duty	42.11	8.16

Note :

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipment (net of advances) and not provided for ₹ 43.79 Crores (2020-2021: ₹ 28.24 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 0.48 Crores (2020-2021: ₹ 0.77 Crores).

Notes to the Financial Statements

for the year ended 31st March 2022

41 DISCLOSURE PURSUANT TO SECTION 186 (4) OF THE COMPANIES ACT, 2013

a. Investments made

The same are classified under respective heads. Refer Note 6.

b. Guarantees/Securities given

The same are classified under respective heads for purposes of guarantees given for loan availments from banks by subsidiaries/ associate Companies. Refer Note 42.

c. Loans given

There are no inter corporate loans given.

42 RELATED PARTY DISCLOSURES :

(a) Related parties where control exists :

Subsidiaries :

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Galaxy Chemicals Inc.	4	Rainbow Holdings GmbH
2	Galaxy Holdings (Mauritius) Limited	5	Tri-K Industries Inc.
3	Galaxy Chemicals (Egypt) S.A.E.		

(b) Other parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmi Shekhar
		Son	Mr. Karthik Shekhar
		Daughter	Ms. Nandini Shekhar
		Brother	Mr. Shridhar Unnathan
2	Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife	Mrs. Parvathy Natarajan
		Daughter	Ms. Pavithra Natarajan
		Daughter	Ms. Namrata Natarajan
3	Mr. K. Ganesh Kamath Executive Director (Finance) & Chief Financial Officer		
4	Mr. V. Kulkarni (w.e.f. 16 th October 2021) Whole Time Director	Wife	Mrs. Bhagyashree V. Kulkarni
		Son	Mr. Shaunak V. Kulkarni
		Son	Mr. Chinmay V. Kulkarni

(ii) Enterprise over which KMP is able to exercise significant influence :

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Galaxy Emulsifiers Private Limited	5	Galaxy Estates & Holdings [Partnership Firm]
2	Galaxy Finsec Private Limited	6	Galaxy Investments [Partnership Firm]
3	Osmania Traders Private Limited	7	Shubh Estates & Properties [Partnership Firm]
4	Galaxy Chemicals [Partnership Firm]		

Notes to the Financial Statements

for the year ended 31st March 2022

(c) The related party transactions are as under :

₹ Crores

Sr. No.	Nature of Transactions	Subsidiary Company	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
			2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	PURCHASES :							
	Goods							
	Galaxy Chemicals (Egypt) S.A.E.	6.72	3.81	-	-	-	-	-
	TRI-K Industries Inc.	4.08	3.19	-	-	-	-	-
2	SALES :							
	Goods							
	Galaxy Chemicals (Egypt) S.A.E.	212.84	157.93	-	-	-	-	-
	TRI-K Industries Inc.	233.59	106.42	-	-	-	-	-
3	MANAGERIAL REMUNERATION : (Refer Note 42.1)							
	U. Shekhar							
	Short-term employee benefits	-	-	-	-	1.94	-*	-
	Other Long-term employee benefits	-	-	-	-	-	0.40	-
	K. Natarajan							
	Short-term employee benefits	-	-	-	-	1.94	1.77	-
	Other Long-term employee benefits	-	-	-	-	-	0.54	-
	K. Ganesh Kamath							
	Short-term employee benefits	-	-	-	-	1.95	2.90	-
	Other Long-term employee benefits	-	-	-	-	-	0.57	-
	V. Kulkarni (w.e.f. 16th October 2021)							
	Short-term employee benefits	-	-	-	-	0.85	-	-
4	FINANCE :							
	Interest Income							
	Galaxy Chemicals (Egypt) S.A.E.	0.07	0.09	-	-	-	-	-
	TRI-K Industries Inc.	0.15	-	-	-	-	-	-
5	DIVIDENDS DISTRIBUTED :							
	Galaxy Chemicals	-	-	3.10	10.85	-	-	-
	Galaxy Emulsifiers Pvt. Ltd.	-	-	0.22	0.76	-	-	-
	U. Shekhar	-	-	-	-	1.69	5.92	-
	K. Natarajan	-	-	-	-	-*	0.01	-
	K. Ganesh Kamath	-	-	-	-	0.01	0.03	-
	V. Kulkarni	-	-	-	-	0.01	0.04	-
	Lakshmi Shekhar	-	-	-	-	-	-	0.05
	Shridhar Unnathan	-	-	-	-	-	-	0.06
6	OTHER TRANSACTIONS :							
	Guarantee Commission (Other Income)							
	Galaxy Chemicals (Egypt) S.A.E.	0.21	0.26	-	-	-	-	-
	Other Expenses							
	Galaxy Chemicals (Egypt) S.A.E.	0.11	-	-	-	-	-	-
	TRI-K Industries Inc.	0.15	0.03	-	-	-	-	-
	Reimbursements received/ Receivable from parties							
	Galaxy Chemicals (Egypt) S.A.E.	0.01	0.10	-	-	-	-	-
	TRI-K Industries Inc.	0.03	0.05	-	-	-	-	-

Notes to the Financial Statements

for the year ended 31st March 2022

₹ Crores

Sr. No.	Nature of Transactions	Subsidiary Company	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
			2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
7	OUTSTANDINGS :							
	Payables							
	Galaxy Chemicals (Egypt) S.A.E.	0.71	0.51	-	-	-	-	-
	TRI-K Industries Inc.	2.76	1.49	-	-	-	-	-
	Receivables							
	Galaxy Chemicals (Egypt) S.A.E.	42.45	30.33	-	-	-	-	-
	TRI-K Industries Inc.	39.57	6.99	-	-	-	-	-
	Investments							
	Galaxy Chemicals Inc. (Equity Share)	0.15	0.46	-	-	-	-	-
	Galaxy Holdings (Mauritius) Ltd (Equity Share)	2.37	2.37	-	-	-	-	-
	Galaxy Holdings (Mauritius) Ltd (Preference Share at Fair value)	205.64	213.88	-	-	-	-	-
	Loans and Advances							
	Galaxy Chemicals (Egypt) S.A.E.	0.18	0.09	-	-	-	-	-
	TRI-K Industries Inc.	0.15	0.10	-	-	-	-	-
8	GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES							
	Galaxy Chemicals (Egypt) S.A.E.	25.26	36.55	-	-	-	-	-

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note :

42.1 As the liabilities for defined benefit plans are provided on the basis of report of actuary for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

*Figures less than ₹ 50,000.

43 EMPLOYEE BENEFITS

a. Defined contribution plan

The Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Company has recognised ₹ 5.84 Crores (2020-21 : ₹ 5.14 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability and will decrease the return on the plan's assets.

Notes to the Financial Statements

for the year ended 31st March 2022

Salary risk

The present value of the Gratuity liability is calculated by reference to the estimated future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

₹ Crores

Particulars	As at 31 st March Funded Plan Gratuity	
	2022	2021
I Expense recognised in the Statement of Profit and Loss for the year		
1 Current service cost	1.80	1.62
2 Interest cost on benefit obligation (net)	0.52	0.41
3 Net value of remeasurements on the obligation and plan assets	-	-
4 Past service cost and loss/(gain) on curtailments and settlement	-	-
5 Total expenses included in employee benefits expenses	2.32	2.03
II Recognised in other comprehensive income for the year		
1 Actuarial (gains)/ losses arising from changes in financial assumption	(0.87)	(0.04)
2 Actuarial (gains)/ losses arising from changes in experience adjustment	(0.45)	1.45
3 Actuarial (gains)/ losses arising from changes in demographic adjustment	0.01	-
4 Return on plan asset	(0.26)	0.25
5 Recognised in other comprehensive income	(1.57)	1.66
III Change in the present value of defined benefit obligation		
1 Present value of defined benefit obligation at the beginning of the year	27.93	24.02
2 Current service cost	1.80	1.62
3 Interest cost/(income)	1.91	1.64
4 Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	0.01	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(0.87)	(0.04)
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	(0.45)	1.45
5 Past Service cost	-	-
6 Benefits paid	(1.13)	(0.76)
7 Liabilities assumed/(settled)	-	-
8 Present value of defined benefit obligation at the end of the year	29.20	27.93
IV Change in fair value of plan assets during the year		
1 Fair value of plan assets at the beginning of the year	20.32	17.96
2 Interest income	1.39	1.23
3 Contribution by employer	2.71	2.14
4 Benefits paid	(1.13)	(0.76)
5 Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6 Return on plan assets excluding interest income	0.26	(0.25)
7 Fair value of plan assets at the closing of the year	23.55	20.32

Notes to the Financial Statements

for the year ended 31st March 2022

₹ Crores

Particulars	As at 31 st March	
	Funded Plan	Gratuity
	2022	2021
V Net Asset/(Liability) recognised in the Balance Sheet as at		
1 Present value of defined benefit obligation as at 31 st March	29.20	27.93
2 Fair value of plan assets as at 31 st March	23.55	20.32
3 Surplus/(Deficit)	(5.65)	(7.61)
4 Current portion of the above	3.82	3.33
5 Non current portion of the above	1.83	4.28
VI Actuarial assumptions		
1 Discount rate	7.23%	6.85%
2 Attrition rate	Between 15% to 4% based on service of employee	Between 15% to 4% based on service of employee
3 Average salary escalation rate	7.50%	7.50%
4 Mortality table used	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
VII Major Category of Plan Assets as a % of the Total Plan Assets		
1 Insurer managed funds*	100%	100%
*In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII The expected contributions to the plan for the next annual reporting period	3.82	3.33
IX Quantitative sensitivity analysis for significant assumption is as below		
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.		
1. Discount rate varied by +1%	27.12	25.86
2. Discount rate varied by -1%	31.61	30.28
3. Salary growth rate varied by +1%	31.58	30.24
4. Salary growth rate varied by -1%	27.11	25.86
5. Withdrawal rate (W.R.) varied by + 1%	29.13	27.79
6. Withdrawal rate (W.R.) varied by - 1%	29.28	28.05
X Maturity profile of defined benefit obligation		
1. Year 1	3.18	1.99
2. Year 2	1.97	2.68
3. Year 3	3.72	2.22
4. Year 4	2.18	3.63
5. Year 5	2.35	2.09
6. Years 6-10	12.50	11.52
7. 11 Years and above	34.90	32.06

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and loss (Refer Note 28). The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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for the year ended 31st March 2022

44 CAPITAL MANAGEMENT

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

₹ Crores		
Particulars	2022	2021
Short term debt	165.32	88.37
Long term debt	84.15	75.49
Total	249.47	163.86
Equity	1,137.69	1,016.82
Long term debt to equity	0.07	0.07
Total debt to equity	0.22	0.16

45 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ Crores		
Particulars	2022	2021
A) Financial Assets		
a) Measured at amortised cost		
i) Cash and Cash Equivalents	8.15	11.93
ii) Bank Balances other than Cash and Cash Equivalents	5.80	12.90
iii) Investment in Equity Shares	2.52	2.83
iv) Loans	0.82	0.54
v) Trade Receivables	474.69	339.55
vi) Other Financial Assets	13.75	11.20
Sub-Total	505.73	378.95
b) Measured at Fair value through Profit and Loss		
i) Investment in Preference Shares	205.64	213.88
Sub-Total	205.64	213.88
c) Derivatives measured at fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	0.34	0.38
Sub-Total	0.34	0.38
Total Financial Assets	711.71	593.21
B) Financial Liabilities		
a) Measured at amortised cost		
i) Non-current Borrowings	62.75	53.02
ii) Current Borrowings	186.72	110.84
iii) Lease Liabilities	7.84	7.43
iv) Trade Payables	418.98	306.54
v) Other Financial Liabilities	4.62	4.31
Total Financial Liabilities	680.91	482.14

Notes to the Financial Statements

for the year ended 31st March 2022

46 FINANCIAL RISK MANAGEMENT FRAMEWORK

The company has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Company's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk.

A) Market Risk

The Company's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below.

a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive cost of funding.

b) Commodity Risk

The company is exposed to the price risk associated with purchasing of the raw materials. The company typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Company's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the company. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

c) Currency Risk

The Company is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain of our raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent, the company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the company's foreign currency exposure at the end of the reporting period are as follows

						In Crores
Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2022						
Borrowings	(0.96)	(73.04)	(0.22)	(18.25)	-	(91.29)
Trade Receivables & Other Financial Assets	3.35	253.88	0.33	27.78	0.11	281.77
Trade Payables & Other Financial Liabilities	(2.55)	(192.97)	-	(0.39)	(0.02)	(193.38)
Total	(0.16)	(12.13)	0.11	9.14	0.09	(2.90)
As at 31st March 2021						
Borrowings	(0.04)	(3.27)	(0.03)	(2.36)	-	(5.63)
Trade Receivables & Other Financial Assets	2.25	164.34	0.15	12.89	0.07	177.30
Trade Payables & Other Financial Liabilities	(2.12)	(155.12)	(0.01)	(1.00)	-	(156.12)
Total	0.09	5.95	0.11	9.53	0.07	15.55

Notes to the Financial Statements

for the year ended 31st March 2022

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date are as follows.

						In Crores
Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31 st March 2022						
Borrowings	(0.96)	(73.04)	(0.22)	(18.25)	-	(91.29)
Trade Receivables & Other Financial Assets	2.57	195.15	0.19	15.99	0.11	211.25
Trade Payables & Other Financial Liabilities	(2.50)	(189.18)	-	(0.39)	(0.02)	(189.59)
Total	(0.89)	(67.07)	(0.03)	(2.65)	0.09	(69.63)
As at 31 st March 2021						
Borrowings	(0.04)	(3.27)	(0.03)	(2.36)	-	(5.63)
Trade Receivables & Other Financial Assets	1.43	104.46	0.05	4.31	0.07	108.84
Trade Payables & Other Financial Liabilities	(2.12)	(155.12)	(0.01)	(1.00)	-	(156.12)
Total	(0.73)	(53.93)	0.01	0.95	0.07	(52.91)

B) Credit Risk Management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. The Company's customer base majorly has creditworthy counterparties which limits the credit risk. The company's exposures are continuously monitored and wherever necessary we take advances/LC's to minimise the risk.

a) Trade Receivables and Advances

The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the company has evaluated that there is no provision required under expected credit loss model. Further, the company reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of expected credit loss allowance for Trade Receivables

Particulars	₹ Crores Year Ended 31 st March	
	2022	2021
Balance as at beginning of the year	0.19	0.16
Additions during the year	-	0.19
Amounts reversed/written off during the year	(0.03)	(0.16)
Balance at end of the year	0.16	0.19

b) Other Financials Assets

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

C) Liquidity Risk

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Notes to the Financial Statements

for the year ended 31st March 2022

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March 2022					
Short Term Borrowings	165.32	165.32	-	-	-
Long Term Borrowings	84.15	21.40	45.62	17.13	-
Lease Liabilities	7.84	3.02	3.35	1.47	-
Trade Payables	418.98	418.98	-	-	-
Other Financial Liabilities	4.62	4.29	-	-	0.33
Total	680.91	613.01	48.97	18.60	0.33
As at 31st March 2021					
Deferral Sales Tax Liability	0.08	0.08	-	-	-
Short Term Borrowings	88.37	88.37	-	-	-
Long Term Borrowings	75.41	22.39	41.59	11.43	-
Lease Liabilities	7.43	2.66	4.77	-	-
Trade Payables	306.54	306.54	-	-	-
Other Financial Liabilities	4.31	3.96	-	-	0.35
Total	482.14	424.00	46.36	11.43	0.35

47 SENSITIVITY ANALYSIS

(A) Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March 2022	USD	+1%	(0.67)	-
	EUR	+1%	(0.03)	-
Year ended 31st March 2021	USD	+1%	(0.54)	-
	EUR	+1%	0.01	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(B) Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both long term & short term borrowings.

The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March 2022	INR	+25 bps	(0.35)	-
Year ended 31st March 2021	INR	+25 bps	(0.24)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

Notes to the Financial Statements

for the year ended 31st March 2022

48 OFFSETTING OF BALANCES

The Company has not offset financial assets and financial liabilities.

49 COLLATERALS

The Company has borrowings which are secured by hypothecation of current assets, mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

50 FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

The fair value of the unquoted preference shares has been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted preference share investments. The Company engages external, independent and qualified valuers to determine the fair value of the preference shares investment.

There were no transfers between Level 1 and Level 2 during the year.

₹ Crores

Financial Instruments regularly measured using Fair Value - recurring Items							Applicable for Level 2 and Level 3 hierarchy	For Level 3 hierarchy valuation	
Particulars	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs	Significant unobservable input(s) for level 3 hierarchy	Relationship of unobservable inputs to fair value and sensitivity
	Financial assets/ financial liabilities	Category	2022	2021					
1) Derivatives - foreign exchange forward contracts	Financial assets	Financial instruments measured at FVTPL	0.34	0.38	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.	-	-
	Financial Liabilities		-	-					
2) Investment in Preference shares-unquoted	Financial Assets	Financial instruments mandatorily required to be measured at FVTPL	205.64	213.88	Level 3	Discounted Cash Flow	Future cashflow at a discount rate derived by considering 3 factors i.e. yield to maturity, hedging cost and country specific risk.	Future Cashflow and discounting rate	Any increase/ decrease in discount rates by 0.5% will result in ~2% decrease/ increase in the preference shares value. Any change (increase/ decrease) in the future cash-flows would entail corresponding change in the preference shares value.

Notes to the Financial Statements

for the year ended 31st March 2022

51 FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTISED COST

₹ Crores		
Particulars	Carrying Value	Fair value (Level 2)
As at 31st March 2022		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	-	-
Total	-	-
As at 31st March 2021		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	0.08	0.08
Total	0.08	0.08

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

52 RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

₹ Crores	
Particulars	Investment in Preference shares- unquoted
Opening balance as on 1st April 2020	215.35
Total fair value recognised:	
– in profit and loss under other income	(1.47)
Closing balance as on 31st March 2021	213.88
Opening balance as on 1st April 2021	213.88
Total incomes/ gains or losses recognised:	
– in profit and loss under other income	(8.24)
Closing balance as on 31st March 2022	205.64

53 RATIOS

The following are the ratios for the year ended 31st March 2022 and 31st March 2021:

Ratio	Numerator	Denominator	2022	2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.52	1.62	(6.38%)	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.22	0.16	36.07%	Due to increase in short term borrowings during current year
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	4.23	3.61	17.41%	
Return on Equity Ratio (%)	Net Profits after taxes	Average Shareholder's Equity	12.43%	18.66%	(33.39%)	Due to lower profitability
Inventory Turnover Ratio	Sale of Products	Average Inventory	7.70	7.69	0.05%	
Trade Receivables Turnover Ratio	Net credit Sales	Average Accounts Receivable	6.46	5.97	8.22%	
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	5.74	4.77	20.34%	
Net Capital Turnover Ratio	Net Sales	Working Capital	7.95	6.64	19.79%	
Net Profit Ratio (%)	Net Profit	Net Sales	5.09%	9.72%	(47.59%)	Due to lower profitability and higher raw material prices driving sales value
Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	14.38%	21.35%	(32.67%)	Due to lower profitability
Return on investment (%)	-	-	-	-	-	NA

Notes to the Financial Statements

for the year ended 31st March 2022

54 OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

55 IND-AS YET TO BE NOTIFIED

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer.

Notes to the Financial Statements

for the year ended 31st March 2022

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company does not expect the above amendments to have any significant impact in its standalone financial statements.

56 The figures for the previous year have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board

U. SHEKHAR

Managing Director
DIN: 00265017

K. NATARAJAN

Executive Director & COO
DIN: 07626680

K. GANESH KAMATH

Executive Director
Finance & CFO
DIN: 07767220

N. KETKAR

Company Secretary

Place: Navi Mumbai

Date : 17th May 2022

Independent Auditor's Report

To The Members of Galaxy Surfactants Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Galaxy Surfactants Limited ("the Parent") and its subsidiaries, (the Parent its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries referred to in the Other Matters Section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures to Director's Report, Management Discussion and Analysis Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements/ financial information of 4 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 865.39 crores as at March 31, 2022 total revenues of ₹ 1,049.08 crores and net cash inflows amounting to ₹ 6.30 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid

consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2022 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) the Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

iv) (a) The Management of the Parent has represented that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management of the Parent has represented that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and

appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 1 (under Statement of Changes to Equity) to the financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that CARO is applicable only to the Parent and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
(Partner)

Place: Mumbai
Date: May 17, 2022

(Membership No. 102637)
(UDIN: 22102637AJBZUR5816)

Annexure A To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Galaxy Surfactants Limited (hereinafter referred to as "Parent") as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the parent company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Kedar Raju

(Partner)

Place: Mumbai

Date: May 17, 2022

(Membership No. 102637)

(UDIN: 22102637AJBZUR5816)

Consolidated Balance Sheet

as at 31st March 2022

₹ Crores

Particulars	Note	2022	2021
I. ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2	609.19	591.70
(b) Right of use Asset	3	143.04	111.86
(c) Capital Work-in-Progress	4	205.46	123.95
(d) Goodwill		2.75	2.65
(e) Other Intangible Assets	5	5.43	5.70
(f) Financial Assets			
(i) Loans	6	0.43	0.29
(ii) Other Financial Assets	7	11.11	8.86
(g) Deferred Tax Assets (Net)	8	3.88	0.65
(h) Income Tax Assets (Net)		8.54	11.16
(i) Other Non-Current Assets	9	40.53	34.97
Total Non-Current Assets		1,030.36	891.79
Current Assets			
(a) Inventories	10	711.78	427.81
(b) Financial Assets			
(i) Investments	11	0.47	43.45
(ii) Trade Receivables	12	638.04	468.92
(iii) Cash and Cash Equivalents	13	63.76	81.51
(iv) Bank Balances other than Cash and Cash Equivalents	13	7.35	29.87
(v) Loans	6	0.45	0.33
(vi) Other Financial Assets	7	7.16	5.87
(c) Other Current Assets	9	141.18	99.92
Total Current Assets		1,570.19	1,157.68
Total Assets		2,600.55	2,049.47
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	35.45	35.45
(b) Other Equity	15	1,538.90	1,265.96
Total Equity		1,574.35	1,301.41
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	79.59	77.39
(ii) Lease Liabilities	17	48.35	16.85
(iii) Other Financial Liabilities	18	0.33	0.35
(b) Provisions	19	7.61	10.08
(c) Deferred Tax Liabilities (Net)	20	24.90	23.30
Total Non-Current Liabilities		160.78	127.97
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	286.39	190.64
(ii) Lease Liabilities	17	6.35	4.37
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	23	13.02	7.51
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	23	505.84	369.45
(iv) Other Financial Liabilities	18	5.60	5.36
(b) Provisions	19	7.71	8.56
(c) Current Tax Liabilities (Net)		7.78	1.21
(d) Other Current Liabilities	21	32.73	32.99
Total Current Liabilities		865.42	620.09
Total Equity And Liabilities		2,600.55	2,049.47

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

₹ Crores

Particulars	Note	2021-22	2020-21
Revenue from operations	24	3,685.71	2,784.06
Other Income	25	12.51	10.86
Total Income		3,698.22	2,794.92
EXPENSES			
Cost of materials consumed	26	2,667.87	1,792.59
Purchases of Stock-in-trade	27	66.02	58.39
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(145.37)	(76.43)
Employee benefits expenses	29	211.81	204.04
Finance costs	30	12.85	13.42
Depreciation, amortisation and impairment expenses	31	71.06	73.95
Other expenses	32	484.67	356.64
Total Expenses		3,368.91	2,422.60
Profit before exceptional items and tax		329.31	372.32
Exceptional Items		-	-
Profit before tax		329.31	372.32
Tax Expenses			
Current Tax	33	68.56	71.08
Deferred Tax charge / (credit)	33	(2.03)	(0.90)
Total Tax Expenses		66.53	70.18
Profit for the year		262.78	302.14
OTHER COMPREHENSIVE INCOME			
A. (i) Items that will not be reclassified to profit or loss :			
Remeasurements of the defined benefit plans		1.58	(1.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	(0.40)	0.42
B. (i) Items that will be reclassified to profit or loss :			
Exchange differences in translating the financial statements of foreign operations		23.16	(17.60)
Total Other Comprehensive Income		24.34	(18.84)
Total Comprehensive Income for the year		287.12	283.30
Earnings per equity share :			
(Face value ₹ 10 per share)			
Basic (₹)	35	74.12	85.22
Diluted (₹)	35	74.12	85.22

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

A) EQUITY SHARE CAPITAL

₹ Crores		
Particulars	2022	2021
Issued and Subscribed :		
Balance at the beginning of the current reporting period	35.45	35.45
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	35.45	35.45
Changes in Equity Share Capital during the current year	-	-
Balance at the end of the current reporting period	35.45	35.45

B) OTHER EQUITY

₹ Crores						
Particulars	Reserves and Surplus				Items of Other comprehensive income	Total Other Equity
	Capital Reserve on consolidation	Securities Premium	General Reserve	Retained Earnings	Foreign Currency translation Reserve	
Balance as at 1st April 2020	3.11	0.20	26.38	953.44	49.17	1,032.30
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	3.11	0.20	26.38	953.44	49.17	1,032.30
Profit for the year	-	-	-	302.14	-	302.14
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	-	(1.24)	(17.60)	(18.84)
Total Comprehensive Income for the year	-	-	-	300.90	(17.60)	283.30
Interim Dividend	-	-	-	(49.64)	-	(49.64)
Balance as at 31st March 2021	3.11	0.20	26.38	1,204.70	31.57	1,265.96
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	3.11	0.20	26.38	1,204.70	31.57	1,265.96
Profit for the year	-	-	-	262.78	-	262.78
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	-	1.18	23.16	24.34
Total Comprehensive Income for the year	-	-	-	263.96	23.16	287.12
Dividend on Equity Shares	-	-	-	(14.18)	-	(14.18)
Balance as at 31st March 2022	3.11	0.20	26.38	1,454.48	54.73	1,538.90

Note:

B.1 Details of Dividend proposed:

₹ Crores		
Particulars	2022	2021
Dividend per share (In ₹)	18.00	4.00
Dividend proposed on Equity Shares	63.82	14.18
Total Dividend proposed	63.82	14.18

The Board of Directors of the parent company at its meeting held on 17th May 2022 has approved final dividend of ₹ 18 per share (180% of the face value of the equity share of face value of ₹ 10 each) amounting to ₹ 63.82 crores for the year ended 31st March 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on 5th August 2022.

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March 2022

₹ Crores

Particulars	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit After Tax	262.78	302.14
Adjustments for :		
Income tax expenses	66.53	70.18
Finance costs	12.85	13.42
Interest income	(3.07)	(5.23)
Interest subvention income	(1.67)	(0.71)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	-	(0.03)
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	1.09	1.36
Depreciation, amortisation and impairment expenses	71.06	73.95
Net foreign exchange (gain)/loss	1.69	(0.11)
Allowance for doubtful debts and advances	0.83	0.35
Liabilities no longer required written back	(2.73)	(1.15)
	146.58	152.03
Operating Profit before Working Capital changes	409.36	454.17
Changes in :		
Trade receivables & Other Assets	(206.93)	(30.10)
Inventories	(275.43)	(107.77)
Trade payables & Other Liabilities	137.32	119.30
	(345.04)	(18.57)
Cash generated from operations	64.32	435.60
Income Taxes Paid (net of refunds)	(59.39)	(70.55)
NET CASHFLOWS FROM / (USED IN) OPERATING ACTIVITIES	4.93	365.05
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	3.91	4.75
Payments for Property, Plant & Equipment and intangible assets	(155.17)	(107.54)
Proceeds from disposal of Property, Plant & Equipment	0.45	0.26
Sale of Current Investments	43.82	-
Purchase of Current Investments	-	(38.43)
(Increase)/ Decrease in Earmarked balances with banks (net)	(1.29)	(0.31)
(Increase)/ Decrease in bank deposits not considered as Cash & Cash Equivalents (net)	24.16	(23.41)
NET CASHFLOWS FROM / (USED IN) INVESTING ACTIVITIES	(84.12)	(164.68)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	40.00	-
Repayment of long term borrowings	(39.50)	(56.89)
Proceeds from/(Repayment of) short term borrowings (net)	93.63	(38.20)
Dividend paid on equity shares	(14.24)	(49.49)
Interest paid	(13.07)	(15.15)
Payment of Lease Liabilities	(7.67)	(5.22)
NET CASHFLOWS FROM / (USED IN) FINANCING ACTIVITIES	59.15	(164.95)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(20.04)	35.42
OPENING CASH AND CASH EQUIVALENTS	81.51	47.70
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	2.29	(1.61)
CLOSING CASH AND CASH EQUIVALENTS	63.76	81.51

Note:

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

The accompanying notes 1 to 54 are an integral part of the Financial Statements

In terms of our report attached

Deloitte Haskins & Sells LLP
Chartered Accountants

KEDAR RAJE
Partner

Place: Mumbai
Date : 17th May 2022

For and on behalf of the Board

U. SHEKHAR
Managing Director
DIN: 00265017

K. GANESH KAMATH
Executive Director
Finance & CFO
DIN: 07767220

Place: Navi Mumbai
Date : 17th May 2022

K. NATARAJAN
Executive Director & COO
DIN: 07626680

N. KETKAR
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

1. (A) CORPORATE INFORMATION

The Consolidated financial statements comprise of financial statements of Galaxy Surfactants Ltd. ("the Parent") and its subsidiaries (collectively, the Group) for the year ended March 31, 2022.

The Parent is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The address of its registered office is C-49/2, TTC Industrial Area, Pawne, Navi Mumbai - 400703, Maharashtra.

The Group is engaged in manufacturing of surfactants and other specialty ingredients for the personal care and home care industries. The products of the group find application in a host of consumer-centric personal care and home care products, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products.

The Equity shares of the Parent are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India.

(B) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These Consolidated financial statements of the Group 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 Consolidated financial statements of the Group for the year ended 31st March, 2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th May, 2022.

b) Basis of preparation and presentation

The financial statements are prepared in accordance with the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

c) Basis of Consolidation

The Consolidated financial statements incorporate the financial statements of the Group.

Subsidiaries

Subsidiaries are entities over which the group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

are prepared by applying uniform accounting policies in use at the Group.

The principal accounting policies are set out below

d) Revenue Recognition:

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns & Goods and Service Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

e) Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs,

if any and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance and cost can be measured reliably.

Machinery spares that meet the definition of property, plant and equipment are capitalised.

Property, Plant and Equipment that are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Projects are carried at cost comprising of direct cost and related incidental expenses and attributable borrowing costs, if any.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation on these assets commences when assets are ready for their intended use which is generally on commissioning. Items of Property Plant and Equipment are depreciated in a manner that amortises the cost of the assets after commissioning less its residual value, over their useful lives as specified in Schedule II of the Act on a straight line basis, other than the following asset classes, based on Group's expected usage pattern supported by technical assessment.

Useful lives

- Certain Plant and Machinery: 5-10 years
- Certain Furniture and Fixtures: 7-10 years
- Certain Computers & Softwares: 3-5 years
- Certain Buildings: 10-39 years
- Certain Vehicles: 8-10 years
- Freehold Land is not depreciated

Depreciation on additions/deletions during the year is provided on pro-rata basis from/up to the date of such addition/deletion.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Property, Plant and Equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f) Goodwill and Intangible Assets:

Goodwill is initially recognised as the excess of the acquirer's interest in the net fair value of the identifiable net assets of acquired business. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment, if any. Goodwill is allocated to the cash-generating unit which is expected to benefit from the business combination.

Intangible assets are initially recognised at cost unless acquired in a business combination on or after the transition date (1st April, 2016) in which case it is recognised at their acquisition date fair value.

Intangible assets other than Goodwill and intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives so as to reflect the pattern in which the assets economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible asset is included in Depreciation and Amortisation expense in the Statement of Profit and Loss.

Software:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Technical Know-how:

The expenditure incurred on Technical Know-how is amortised over the estimated period of benefit, not exceeding Ten years commencing from the date of acquisition.

Customer Relationships:

The expenditure incurred is amortised over the five years equally commencing from the date of acquisition.

Research & Development:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical and economic feasibility and marketability has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Property, Plant and Equipment utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, Plant and Equipment.

g) Inventories:

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

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value, whichever is lower.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

h) Leases:

The Group as a lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group assesses whether contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the

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Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right of use Asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense over the term of the lease.

The Right of use Assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use Assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

i) Foreign exchange transactions and translations:

Transactions in foreign currencies i.e. other than the Company's functional currency of Indian Rupees are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that

date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on revaluation are recognised in the Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income in the statement of changes in equity after attribution to non-controlling interests as appropriate.

On the disposal of a foreign operation i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the Statement of Profit and Loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the Statement of Profit and Loss.

j) Employee Benefits:

Employee benefits include provident fund, employee state insurance scheme, social security, 401K plan, gratuity and compensated absences.

Defined contribution plans

The Group's contribution to provident fund, social security, 401K plan and employee state

Notes to the Consolidated Financial Statements

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insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Service cost and net interest expenses or income is recognised in the Statement of Profit and Loss. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Long term Compensated absences

The employees of the Group are entitled to compensated absences for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

k) Borrowing Costs:

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All borrowing costs are charged to the Statement of Profit and Loss except:

- Borrowing costs that are attributable to the acquisition or construction of qualifying tangible and intangible assets that necessarily take a substantial period of time to get ready for their intended use,

which are capitalised as part of the cost of such assets.

- Expenses incurred on raising long term borrowings are amortised using effective interest rate method over the period of borrowings.

Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Taxes on Income

Taxes on income comprises of current taxes and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable tax regulations. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences, being differences between the carrying amount of assets and liabilities and corresponding tax bases used in the computation of taxable profit. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

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m) Impairment of Assets:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount rate to determine whether there is any indication that those assets have suffered any impairment loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

n) Provisions and Contingent Liabilities:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. In the event the time value of money is material, provision is carried at the present value of the cash flows required to settle the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

o) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

p) Financial instruments, Financial assets, Financial liabilities and Equity instruments:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial

Notes to the Consolidated Financial Statements

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liabilities measured at fair value through Profit and Loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in the Statement of Profit and Loss.

Classification and subsequent measurement

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification

On initial recognition, a financial asset is classified as measured at -

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) ; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial asset not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain and loss on derecognition is recognised in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income

over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For equity investments, the Group makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in Other Comprehensive Income and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for medium or long-term strategic purposes. Upon the application of Ind AS 109, the Group has chosen to designate these investments as at FVTOCI as the Group believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the Statement of Profit and Loss. Dividend income received on such equity investments are recognised in the Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in the Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognised at the proceeds received, net of directly attributable transaction costs.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Compound instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of

the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts and loan commitments issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on

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the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

q) Dividend Distribution

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) Derivative contracts:

The Group uses derivative financial instruments such as foreign exchange forward contracts to hedge its foreign currency risks which are not designated as hedges. All derivative contracts are marked-to-market and losses/gains are recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

s) Use of Estimates and judgement:

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect

the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed at the end of each reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value at each balance sheet date or at the time they are assessed for impairment. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities require estimates to be made by the

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for the year ended 31st March 2022

management and are disclosed in the notes to the financial statements.

Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

t) Business Combinations:

The Group accounts for its business combinations under acquisition method of accounting. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. The difference between the fair value of the purchase consideration paid together with non-controlling interest on acquisition date and the fair value of net assets acquired is recognised as goodwill or capital reserve on acquisition. The excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recognised as goodwill. Any shortfall is recognised as capital reserve on consolidation.

u) Fair value measurement:

The Group measures certain financial instruments at fair value at each reporting date.

Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in the Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

v) Earnings per share

- Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

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2 PROPERTY, PLANT AND EQUIPMENT

								₹ Crores
Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
(I) COST								
Balance as at 1 st April 2020	2.98	6.11	279.14	774.28	24.94	6.71	33.25	1,127.41
Add : Additions during the year	-	-	4.97	33.93	0.97	0.22	4.69	44.78
Less : Disposals/Adjustments during the year	-	(4.78)	(0.21)	(16.13)	(0.01)	(0.18)	(3.31)	(24.62)
Add/Less : Foreign exchange translation differences	(0.10)	(0.21)	(4.26)	(9.94)	(0.20)	(0.02)	(0.34)	(15.07)
Balance as at 31 st March 2021	2.88	1.12	279.64	782.14	25.70	6.73	34.29	1,132.50
Add : Additions during the year	-	-	3.47	59.86	1.72	1.52	5.25	71.82
Less : Disposals/Adjustments during the year	-	(0.38)	(0.13)	(4.17)	(2.43)	(1.47)	(1.88)	(10.46)
Add/Less : Foreign exchange translation differences	0.11	0.04	4.47	10.62	0.21	0.02	0.41	15.88
Balance as at 31 st March 2022	2.99	0.78	287.45	848.45	25.20	6.80	38.07	1,209.74
(II) ACCUMULATED DEPRECIATION								
Balance as at 1 st April 2020	-	5.50	81.96	369.18	18.96	3.04	24.87	503.51
Add : Depreciation expenses for the year	-	0.14	11.02	42.34	1.59	0.66	3.35	59.10
Add : Impairment expenses for the year (Refer Note 2.5)	-	-	0.57	6.54	0.09	-	0.02	7.22
Less : Disposals/Adjustments during the year	-	(4.85)	(0.04)	(13.98)	-*	(0.18)	(3.29)	(22.34)
Add/Less : Foreign exchange translation differences	-	(0.12)	(1.19)	(4.94)	(0.15)	(0.01)	(0.28)	(6.69)
Balance as at 31 st March 2021	-	0.67	92.32	399.14	20.49	3.51	24.67	540.80
Add : Depreciation expenses for the year	-	0.11	10.88	43.81	1.51	0.73	3.90	60.94
Less : Disposals/Adjustments during the year	-	(0.36)	(0.02)	(3.20)	(2.38)	(1.08)	(1.87)	(8.91)
Add/Less : Foreign exchange translation differences	-	0.02	1.43	5.76	0.17	0.01	0.33	7.72
Balance as at 31 st March 2022	-	0.44	104.61	445.51	19.79	3.17	27.03	600.55
NET CARRYING AMOUNT(I-II)								
Balance as at 31 st March 2021	2.88	0.45	187.32	383.00	5.21	3.22	9.62	591.70
Balance as at 31 st March 2022	2.99	0.34	182.84	402.94	5.41	3.63	11.04	609.19

Notes:

2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -* (2020-21 : ₹ -*)

2.2 The amount of borrowing costs capitalised is ₹ 1.38 Crores (2020-21 : ₹ 0.07 Crores)

			₹ Crores
Particulars	2022	2021	
Buildings	0.07	0.03	
Plant & Equipment	1.31	0.04	

2.3 The amount of expenditure (other than borrowing cost) recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 2.85 Crores (2020-21 : ₹ 0.10 Crores) out of which ₹ 1.25 Crores (2020-21 : ₹ Nil) is incurred in current year.

2.4 Term loans from banks taken by the Parent Company are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

2.5 The Parent Company had provided for impairment of assets at one of its facilities at Tarapur location. The facility was established in 1984 and the civil structures and some of the other assets are nearing its useful life. The Parent Company had identified such assets and had conservatively provided for the same by way of impairment. The operations at the said facility had been suboptimal for the past 2 years and we do not expect the said suspension to have any material impact on the operations of the Group.

*Figures less than ₹ 50,000.

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3 RIGHT OF USE ASSET

₹ Crores			
Particulars	Building	Land	Total
(I) COST			
Balance as at 1 st April 2020	26.66	97.07	123.73
Add : Additions during the year (Refer Note 3.2)	2.07	0.09	2.16
Less : Deductions/Adjustments during the year	-	-	-
Add/Less : Foreign exchange translation differences	(0.52)	-	(0.52)
Balance as at 31 st March 2021	28.21	97.16	125.37
Add : Additions during the year (Refer Note 3.2)	38.90	-	38.90
Less : Deductions/Adjustments during the year	-	-	-
Add/Less : Foreign exchange translation differences	0.60	-	0.60
Balance as at 31 st March 2022	67.71	97.16	164.87
(II) ACCUMULATED AMORTISATION			
Balance as at 1 st April 2020	4.55	3.48	8.03
Add : Amortisation expenses for the year	4.51	1.06	5.57
Less : Deductions/Adjustments during the year	-	-	-
Add/Less : Foreign exchange translation differences	(0.09)	-	(0.09)
Balance as at 31 st March 2021	8.97	4.54	13.51
Add : Amortisation expenses for the year	7.05	1.06	8.11
Less : Deductions/Adjustments during the year	-	-	-
Add/Less : Foreign exchange translation differences	0.21	-	0.21
Balance as at 31 st March 2022	16.23	5.60	21.83
NET CARRYING AMOUNT(I-II)			
Balance as at 31 st March 2021	19.24	92.62	111.86
Balance as at 31 st March 2022	51.48	91.56	143.04

Notes:

- 3.1 The amortisation expenses of Right of use Asset have been included under 'Depreciation, amortisation and impairment expenses' in the Statement of Profit and Loss.
- 3.2 Addition during the year include modification amounting to ₹ 0.59 Crores (2020-21: ₹ 1.71 Crores).

4 CAPITAL WORK-IN-PROGRESS

₹ Crores		
Particulars	2022	2021
Capital Work-in-Progress (Refer Note 4.1)	205.46	123.95
Total	205.46	123.95

Notes:

- 4.1 Capital work-in-progress (CWIP) Ageing Schedule:

As at 31st March 2022

₹ Crores					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	119.16	47.07	24.16	15.07	205.46
Projects temporarily suspended	-	-	-	-	-
Total	119.16	47.07	24.16	15.07	205.46

As at 31st March 2021

₹ Crores					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	87.68	26.18	10.09	-	123.95
Projects temporarily suspended	-	-	-	-	-
Total	87.68	26.18	10.09	-	123.95

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

4.2 Capital work-in-progress (CWIP) Completion Schedule for Projects that either are overdue or has exceeded its cost compared to its original plan:

As at 31st March 2022

₹ Crores

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Efficiency Improvement and Capacity Expansion	145.09	-	-	-	145.09
Total	145.09	-	-	-	145.09

As at 31st March 2021

₹ Crores

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Efficiency Improvement and Capacity Expansion	97.04	-	-	-	97.04
Total	97.04	-	-	-	97.04

4.3 There are no projects where activity has been suspended permanently in both the years.

5 OTHER INTANGIBLE ASSETS

₹ Crores

Particulars	Computer Software	Technical Know How	Trademarks	Customer Relationships	Total
(I) COST					
Balance as at 1st April 2020	16.21	0.30	1.83	8.39	26.73
Add : Additions during the year	2.29	-	-	-	2.29
Less : Deductions/Adjustments during the year	(0.02)	-	-	-	(0.02)
Add/Less : Foreign exchange translation differences	(0.16)	-	(0.06)	(0.29)	(0.51)
Balance as at 31st March 2021	18.32	0.30	1.77	8.10	28.49
Add : Additions during the year	1.73	-	-	-	1.73
Less : Deductions/Adjustments during the year	-	-	-	-	-
Add/Less : Foreign exchange translation differences	0.17	-	0.06	0.30	0.53
Balance as at 31st March 2022	20.22	0.30	1.83	8.40	30.75
(II) ACCUMULATED AMORTISATION					
Balance as at 1st April 2020	10.87	0.16	1.83	8.39	21.25
Add : Amortisation expenses for the year	2.03	0.03	-	-	2.06
Less : Deductions/Adjustments during the year	(0.02)	-	-	-	(0.02)
Add/Less : Foreign exchange translation differences	(0.15)	-	(0.06)	(0.29)	(0.50)
Balance as at 31st March 2021	12.73	0.19	1.77	8.10	22.79
Add : Amortisation expenses for the year	1.98	0.03	-	-	2.01
Less : Deductions/Adjustments during the year	-	-	-	-	-
Add/Less : Foreign exchange translation differences	0.16	-	0.06	0.30	0.52
Balance as at 31st March 2022	14.87	0.22	1.83	8.40	25.32
NET CARRYING AMOUNT(I-II)					
Balance as at 31st March 2021	5.59	0.11	-	-	5.70
Balance as at 31st March 2022	5.35	0.08	-	-	5.43

Note:

5.1 The amortisation expenses of other intangible assets have been included under 'Depreciation, amortisation and impairment expenses' in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

6 LOANS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost :				
Other Loans (Employees)				
- Unsecured, considered good	0.45	0.43	0.33	0.29
Total	0.45	0.43	0.33	0.29

7 OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost :				
(Considered Good, unless otherwise stated)				
Security Deposit				
- Unsecured, considered good	0.14	9.20	0.24	8.13
Advances				
- Considered Good	6.55	-	4.68	-
Bank Deposit with original maturity above 12 months	-	1.80	0.10	0.62
Interest accrued	0.13	-	0.47	-
Other financial assets	-	0.11	-	0.11
	6.82	11.11	5.49	8.86
Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit and Loss				
- Derivative financial instruments	0.34	-	0.38	-
Total	7.16	11.11	5.87	8.86

8 DEFERRED TAX ASSETS (NET)

₹ Crores

Particulars	2022	2021
Deferred tax assets (Refer Note 8.1)	3.88	0.65
Total	3.88	0.65

Note:

8.1 Movement In Deferred tax assets:

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others*	Total
Deferred tax (liabilities)/ assets as at 1st April 2020	(3.61)	0.50	3.22	0.11
(Charge) / credit to Statement of Profit and Loss	0.05	0.69	(0.24)	0.50
Foreign exchange translation differences	0.13	(0.03)	(0.06)	0.04
Deferred tax (liabilities)/ assets as at 31st March 2021	(3.43)	1.16	2.92	0.65
(Charge) / credit to Statement of Profit and Loss	-	0.20	3.03	3.23
Foreign exchange translation differences	(0.13)	0.04	0.09	-
Deferred tax (liabilities)/ assets as at 31st March 2022	(3.56)	1.40	6.04	3.88

* Others mainly includes deferred tax on inventory reserve.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

9 OTHERS ASSETS

Particulars	₹ Crores			
	2022		2021	
	Current	Non-Current	Current	Non-Current
Capital Advances	-	24.80	-	20.11
	-	24.80	-	20.11
Advances other than capital advances				
Balance with government authorities	44.57	15.47	57.45	14.57
Prepaid Expenses	9.98	0.28	6.37	0.32
Other Advance (Refer Note 9.1)				
- Considered Good	80.43	-	25.78	-
	134.98	15.75	89.60	14.89
Less: Allowance for Doubtful Advances	-	(0.02)	-	(0.03)
	134.98	15.73	89.60	14.86
Export Incentives receivable	6.20	-	10.32	-
Total	141.18	40.53	99.92	34.97

Note:

9.1 Other advances mainly include Advances to suppliers, etc.

10 INVENTORIES

Particulars	₹ Crores	
	2022	2021
Raw Materials [Including in transit of ₹ 78.11 Crores (2020-21 : ₹ 40.26 Crores)]	266.34	142.34
Packing Materials	10.47	9.29
Work-in-Progress	121.11	75.27
Finished Goods	164.74	121.20
Stock-in-Trade [Including in transit of ₹ 5.34 Crores (2020-21 : ₹ 4.27 Crores)]	114.33	52.95
Consumables, Stores and Spares [Including in transit of ₹ -* Crores (2020-21 : 0.56 Crores)]	34.79	26.76
Total	711.78	427.81

Notes :

10.1 The cost of inventories recognised as an expense during the year was ₹ 2,924.39 Crores (2020-21 : ₹ 2,108.54 Crores).

10.2 The cost of inventories recognised as an expense includes ₹ 2.41 Crores (2020-21 : ₹ 3.45 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 0.60 Crores (2020-21 : ₹ 1.31 Crores) in respect of the reversal of such write downs. Previous write downs have been reversed as a result of internal consumption as well as sale of products.

10.3 The Group has availed credit facilities from banks which are secured inter alia by hypothecation of inventories.

10.4 The mode of valuation of inventories is stated in subnote (g) of Note 1B.

*Figures less than ₹ 50,000.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

11 CURRENT INVESTMENTS

₹ Crores		
Particulars	2022	2021
Investments carried at amortised cost		
Quoted		
Treasury bills	0.47	43.45
Total	0.47	43.45
Other Disclosures		
Aggregate carrying value of quoted investments	0.47	43.45

12 TRADE RECEIVABLES

₹ Crores		
Particulars	2022	2021
Undisputed:		
Unsecured, considered good	638.04	468.92
Unsecured, credit impaired (Refer Note 12.1)	0.35	0.32
	638.39	469.24
Less : Allowance for expected credit loss (Refer Note 12.1)	(0.35)	(0.32)
Total	638.04	468.92

Notes:

12.1 Also refer note no. 45(B) for disclosure related to Credit risk, Impairment of trade receivable under Expected Credit Loss and related disclosures.

12.2 The Group has availed certain credit facilities from banks which are secured by hypothecation of Trade Receivables.

12.3 Trade receivables Ageing Schedule:

As at 31st March 2022

₹ Crores							
Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	525.84	109.06	1.15	1.60	0.02	0.37	638.04
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	0.15	0.19	-*	0.01	-*	0.35
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivables	525.84	109.21	1.34	1.60	0.03	0.37	638.39
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(0.35)
Net Trade Receivables	525.84	109.21	1.34	1.60	0.03	0.37	638.04

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

As at 31st March 2021

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	369.49	96.92	1.55	0.45	0.23	0.28	468.92
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	0.25	0.03	0.01	0.02	0.01	0.32
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Trade Receivables	369.49	97.17	1.58	0.46	0.25	0.29	469.24
Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	(0.32)
Net Trade Receivables	369.49	97.17	1.58	0.46	0.25	0.29	468.92

* Figures less than ₹ 50,000.

13 CASH AND BANK BALANCES

₹ Crores

Particulars	2022	2021
Cash and cash equivalents		
Balances with banks		
- Current Accounts	25.49	25.19
- Savings Accounts	37.89	51.12
- Fixed Deposits with original maturity 3 months or less than 3 months	-	5.00
	63.38	81.31
Cash on hand	0.38	0.20
Total Cash and cash equivalents	63.76	81.51
Bank balances other than cash and cash equivalents		
Earmarked balances with banks (Refer Note 13.1)	0.80	0.90
Term Deposits	5.01	28.82
Margin Account Balance (Refer Note 13.2)	1.54	0.15
Total Other Bank balances	7.35	29.87

Notes :

13.1 Earmarked Balances with Banks represents amount set aside for payment of dividend and interest.

13.2 Margin Account Balance represents cash cover against letter of credit.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

14 EQUITY SHARE CAPITAL

		₹ Crores
Particulars	2022	2021
Authorised:		
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)		
	50.00	50.00
Issued, Subscribed and Paid Up :		
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up.	35.45	35.45
(Previous Year: 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)		
Total	35.45	35.45

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

Particulars	2022		2021	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
Issued and Subscribed :				
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Balance as at the end of the year	3,54,54,752	35.45	3,54,54,752	35.45

B. Rights, Preferences and Restrictions attached to Equity Shares:

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. The Equity shares of the parent company rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the parent 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. Details of Ordinary (Equity) Shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company:

Name of the Shareholder	2022		2021	
	No. of Shares	% Share holding	No. of Shares	% Share holding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil# as Partners of M/s Galaxy Chemicals	77,52,850	21.87	77,52,850	21.87
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92
Late Sandhya Patil#	41,06,040	11.58	41,06,040	11.58
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56
Gopalkrishnan Ramakrishnan	23,62,783	6.66	23,62,783	6.66
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20
SBI Mutual Fund	15,10,475	4.26	24,14,587	6.81
	2,58,99,544	73.05	2,68,03,656	75.60

D. Details of shares held by promoters and promoters group at the end of the year:

Name of the Shareholder	2022		2021		% Change during the year
	No. of Shares	% Share holding	No. of Shares	% Share holding	
Promoters:					
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	-
Late Sandhya Patil#	41,06,040	11.58	41,06,040	11.58	-
Shashikant R. Shanbhag	40,97,684	11.56	40,97,684	11.56	-
Gopalkrishnan Ramakrishnan	23,62,783	6.66	23,62,783	6.66	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Name of the Shareholder	2022		2021		% Change during the year
	No. of Shares	% Share holding	No. of Shares	% Share holding	
Promoters Group:					
Galaxy Chemicals, Partner Unnathan Shekhar	19,38,550	5.47	19,38,550	5.47	-
Galaxy Chemicals, Partner Gopalkrishnan Ramakrishnan	19,38,100	5.47	19,38,100	5.47	-
Galaxy Chemicals, Partner Shashikant R. Shanbhag	19,38,100	5.47	19,38,100	5.47	-
Galaxy Chemicals, Partner Late Sandhya Patil#	19,38,100	5.47	19,38,100	5.47	-
Jayashree Ramakrishnan	18,42,972	5.20	18,42,972	5.20	-
Galaxy Emulsifiers Private Limited	5,43,000	1.53	5,43,000	1.53	-
Lakshmy Shekhar	1,27,400	0.36	1,27,400	0.36	-
Sridhar Unnathan	44,811	0.13	44,544	0.13	0.60
Anuradha Dayanand Prabhu	12,000	0.03	12,000	0.03	-
Vandana Shashikant Shanbhag	10,000	0.03	10,000	0.03	-
K. Natarajan	6,704	0.02	6,704	0.02	-
Gajanan Nilkant Sinai Amonkar	6,000	0.02	6,000	0.02	-
Saraswathy	3,370	0.01	3,370	0.01	-
Vanita Hiren Kerkar	3,000	0.01	3,000	0.01	-
Sumathi Gopal	3,000	0.01	3,000	0.01	-
Shreekant Shanbhag	20	0.00	20	0.00	-
Lata Nayak	10	0.00	10	0.00	-
	2,51,48,384	70.93	2,51,48,117	70.93	0.00

Mrs. Sandhya Patil expired on 25th April 2019. The shares held by her in her individual capacity as well as registered in her name as a partner of Galaxy Chemicals are in the process of transmission to legal heirs.

As per the records of the Parent 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.

15 OTHER EQUITY

Particulars	₹ Crores	
	2022	2021
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Capital Reserve on consolidation	3.11	3.11
Retained Earnings	1,454.48	1,204.70
Item of Other Comprehensive Income		
Foreign currency translation reserve	54.73	31.57
Total	1,538.90	1,265.96

Description of the nature and purpose of Other Equity

Securities Premium: This Reserve represents the premium on issue of equity shares received and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

Capital reserve on consolidation: This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

16 NON-CURRENT BORROWINGS

		₹ Crores
Particulars	2022	2021
Carried at amortised cost :		
Secured :		
Term Loan From Banks (Refer note 16.1 & 16.2)	79.59	77.39
Total	79.59	77.39

Current maturities in respect of long term borrowings have been included in Note 22 are as under :

		₹ Crores
Particulars	2022	2021
Term Loan From Banks	29.82	30.52
Deferral Sales Tax Liability	-	0.08
Total	29.82	30.60

Notes:

16.1 Term loans from banks taken by Parent company are secured by first pari passu charge created by mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

Term loans from Banks in relation to a subsidiary company are secured by a corporate guarantee given by the Ultimate Holding Company and lien over fixed deposit with bank equivalent to three months' interest amount.

16.2 Terms for secured borrowings:

Term loan outstanding as at year end	Rate of Interest* (p.a.)	Repayment Terms
Indian Rupee Loans		
Term Loan ₹ 9.98 Crores (2021: ₹ 21.66 Crores)	PLR - 3.75%	12 Quarterly instalments of ₹2.92 Crores starting from November 2020
Term Loan ₹ Nil (2021: ₹ 13.75 Crores)	3M MCLR+ Spread	20 Quarterly instalments of ₹1.25 Crores starting from March 2019
Term Loan ₹ 39.90 Crores (2021: ₹ Nil)	Repo Rate + 2.40%	14 Quarterly instalments of ₹2.86 Crores starting from June 2023
Term Loan ₹ 34.27 Crores (2021: ₹ 40 Crores)	3M T Bill + 3.10 %	14 Quarterly instalments of ₹ 2.86 Crores starting from November 2021
Foreign Currency Loans		
Term Loan of ₹ 25.26 Crores (2021: ₹ 32.50 Crores)	6M LIBOR + 2.25%	18 quarterly instalments of USD 0.03 Crores starting from December 2020

* PLR - Prime Lending Rate

T Bill - Treasury Bill

LIBOR - London Interbank Offered Rate

MCLR - Marginal Cost of Funds based Lending Rate

16.3 Deferral sales-tax liability denotes interest-free sales tax deferral under 'The Package Schemes of Incentives of 1988 and 1993' formulated by the Government of Maharashtra. Sales tax deferral liability under the 1988 Scheme is repayable after 12 years in 6 annual instalments and in case of 1993 Scheme after 10 years in 5 annual instalments from the initial date of deferment of liability.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

17 LEASE LIABILITIES

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Lease Liabilities (Refer Note 17.1)	6.35	48.35	4.37	16.85
Total	6.35	48.35	4.37	16.85

Notes:

17.1 The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

17.2 The following is the movement in lease liabilities during the year:

₹ Crores

Particulars	2022	2021
Opening Balance	21.22	23.57
Add : Additions (Refer Note 3.2)	38.90	2.10
Add : Finance cost accrued during the period	1.81	1.26
Less : Deletions	-	-
Less : Payment of lease liabilities	(7.67)	(5.22)
Add/Less : Foreign exchange translation difference	0.44	(0.49)
Closing Balance	54.70	21.22

18 OTHER FINANCIAL LIABILITIES

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Carried at amortised cost:				
Interest accrued on borrowings	0.57	-	0.37	-
Unclaimed dividends (Refer Note 18.1)	0.80	-	0.86	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 18.2)	-	-	-	-
Security Deposits	0.04	0.33	0.03	0.35
Other liabilities (Refer Note 18.3)	4.19	-	4.10	-
Total	5.60	0.33	5.36	0.35

Notes :

18.1 There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 at the year end.

18.2 Unclaimed matured deposits and interest accrued thereon (current) is less than ₹ 50,000.

18.3 Other liabilities mainly include capital creditors, etc.

19 PROVISIONS

₹ Crores

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Compensated Absences	1.62	5.78	2.06	5.80
Gratuity	3.82	1.83	3.33	4.28
Claims Payable (Refer Note 19.1)	2.27	-	3.17	-
Total	7.71	7.61	8.56	10.08

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Note :

19.1 Movement of Claims Payable is as below:

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Opening Balance	3.17	-	-	-
Add - Addition during the year	1.75	-	3.17	-
Less - Deduction during the year	(2.65)	-	-	-
Total Closing Balance	2.27	-	3.17	-

₹ Crores

The Group has made provision for claims based on its assessment of the amount it estimates to incur to meet such obligations, the outflow of which would depend on settlement / conclusion of these matters or cessation of the respective events.

20 DEFERRED TAX LIABILITIES (NET)

Particulars	2022	2021
Deferred tax liabilities (Refer Note 20.1)	24.90	23.30
Total	24.90	23.30

₹ Crores

Note:

20.1 Movement in Deferred Tax Liabilities:

Particulars	2022			
	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) as at 1 st April 2020	29.95	(4.28)	(1.55)	24.12
Charge/ (credit) to Statement of Profit and Loss	(1.71)	0.97	0.34	(0.40)
Charge/ (credit) to Other comprehensive income	-	(0.42)	-	(0.42)
Deferred tax liabilities/ (assets) as at 31 st March 2021	28.24	(3.73)	(1.21)	23.30
Charge/ (credit) to Statement of Profit and Loss	1.05	0.19	(0.03)	1.21
Charge/ (credit) to Other comprehensive income	(0.01)	0.40	-	0.39
Deferred tax liabilities/ (assets) as at 31st March 2022	29.28	(3.14)	(1.24)	24.90

₹ Crores

21 OTHER LIABILITIES

Particulars	2022		2021	
	Current	Non-Current	Current	Non-Current
Advances received from customers	24.17	-	23.93	-
Others (Refer note no 21.1)	8.56	-	9.06	-
Total	32.73	-	32.99	-

₹ Crores

Note:

21.1 Others mainly include government dues and taxes payable, salary deductions payable, etc.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

22 CURRENT BORROWINGS

₹ Crores		
Particulars	2022	2021
Secured (Carried at amortised cost)		
Working Capital Loan		
Packing credit loan from banks (Refer Notes 22.1)	165.32	88.37
Bank Overdraft (Refer Notes 22.2)	91.25	71.67
Current maturities of long-term borrowings (Refer Note 16.1 & 16.2)	29.82	30.52
Unsecured (Carried at amortised cost)		
Current maturities of Deferral Sales Tax Liability (Refer Note 16.3)	-	0.08
Total	286.39	190.64

Notes:

22.1 Packing credit loan from banks are secured by first pari passu charge created by hypothecation of current assets, both present & future.

22.2 Bank overdrafts in respect of subsidiary companies are secured by insurance policies on the inventories.

22.3 Rate of Interest for loans ranges from 1.50% p.a. to 8.10% p.a.

23 TRADE PAYABLES

₹ Crores		
Particulars	2022	2021
Carried at amortised cost		
Total outstanding dues of Micro and Small Enterprises (Refer Note 23.1)	13.02	7.51
Total outstanding dues of creditors other than Micro and Small Enterprises	505.84	369.45
Total	518.86	376.96

Notes :

23.1 The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2022.

23.2 Relationship with struck off companies:

As at 31st March 2022

₹ Crores			
Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at March 31, 2022	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Payables	0.09	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	(0.01)	Vendor

As at 31st March 2021

₹ Crores			
Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at March 31, 2021	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Payables	0.19	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	-	Vendor

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

23.3 Trade payables Ageing Schedule:

As at 31st March 2022

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of Micro Enterprises and Small Enterprises	11.88	1.09	0.05	-	-	13.02
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	477.54	27.86	0.14	0.13	0.17	505.84
Disputed dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Disputed dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	489.42	28.95	0.19	0.13	0.17	518.86

As at 31st March 2021

₹ Crores

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of Micro Enterprises and Small Enterprises	6.58	0.93	-	-	-	7.51
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	323.08	45.46	0.64	0.15	0.12	369.45
Disputed dues of Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Disputed dues of creditors other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Total	329.66	46.39	0.64	0.15	0.12	376.96

24 REVENUE FROM OPERATIONS

₹ Crores

Particulars	2021-22	2020-21
Revenue from contracts with customers		
Sale of products	3,652.72	2,745.35
Other operating revenue		
Scrap Sales	2.71	2.20
Government Grant and Incentives (including export benefits)	30.28	36.51
Total	3,685.71	2,784.06

Note:

24.1 Refer note 38 for geography wise revenue from contracts with customers.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

25 OTHER INCOME

₹ Crores		
Particulars	2021-22	2020-21
Interest Income		
On Financial Assets at amortised cost	3.03	3.15
On Non Financial Assets	0.04	2.08
Other Non - Operating Income		
Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	(1.09)	(1.36)
Liabilities/Provision no longer required written back	2.73	1.15
Foreign exchange differences (Net)	0.67	2.44
Commission received	0.01	0.01
Others (Refer Note 25.1)	7.12	3.39
Total	12.51	10.86

Note :

25.1 Other income includes insurance claim received, interest subvention, etc.

26 COST OF MATERIALS CONSUMED

₹ Crores		
Particulars	2021-22	2020-21
Raw materials	2,591.52	1,729.51
Packing materials	76.35	63.08
Total	2,667.87	1,792.59

27 PURCHASE OF STOCK-IN-TRADE

₹ Crores		
Particulars	2021-22	2020-21
Purchase of Stock-in-trade	66.02	58.39
Total	66.02	58.39

28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ Crores		
Particulars	2021-22	2020-21
Opening Stock		
Finished goods	121.20	71.79
Work-in-progress	75.27	59.41
Stock-in-trade	52.95	44.99
	249.42	176.19
Less: Closing Stock		
Finished goods	(164.74)	(121.20)
Work-in-progress	(121.11)	(75.27)
Stock-in-trade	(114.33)	(52.95)
	(400.18)	(249.42)
Add/Less : Foreign exchange translation difference	5.39	(3.20)
Net (increase) / decrease in inventory	(145.37)	(76.43)

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

29 EMPLOYEE BENEFIT EXPENSES

	₹ Crores	
Particulars	2021-22	2020-21
Salaries and wages, including bonus	181.25	177.56
Contribution to provident and other funds	13.25	11.96
Workmen and staff welfare expenses	17.31	14.52
Total	211.81	204.04

30 FINANCE COSTS

	₹ Crores	
Particulars	2021-22	2020-21
Interest expense	10.48	11.71
Other borrowing cost (Refer Note 30.2)	2.37	1.71
Total	12.85	13.42

Notes:

30.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.39% (2020-21 : 5.96%).

30.2 Finance Cost during current year includes interest on lease liabilities amounting to ₹ 1.81 Crores (2020-21: ₹ 1.26 Crores).

31 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

	₹ Crores	
Particulars	2021-22	2020-21
Depreciation on Property, Plant and Equipment	60.94	59.10
Amortisation of Other Intangible Assets	2.01	2.06
Amortisation of Right to Use Asset	8.11	5.57
Impairment of Property, Plant and Equipment (Refer Note 2.5)	-	7.22
Total	71.06	73.95

32 OTHER EXPENSES

	₹ Crores	
Particulars	2021-22	2020-21
Power and fuel	62.99	52.69
Water charges	1.81	1.82
Repairs and maintenance	20.02	18.60
Consumption of stores, spares & consumables	19.19	15.83
Rates and taxes	10.13	7.61
Insurance	13.67	12.03
Freight and forwarding	250.51	149.68
Travelling and conveyance	11.94	8.98
Discount and commission on sales	1.50	1.69
Bad Debts and allowance for Doubtful Debts	0.83	0.35
Royalty	0.16	0.18
"REACH" registration expenses (Net)	0.88	2.26
CSR expenditure	4.69	4.10
Donations	0.07	0.09
Directors' sitting fees	0.59	0.61
Commission to non-executive directors	0.80	0.72
Rent (including storage charges)	11.80	11.18
Legal and professional fees	24.41	25.72
Miscellaneous expenses	48.68	42.50
Total	484.67	356.64

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

33 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

	₹ Crores	
Particulars	2021-22	2020-21
Current Tax:		
In respect of current year	68.93	72.87
In respect of prior years	(0.37)	(1.79)
	68.56	71.08
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	(1.99)	(0.90)
In respect of prior years	(0.04)	-
	(2.03)	(0.90)
Total income tax expenses	66.53	70.18

34 INCOME TAX (RECOGNISED)/CREDITED IN OTHER COMPREHENSIVE INCOME

	₹ Crores	
Particulars	2021-22	2020-21
Deferred tax related to items (recognised)/credited in Other Comprehensive Income:		
Remeasurement of defined benefit obligations	(0.40)	0.42
Total	(0.40)	0.42
Classification of income tax (recognised)/credited in Other Comprehensive Income:		
Income taxes related to items that will not be reclassified to profit or loss	(0.40)	0.42
Total	(0.40)	0.42

35 EARNINGS PER SHARE (EPS)

Particulars	2021-22	2020-21
Profit for the year (₹ Crores)	262.78	302.14
Weighted average number of Ordinary (Equity) Shares used in computing basic & diluted EPS	35,454,752	35,454,752
Basic/Diluted Earnings per share (₹) (Face value of ₹ 10 per share)	74.12	85.22

36 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSES AT TAX RATE TO INCOME TAX EXPENSES REPORTED IN STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS:

	₹ Crores	
Particulars	2021-22	2020-21
Profit before tax	329.31	372.32
Applicable Income tax rate	25.17%	25.17%
Expected income tax expenses	82.89	93.71
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses:		
- Difference in tax rates of subsidiary companies	(16.16)	(21.20)
- Effect of concessions and allowances	(1.37)	(1.74)
- Effect of expenses/provision not deductible in determining taxable profit	1.19	1.04
- Impact on account of Prior Years Taxation	(0.41)	(1.79)
- Others	0.39	0.16
Reported income tax expenses	66.53	70.18

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

37 THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

			₹ Crores
Assessment Year	2022	2021	Available Up to A.Y.
2016-17	3.99	3.99	2024-25
2020-21	12.32	12.32	2028-29

38 SEGMENT INFORMATION

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers. They are responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segments is only one segment i.e. home and personal care ingredients.

Revenue from Type of Product and Services

There is only one operating segment of the Group which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

Geographical Information

						₹ Crores
Particulars	2022			2021		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	1,314.12	2,338.60	3,652.72	907.85	1,837.50	2,745.35
Non Current Assets*	696.61	318.33	1,014.94	616.06	265.93	881.99

* includes property plant and equipment, right of use asset, capital working in progress, goodwill, other intangible assets, income tax assets (net) and other non-current assets.

Information about major customers

During the year ended 31st March 2022 and 31st March 2021 respectively, revenue from transaction with a single external customer did not amount to 10% or more of the Group's revenue from external customers.

39 DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 29.31 Crores (2020-21: ₹ 26.89 Crores) debited to the statement of profit and loss.

40 CONTINGENT LIABILITY AND COMMITMENTS

(A) Contingent liability

			₹ Crores
Particulars	2021-22	2020-21	
Claims against the Group not acknowledged as debts comprise of claims disputed by the group relating to issues of applicability, classification, deductibility, etc. (Refer Note Below)			
- Excise duty & Service tax	7.27	5.58	
- Income tax	0.97	0.97	
- Sales tax	5.09	6.41	
- Custom duty	42.11	8.16	

Note :

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

(B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipment (net of advances) and not provided for ₹ 54.78 Crores (2020-21: ₹ 30.66 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 0.48 Crores (2020-21: ₹ 0.77 Crores).

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

41 RELATED PARTY DISCLOSURES :

(a) Parties with whom transactions have taken place during the year:

(i) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmi Shekhar
		Son	Mr. Karthik Shekhar
		Daughter	Ms. Nandini Shekhar
		Brother	Mr. Shridhar Unnathan
2	Mr. K. Natarajan Executive Director & Chief Operating Officer	Wife	Mrs. Parvathy Natarajan
		Daughter	Ms. Pavithra Natarajan
		Daughter	Ms. Namrata Natarajan
3	Mr. K. Ganesh Kamath Executive Director (Finance) & Chief Financial Officer		
4	Mr. V. Kulkarni (w.e.f. 16 th October 2021) Whole Time Director	Wife	Mrs. Bhagyashree V. Kulkarni
		Son	Mr. Shaunak V. Kulkarni
		Son	Mr. Chinmay V. Kulkarni

(ii) Enterprise over which KMP is able to exercise significant influence :

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Galaxy Emulsifiers Private Limited	5	Galaxy Estates & Holdings [Partnership Firm]
2	Galaxy Finsec Private Limited	6	Galaxy Investments [Partnership Firm]
3	Osmania Traders Private Limited	7	Shubh Estates & Properties [Partnership Firm]
4	Galaxy Chemicals [Partnership Firm]		

(b) The related party transactions are as under :

		₹ Crores					
Sr. No.	Nature of Transactions	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	MANAGERIAL REMUNERATION (Refer Note 41.1) :						
	U. Shekhar						
	Short-term employee benefits	-	-	1.94	-*	-	-
	Other Long-term employee benefits	-	-	-	0.40	-	-
	K. Natarajan						
	Short-term employee benefits	-	-	1.94	1.77	-	-
	Other Long-term employee benefits	-	-	-	0.54	-	-
	K. Ganesh Kamath						
	Short-term employee benefits	-	-	1.95	2.90	-	-
	Other Long-term employee benefits	-	-	-	0.57	-	-
	V. Kulkarni (w.e.f. 16th October 2021)						
	Short-term employee benefits	-	-	0.85	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ Crores

Sr. No.	Nature of Transactions	Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
2	DIVIDENDS DISTRIBUTED :						
	Galaxy Chemicals	3.10	10.85	-	-	-	-
	Galaxy Emulsifiers Pvt. Ltd.	0.22	0.76	-	-	-	-
	U. Shekhar	-	-	1.69	5.92	-	-
	K. Natarajan	-	-	-*	0.01	-	-
	K. Ganesh Kamath	-	-	0.01	0.03	-	-
	V. Kulkarni	-	-	0.01	0.04	-	-
	Lakshmi Shekhar	-	-	-	-	0.05	0.18
	Shridhar Unnathan	-	-	-	-	0.02	0.06

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Note :

41.1 As the liabilities for defined benefit plans are provided on the basis of report of actuary for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

*Figures less than ₹ 50,000.

42 EMPLOYEE BENEFITS

a. Defined contribution plan

The Parent Company makes contributions towards Provident Fund, Employee's State Insurance Corporation (ESIC) for qualifying employees. The Parent Company has recognised ₹ 5.84 Crores (2020-21 : ₹ 5.14 Crores) for the year being Company's contribution to Provident Fund and ESIC, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

The Subsidiaries make contributions towards 401K & Social security for qualifying employees. The subsidiaries have recognised ₹ 5.73 Crores (2020-21 : ₹ 5.39 Crores) for the year being Subsidiaries contribution to 401K & Social security, as an expense and included in Employee Benefit Expenses in the Statement of Profit and Loss.

b. Defined benefit plan

Gratuity plan

Gratuity is payable to all eligible employees of the Parent Company on separation from the service, in terms of the provisions of the "Gratuity Act, 1972" and employment contracts entered into by the Parent Company. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity at 15 days of last drawn salary for each completed year of service. The Parent Company makes an annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Through its gratuity plans the Parent Company is exposed to a number of risks, the most significant of which are detailed below:

Interest risk

A decrease in the bond interest rate will increase the plan liability and will decrease the return on the plan's assets.

Salary risk

The present value of the Gratuity liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Gratuity as per actuarial valuation

		₹ Crores	
Particulars		As at 31 st March	
		Funded Plan Gratuity	
		2022	2021
I Expense recognised in the Statement of Profit and Loss for the year			
1	Current service cost	1.80	1.62
2	Interest cost on benefit obligation (net)	0.52	0.41
3	Net value of remeasurements on the obligation and plan assets	-	-
4	Past service cost and loss/(Gain) on curtailments and settlement	-	-
5	Total expenses included in employee benefits expenses	2.32	2.03
II Recognised in other comprehensive income for the year			
1	Actuarial (gains)/ losses arising from changes in financial assumption	(0.87)	(0.04)
2	Actuarial (gains)/ losses arising from changes in experience adjustment	(0.45)	1.45
3	Actuarial (gains)/ losses arising from changes in demographic adjustment	0.01	-
4	Return on plan asset	(0.26)	0.25
5	Recognised in other comprehensive income	(1.57)	1.66
III Change in the present value of defined benefit obligation			
1	Present value of defined benefit obligation at the beginning of the year	27.93	24.02
2	Current service cost	1.80	1.62
3	Interest cost/(income)	1.91	1.64
4	Remeasurements (gains)/ losses		
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	0.01	-
	(II) Actuarial (gains)/ losses arising from changes in financial assumption	(0.87)	(0.04)
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment	(0.45)	1.45
5	Past Service cost	-	-
6	Benefits paid	(1.13)	(0.76)
7	Liabilities assumed/(settled)	-	-
8	Present value of defined benefit obligation at the end of the year	29.20	27.93
IV Change in fair value of plan assets during the year			
1	Fair value of plan assets at the beginning of the year	20.32	17.96
2	Interest income	1.39	1.23
3	Contribution by employer	2.71	2.14
4	Benefits paid	(1.13)	(0.76)
5	Remeasurements (gains)/ losses		
	(I) Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
	(II) Actuarial (gains)/ losses arising from changes in financial assumption	-	-
	(III) Actuarial (gains)/ losses arising from changes in experience adjustment	-	-
6	Return on plan assets excluding interest income	0.26	(0.25)
7	Fair value of plan assets at the closing of the year	23.55	20.32

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for the year ended 31st March 2022

₹ Crores

Particulars	As at 31 st March	
	Funded Plan	Gratuity
	2022	2021
V Net Asset/(Liability) recognised in the Balance Sheet as at		
1 Present value of defined benefit obligation as at 31 st March	29.20	27.93
2 Fair value of plan assets as at 31 st March	23.55	20.32
3 Surplus/(Deficit)	(5.65)	(7.61)
4 Current portion of the above	3.82	3.33
5 Non current portion of the above	1.83	4.28
VI Actuarial assumptions		
1 Discount rate	7.23%	6.85%
2 Attrition rate	Between 15% to 4% based on service of employee	Between 15% to 4% based on service of employee
3 Average salary escalation rate	7.50%	7.50%
4 Mortality table used	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
VII Major Category of Plan Assets as a % of the Total Plan Assets		
1 Insurer managed funds*	100%	100%
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.		
VIII The expected contributions to the plan for the next annual reporting period	3.82	3.33
IX Quantitative sensitivity analysis for significant assumption is as below		
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Gratuity obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Gratuity Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.		
1. Discount rate varied by +1%	27.12	25.86
2. Discount rate varied by -1%	31.61	30.28
3. Salary growth rate varied by +1%	31.58	30.24
4. Salary growth rate varied by -1%	27.11	25.86
5. Withdrawal rate (W.R.) varied by + 1%	29.13	27.79
6. Withdrawal rate (W.R.) varied by - 1%	29.28	28.05
X Maturity profile of defined benefit obligation		
1. Year 1	3.18	1.99
2. Year 2	1.97	2.68
3. Year 3	3.72	2.22
4. Year 4	2.18	3.63
5. Year 5	2.35	2.09
6. Years 6-10	12.50	11.52
7. 11 Years and above	34.90	32.06

The current service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" in the statement of Profit and loss account (Refer Note 29). The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

43 CAPITAL MANAGEMENT

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

₹ Crores		
Particulars	2022	2021
Short term debt	256.57	160.04
Long term debt	109.41	107.99
Total	365.98	268.03
Equity	1,574.35	1,301.41
Long term debt to equity	0.07	0.08
Total debt to equity	0.23	0.21

44 CATEGORIES OF FINANCIAL INSTRUMENTS

₹ Crores		
Particulars	2022	2021
A) Financial Assets		
a) Measured at amortised cost		
i) Cash and Cash Equivalents	63.76	81.51
ii) Bank Balances other than Cash and Cash Equivalents	7.35	29.87
iii) Loans	0.88	0.62
iv) Trade Receivables	638.04	468.92
v) Current Investment	0.47	43.45
vi) Other Financial Assets	17.93	14.35
Sub-Total	728.43	638.72
b) Measured at fair value through Profit and Loss		
i) Derivative instruments not designated as hedging instruments	0.34	0.38
Sub-Total	0.34	0.38
Total Financial Assets	728.77	639.10
B) Financial Liabilities		
a) Measured at amortised cost		
i) Non-current Borrowings	79.59	77.39
ii) Current Borrowings	286.39	190.64
iii) Lease Liabilities	54.70	21.22
iv) Trade Payables	518.86	376.96
v) Other Financial Liabilities	5.93	5.71
Total Financial Liabilities	945.47	671.92

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

45 FINANCIAL RISK MANAGEMENT FRAMEWORK

The Group has formulated and implemented a policy on risk management, as approved by the Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analysing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. The Group's risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities. The Group's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest rate risks and Commodity price risk.

A) MARKET RISK

The Group's size and operations result in it being exposed to the market risks that arise from its use of financial instruments namely Currency risk, Interest risks and Commodity price risk. These risks may affect the Groups's income and expenses, or the value of its financial instruments. The Group's exposure to and management of these risks are explained below.

a) Interest Rate Risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive cost of funding.

b) Commodity Risk

The Group is exposed to the price risk associated with purchasing of the raw materials. The Group typically do not enter into formal long term arrangements with our vendors. Therefore, fluctuations in the price and availability of raw materials may affect the Group's business and results of operations. Management reviews the commodity price risk regularly to avoid material impact on profitability of the Group. There are no direct commodity derivatives available to hedge the price risk associated with the major raw material.

c) Currency Risk

The Group is exposed to exchange rate risk as a significant portion of our revenues and expenditure are denominated in foreign currencies. We import certain raw materials, the price of which we are required to pay in foreign currency, which is mostly the U.S. Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as a natural hedge. Any appreciation/depreciation in the value of the Rupee against U.S. dollar, Euro or other foreign currencies would Increase/decrease the Rupee value of debtors/ creditors. To a certain extent the Group uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Group's foreign currency exposure at the end of the reporting periods are as follows

Particulars	In Crores					
	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
As at 31st March 2022						
Borrowings	(0.96)	(73.04)	(0.45)	(37.74)	(30.44)	(141.22)
Trade Receivables & Other Financial Assets	2.26	171.53	0.45	38.19	14.33	224.05
Trade Payables & Other Financial Liabilities	(2.50)	(189.50)	-	(0.39)	(10.90)	(200.79)
Total	(1.20)	(91.01)	-	0.06	(27.01)	(117.96)
As at 31st March 2021						
Borrowings	(0.04)	(3.27)	(0.07)	(5.96)	(15.93)	(25.16)
Trade Receivables & Other Financial Assets	1.73	126.83	0.21	17.99	56.78	201.60
Trade Payables & Other Financial Liabilities	(2.09)	(153.13)	(0.02)	(1.51)	(0.03)	(154.67)
Total	(0.40)	(29.57)	0.12	10.52	40.82	21.77

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting date's are as follows

Particulars	In Crores				
	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)
As at 31st March 2022					
Borrowings	(0.96)	(73.04)	(0.45)	(37.74)	(30.44)
Trade Receivables & Other Financial Assets	1.49	112.79	0.31	26.40	14.33
Trade Payables & Other Financial Liabilities	(2.45)	(185.71)	-	(0.39)	(10.90)
Total	(1.92)	(145.96)	(0.14)	(11.73)	(27.01)
As at 31st March 2021					
Borrowings	(0.04)	(3.27)	(0.07)	(5.96)	(15.93)
Trade Receivables & Other Financial Assets	0.92	66.95	0.11	9.42	56.78
Trade Payables & Other Financial Liabilities	(2.09)	(153.12)	(0.02)	(1.51)	(0.03)
Total	(1.21)	(89.44)	0.02	1.95	40.82

B) Credit Risk Management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from our operating activities, primarily from trade receivables. The Group's customer base majorly has creditworthy counterparties which limits the credit risk. The Group's exposures are continuously monitored and wherever necessary Group take advances/LC's to minimise the risk.

a) Trade Receivables and advances

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables/advances. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. Based on such information the group has evaluated that there is no provision required under expected credit loss model. Further, the Group reviews on a periodic basis all receivables/advances having commercial/legal issues which require resolution against which specific provisions are made when found necessary.

Reconciliation of expected credit loss allowance for Trade Receivables

Particulars	₹ Crores	
	Year Ended 31 st March	
	2022	2021
Balance as at beginning of the year	0.32	1.49
Additions during the year	0.19	0.32
Amounts reversed/written off during the year	(0.16)	(1.46)
Foreign exchange translation difference	-	(0.03)
Balance at end of the year	0.35	0.32

b) Other Financials Assets

In respect of other financial assets, the maximum exposure to credit risk at the end of the reporting period approximates the carrying amount of each class of financial assets.

C) Liquidity Risk

Liquidity risk management

Liquidity risk is the risk that we will encounter difficulties in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we have sufficient liquidity or access to funds to meet our liabilities when they are due.

Maturity profile of financial liabilities

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 nd and 3 rd Year	4 th and 5 th Year	Above 5 years
As at 31st March 2022					
Short Term Borrowings	256.57	256.57	-	-	-
Long Term Borrowings	109.41	29.82	62.46	17.13	-
Lease Liabilities	54.70	6.29	11.40	10.44	26.57
Trade Payables	518.86	518.86	-	-	-
Other Financial Liabilities	5.93	5.60	-	-	0.33
Total	945.47	817.14	73.86	27.57	26.90
As at 31st March 2021					
Deferral Sales Tax Liability	0.08	0.08	-	-	-
Short Term Borrowings	159.96	159.96	-	-	-
Long Term Borrowings	107.99	30.61	57.83	19.55	-
Lease Liabilities	21.22	4.38	7.93	3.50	5.41
Trade Payables	376.96	376.96	-	-	-
Other Financial Liabilities	5.71	5.36	-	-	0.35
Total	671.92	577.35	65.76	23.05	5.76

46 SENSITIVITY ANALYSIS

(A) Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31st March 2022	USD	+1%	(0.24)	-
	EUR	+1%	(0.12)	-
Year ended 31st March 2021	USD	+1%	0.23	-
	EUR	+1%	0.02	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(B) Interest Rate sensitivity

The sensitivity analysis below have been determined based on exposure to interest rate for both long term & short term borrowings.

The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
Year ended 31st March 2022	INR	+25 bps	(0.79)	-
Year ended 31st March 2021	INR	+25 bps	(0.71)	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

47 OFFSETTING OF BALANCES

The Group has not offset financial assets and financial liabilities.

48 COLLATERALS

The Group has borrowings which are secured by hypothecation of current assets, mortgage of immovable properties located at Taloja and specified properties located at Tarapur and movable fixed assets at these locations.

49 FAIR VALUE DISCLOSURES

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

₹ Crores

Financial Instruments regularly measured using Fair Value- recurring Items					Applicable for Level 2 and Level 3 hierarchy		
Particulars	Fair Value				Fair value hierarchy	Valuation technique(s)	Key inputs
	Financial assets/ financial liabilities	Category	2022	2021			
1) Derivatives - foreign exchange forward contracts	Financial assets	Financial instruments measured at FVTPL	0.34	0.38	Level 2	Discounted Cash Flow	The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
	Financial Liabilities		-	-			

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

50 FINANCIAL INSTRUMENTS NOT MEASURED USING FAIR VALUE I.E. MEASURED USING AMORTISED COST

		₹ Crores
Particulars	Carrying Value	Fair value (Level 2)
As at 31st March 2022		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	-	-
Total	-	-
As at 31st March 2021		
Financial liabilities held at amortised cost		
Deferral Sales Tax Liability	0.08	0.08
Total	0.08	0.08

Except for the above, carrying value of Other financial assets/liabilities represent reasonable estimate of fair value.

51 OTHER STATUTORY INFORMATION

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (iv) The Parent Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

52 IND-AS YET TO BE NOTIFIED

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group does not expect the above amendments to have any significant impact in its consolidated financial statements.

- 53** The figures for the previous year have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

Notes to the Consolidated Financial Statements

for the year ended 31st March 2022

54 ADDITIONAL DISCLOSURE

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income		Net Assets, i.e., total assets minus total liabilities		Share in Profit or Loss		Share in Other comprehensive income		Share in Total comprehensive income		₹ Crores																		
	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount	As % of consolidated net assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount																			
2022																		2021																	
Galaxy Surfactants Limited	72.26%	1,137.70	50.93%	133.87	4.86%	1.18	47.05%	135.05	78.13%	1,016.82	58.87%	177.86	6.58%	(1.24)	62.34%	176.62																			
Foreign Subsidiaries																																			
Galaxy Chemicals Inc.	0.01%	0.15	0.00%	(0.01)	0.04%	0.01	0.00%	-	0.01%	0.16	(0.01%)	(0.02)	0.05%	(0.01)	(0.01%)	(0.03)																			
Galaxy Holdings (Mauritius) Ltd.	1.19%	18.74	(0.88%)	(2.31)	4.72%	1.15	(0.40%)	(1.16)	1.53%	19.90	0.98%	2.97	5.73%	(1.08)	0.67%	1.89																			
Rainbow Holdings GmbH	(1.24%)	(19.48)	0.05%	0.12	1.93%	0.47	0.21%	0.59	(0.54%)	(20.07)	(0.44%)	(1.34)	4.14%	(0.78)	(0.75%)	(2.12)																			
Galaxy Chemicals (Egypt) S.A.E.	23.49%	369.74	24.66%	64.81	48.73%	11.86	26.70%	76.67	22.52%	293.08	26.37%	79.66	46.23%	(8.71)	25.04%	70.95																			
Tri-K Industries, Inc.	17.76%	279.53	26.90%	70.70	35.17%	8.56	27.61%	79.26	15.39%	200.28	13.32%	40.24	33.12%	(6.24)	12.00%	34.00																			
Eliminations	(13.47%)	(212.03)	(1.67%)	(4.40)	4.56%	1.11	(1.15%)	(3.29)	(16.04%)	(208.76)	0.92%	2.77	4.14%	(0.78)	0.70%	1.99																			
Total	100.00%	1,574.35	100.00%	262.78	100.00%	24.34	100.00%	287.12	100.00%	1,301.41	100.00%	302.14	100.00%	(18.84)	100.00%	283.30																			

For and on behalf of the Board

U. SHEKHAR

Managing Director

DIN: 00265017

K. NATARAJAN

Executive Director & COO

DIN: 07626680

K. GANESH KAMATH

Executive Director

Finance & CFO

DIN: 07767220

N. KETKAR

Company Secretary

Place: Navi Mumbai
Date : 17th May 2022

AOC 1

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Sr. No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investments (Other than in Subsidiaries)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% shareholding	Country
1	Galaxy Chemicals Inc	USD	75.79	.*	0.15	0.30	0.15	-	-	(0.01)	-	(0.01)	-	100%	USA
2	Galaxy Holdings (Mauritius) Ltd.	USD	75.79	2.37	16.37	207.74	189.00	-	-	(2.31)	-	(2.31)	-	100%	Mauritius
3	Rainbow Holdings GmbH	EUR	84.20	0.17	(19.64)	6.18	25.66	-	-	0.12	-	0.12	-	100%	Germany
4	Galaxy Chemicals (Egypt) S.A.E.	USD	75.79	163.67	206.07	650.70	281.42	0.47	1,029.29	64.81	-	64.81	-	100%	Egypt
5	TRI-K Industries Inc.	USD	75.79	.*	279.53	383.44	103.91	-	519.09	90.95	20.26	70.69	-	100%	USA

* Figure less than 50,000

Notice to Members

NOTICE is hereby given that THIRTY SIXTH ANNUAL GENERAL MEETING of the members of **GALAXY SURFACTANTS LIMITED** will be held on Friday, August 05, 2022 through video conferencing / other audio-visual means at 3:00 p.m. (IST) to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of Board of Directors and Auditors thereon.
2. To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.
3. To approve the final dividend of ₹ 18/- per share for the financial year 2021-22.
4. To appoint a director in place of Mr. Shashikant R. Shanbhag (DIN: 00265103), who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Vaijanath Kulkarni (DIN: 07626842), who retires by rotation and being eligible, offers himself for re-appointment.
6. To approve re-appointment of Statutory Auditor and approve their remuneration:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and pursuant to the recommendation made by the Board, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W / W-100018) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of 5 (five) years to hold office from the conclusion of this 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting to be held in the year 2027 for an annual fees payable to statutory auditors and its network firms which shall not exceed ₹ 1.80 Crore plus taxes and reimbursements of out of pocket expenses for the audit of the Company and its subsidiaries as set out in the explanatory statement.

RESOLVED FURTHER THAT the Executive Board may every year review the annual fee payable to the Statutory Auditors within the overall limit set in the shareholders resolution and in consultation with the Audit Committee.”

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

SPECIAL BUSINESS

7. To ratify the remuneration payable to M/s Nawal Barde Devdhe & Associates, Cost Auditors:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of the Section 148(3) and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the remuneration payable to the Cost Auditors M/s Nawal Barde Devdhe & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, as set out in the Explanatory Statement annexed to the Notice convening this Meeting be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company and/ or the Company Secretary of the Company, be and are hereby severally authorised to do all such things, take steps as may be necessary, proper and expedient to give effect to this resolution.”

8. To approve re-appointment of Mr. K. Natarajan (DIN: 07626680) as a Whole-time Director, designated as Executive Director & Chief Operating Officer:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the Articles 149 and 150 of the Articles of Association of the Company and subject to such consents and permissions, as may be required, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. K. Natarajan (DIN: 07626680), who is eligible for reappointment, as the Whole-time Director designated as Executive Director & Chief Operating Officer for a period of 3 (three) years with effect from October 1, 2022, on such remuneration, terms and conditions as set out in Explanatory Statement annexed hereto;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions subject to the limits and stipulations prescribed by the Act during the tenure of the present appointment of Mr. K. Natarajan as Whole time director designated as Executive Director and Chief Operational Officer;

RESOLVED FURTHER THAT Mr. K. Natarajan will be a director liable to retire by rotation and his re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director during the tenure of his appointment upto September 30, 2025."

9. To approve re-appointment of Mr. G. Ramakrishnan (DIN: 00264760) as a Strategic Advisor to the Company:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modifications or re-enactments thereof, for the time being in force, and subject to the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals as may be deemed necessary, if required, the approval of members be and is hereby accorded for re-appointment of Mr. G. Ramakrishnan (DIN: 00264760), Non-Executive Director of the Company, to the office or place of profit by the Company as a Strategic Advisor as per the scope and for the payment of consideration to him by the Company as set out in the Explanatory Statement, for a period upto 3 years w. e. f. June 1, 2022 up to May 31, 2025, within the meaning of Section 188 and other applicable provisions, if any, of the Companies Act, 2013;

RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorized to take all steps necessary, proper or expedient to give effect to this resolution including powers to revise, modify, vary terms and conditions within the limits set out in the Explanatory Statement during the period within which Mr. G. Ramakrishnan will receive remuneration from the Company."

10. To approve payment of sitting fees to Mr. G. Ramakrishnan, Non- Executive Director (DIN: 00264760) of the Company nominated on the Board of Subsidiary Companies for attending/ participating in its Board Meeting:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of members be and is hereby accorded for the payment of sitting fees to Mr. G. Ramakrishnan, Non-Executive Director (DIN: 00264760), by the operating subsidiaries on the Board of which he is nominated as a Director, for attending /participating in their Board Meetings, with effect from April 01, 2023 till the date Mr. G. Ramakrishnan continues to be on the Board of such subsidiaries; as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorized to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the members of the Company."

11. To approve payment of sitting fees to Mr. Subodh Nadkarni, Independent Director (DIN: 00145999) of the Company nominated on the Board of Subsidiary Companies for attending/ participating in its Board Meeting:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) for the time being in force, and subject to such other approvals as may be deemed necessary, the approval of members be and is hereby accorded for the payment of sitting fees to Mr. Subodh Nadkarni, Independent Director (DIN: 00145999), by the operating subsidiaries on the Board of which he is nominated as a Director, for attending /participating in their Board

Meetings, for a period from April 20, 2022 till the date Mr. Subodh Nadkarni continues to be on the Board of such subsidiaries; as set out in the Explanatory Statement, being office or place of profit within the meaning of Section 188 of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorized to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the members of the Company.”

12. To approve appointment of Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Articles of Association and on the recommendation of Nomination and Remuneration Committee and the Board, Mr. Kanwar Bir Singh Anand (DIN: 03518282) be and is hereby appointed as an Independent Director of the Company, not subject to retirement by rotation, for a period of five years w.e.f. August 5, 2022;

RESOLVED FURTHER THAT any of the executive directors or the Company Secretary be and is hereby authorised to take such steps as may be necessary, proper and expedient to give effect to this Resolution.”

13. To approve modification in terms and conditions of appointment and Remuneration payable to Mr. U. Shekhar (DIN: 00265017) Managing Director, Mr. K. Ganesh Kamath (DIN: 07767220) Executive Director (Finance) and Chief financial Officer, Mr. K. Natarajan (DIN: 07626680), Executive Director and Chief Operating Officer and Mr. Vaijanath Kulkarni (DIN: 07626842), Whole-time Director (collectively referred to as “Executive Directors”):

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, approval of the members of the Company be and is hereby accorded for the modification of terms and conditions of appointment and the remuneration payable to Executive Directors, as set in the Explanatory Statement annexed hereto;

RESOVLED FURTHER THAT the Board of Directors of the Company or Committee of Directors thereof be and are hereby severally authorised to take all steps as may be necessary, proper and expedient to give effect to the resolution and to alter, revise, modify and vary such terms and conditions within the limits stipulated in the Explanatory Statement, without further approval of the members of the Company during the tenure of appointment of Executive Directors.”

By Order of the Board of Directors

Navi Mumbai
May 17, 2022

Niranjan Ketkar
Company Secretary

Registered Office:

C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India,
Phone: +91-22-27616666

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") with respect to the Special and Ordinary Business under Item Nos. 6 to 13 as set out in the Notice is annexed hereto.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 2/2022 dated May 5, 2022 and 19/2021 dated December 8, 2021 read with previous general circulars viz. 20/2020 dated May 5, 2020 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 02/2021 dated 13th January, 2021 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 36th AGM (AGM) of the Company shall be conducted through VC / OAVM.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer - Mr. S Sathyanarayanan by email through their registered email address to ss.and.co.cs@gmail.com with copies marked to the Company at investorservices@galaxysurfactants.com and to its RTA at instameet@linkintime.co.in.
5. In accordance with, above referred circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.galaxysurfactants.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. All documents referred to in the accompanying Notice are available for inspection through electronic mode. members seeking to inspect such documents can send an email to investorservices@galaxysurfactants.com.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. (Link Intime) to provide efficient and better services. Members holding shares in physical mode are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc. to Link Intime by providing necessary supporting documents.
8. In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent ("RTA")/Depositories, log in details for e-voting are being sent on the registered email ID. In case the shareholder holding shares in physical mode has not registered his/her/their email address with the Company/its RTA and/ such shareholder is requested to write to Link Intime for updation of email.
9. The final dividend for the financial year ended March 31, 2022, if declared, at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration as follows:
 - (a) For shares held in physical form – to those shareholders whose names appear in the Register of members on the close of the day on Friday, July 22, 2022; and
 - (b) For shares held in dematerialized form to those beneficiaries, whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on Friday, July 22 2022.
10. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend, if declared by the shareholders. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
 - a) For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2022-23 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during financial year 2022-23 does not exceed ₹ 5,000. Separately, in cases where the shareholder provides Form 15G (applicable to

any person other than a Company or a Firm or HUF)/ Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

- b) For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self- Declaration certifying the following points:
 - i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2022-23;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2022-23.

Note: Please ensure that the above mentioned documents pertain to financial year 2022-23.

11. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.
12. The forms for tax exemption can be downloaded from M/s. Link Intime's website. The URL for the same is as

under: <https://www.linkintime.co.in/client-downloads.html>
- On this page select the General tab. All the forms are available in under the head "Form 15G/15H/10F"

The aforementioned documents (duly completed and signed) are required to be uploaded on the url mentioned below:

<https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on this page the user shall be prompted to select / share the following information to register their request.

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document)

Please note that the upload of documents (duly completed and signed) on the website of Link Intime India Private Ltd. should be done on or before July 23, 2022 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after July 23, 2022, 5:00 P.M.

Shareholders may note that in case the tax on said final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, Link Intime India Private Limited to its email address rnt.helpdesk@linkintime.co.in

13. Members holding shares in physical form are requested to dematerialize their shares on priority basis. The ISIN number of the Company is INE600K01018.
14. Those members who have so far not encashed their dividend warrants for the financial year 2014-15, may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' established by the Central Government, pursuant to Section 125 of the Companies Act, 2013 on the respective date.
15. Members are requested to send in their queries at least a week in advance to the Company Secretary at investorservices@galaxysurfactants.com to facilitate clarifications during the meeting.

PROCEDURE FOR JOINING MEETING THROUGH VC/OAVM:

1. Shareholders/members are entitled to attend the Annual General Meeting through VC/OAVM facility (InstaMeet) provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 30 minutes before the time scheduled for the Annual General Meeting and will be available to the members on first come first serve basis.
2. Shareholders/members are requested to join the meeting on or before the scheduled time. Shareholders/Members can log in and join 30 (thirty) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
3. Shareholders/members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:
 - a. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and Select the Company and Event date and register with your following details:
 - i. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - ii. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - iii. Mobile No. : Enter your mobile number.
 - iv. Email ID : Enter your email id, as recorded with your DP/Company.
 - b. Click "Go to Meeting"

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

4. Shareholders/ members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
5. Shareholders/ members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
6. Please note that Shareholders/members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call : - Tel : +91-22-49186175.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING:

1. Shareholders/ members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email ID, mobile number at investorservices@galaxysurfactants.com from Wednesday, July 27, 2022 from 9.00 a.m. to Friday, July 29, 2022 till 5.00 p.m.
2. Shareholders will get confirmation on first come first basis depending upon the provision made by the Company.
3. Shareholders will receive "speaker serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember to speak serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE MEETING

Remote e-voting: In compliance with the provisions of Sections 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 substituted by Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide the members the facility to exercise their vote for business to be transacted in this notice of Annual General Meeting by electronic means through e-voting facility provided by Link Intime. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by Link Intime as per instructions stated below.

- (i) Members who are holding shares in physical or dematerialized form as on Friday, July 29, 2022 shall exercise their vote by electronic means. The Company has engaged the services of the Link Intime to provide the e-voting facility. The Notice is displayed on the Company's website, www.galaxysurfactants.com, and on website of Link Intime India Pvt. Ltd. www.linkintime.co.in
- (ii) The remote e-voting period commences on Tuesday, August 2, 2022 at 9:00 a.m. and will end on Thursday, August 4, 2022 at 5:00 p.m. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, July 29, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Link Intime for voting after closing time mentioned above. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.
- (iii) The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on Friday, July 29, 2022.
- (iv) Mr. S Sathyanarayanan, Practicing Company Secretary (membership No. F4966) (C. P. No. 3251) has been appointed as the Scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.
- (v) The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 2 working days after the conclusion of the AGM to the Chairman or a person authorized by him, who shall declare the result of the voting.
- (vi) The results along with the Scrutinizer's Report, will be placed on the Company's website www.galaxysurfactants.com and shall also be submitted to stock exchanges.

The e-voting instructions for members

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select «Register Online for IDeAS Portal» or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon «Login» which is available under «Shareholder/Member» section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -
 - User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

* Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

* Shareholders holding shares in NSDL form, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

- Click on 'Login' under 'SHARE HOLDER' tab.
- Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

- After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
- E-voting page will appear.
- Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney

etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "**SUBMIT**".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Instructions for Shareholders/ members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

ANNEXURE

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMeet

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

The screenshot displays the Webex website's download page. The top navigation bar includes the Cisco Webex logo, menu items (Solutions, Webex Devices, Plans & Pricing, Learn), a search bar, and links for Host, Join, Sign in, and a 'Start for Free' button. The main content area is split into two columns: 'Webex Meetings' and 'Webex Teams'. The 'Webex Meetings' column features a blue circular icon, the heading 'Webex Meetings', and the question 'Looking for real time video conferencing?'. It lists features: 'HD video for face-to-face meetings', 'Flexible audio-only conference call options', 'Easy screen sharing', and 'Meet across any device'. A blue 'Download for Windows' button is present, with a black arrow pointing to it. Below this, it says 'Also available here:' followed by 'Download on the App Store' and 'GET IT ON Google Play'. The 'Webex Teams' column features a colorful circular icon, the heading 'Webex Teams', and the question 'Looking for messaging and team collaboration?'. It lists features: 'One-on-one or group messaging', 'Digital two-way whiteboarding', 'Rich content and file sharing', and 'Video calling'. A blue 'Download for Windows' button is present. Below this, it says 'Download Teams VDI' and 'Also available here:' followed by 'Download on the App Store' and 'GET IT ON Google Play'. A black arrow points to the 'Download for Windows' button in the 'Webex Meetings' column.

The second screenshot shows the 'Webex Meetings' setup wizard. It has three steps:
Step 1: Double-click the webexapp.msi file you downloaded (indicated by a blue downward arrow icon).
Step 2: The Webex Meetings setup wizard will launch. Follow the instructions to set up. (indicated by a yellow progress bar icon).
Step 3: Once installed the app will launch automatically. (indicated by a green checkmark icon).
Below the steps, it says: 'To open the app double-click the Webex Meetings icon on your desktop.' with a black arrow pointing down. At the bottom, a Windows file explorer dialog box is open, asking 'What do you want to do with webexapp.msi (88.1 MB)? From: akamaicdn.webex.com'. The 'Run' button is highlighted with a black arrow.

Step 1
Double-click the
webexapp.msi file
downloaded

To open the app double-click
the Webex Meetings icon on your

Step 3
Once installed
app will launch
automatically.

Step 1
Double-click the
webexapp.msi file
downloaded

Step 3
Once installed
app will launch
automatically.

Step 1
Double-click the
webexapp.msi file
downloaded

Step 3
Once installed
app will launch
automatically.

or

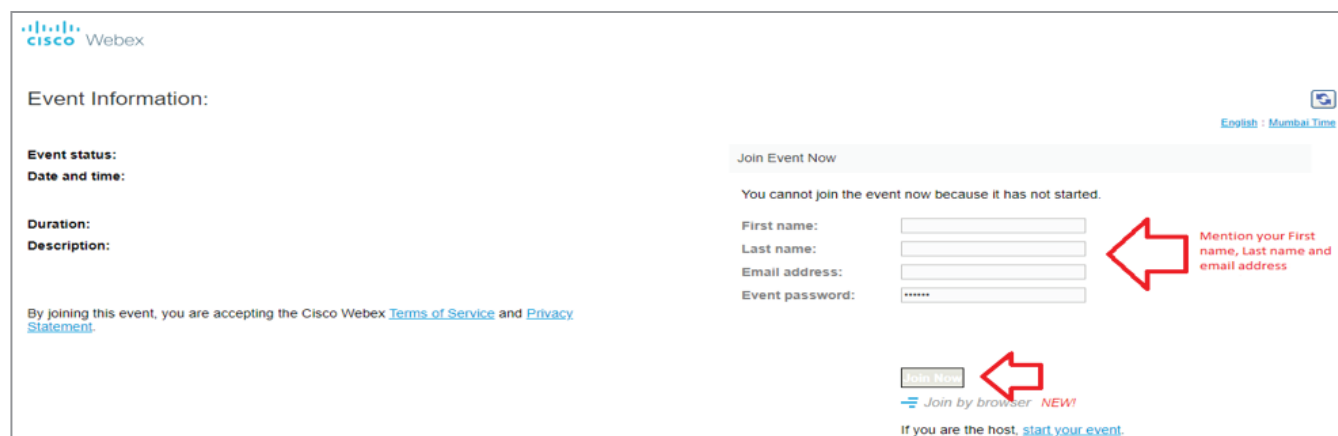
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Event Information:

Event status:
Date and time:
Duration:
Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:
Last name:
Email address:
Event password:

Join Now
Join by browser NEW!
If you are the host, start your event.

Mention your First name, Last name and email address

EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL AND ORDINARY BUSINESS SET OUT IN THE NOTICE CONVENING THE 36TH ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS ON FRIDAY, AUGUST 5, 2022

Item no. 6

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W / W-100018), were appointed as Statutory Auditors of the Company at the 31st Annual General Meeting ('AGM') held on August 17, 2017 for a period of 5 years, up to the conclusion of 36th AGM. M/s Deloitte Haskins & Sells LLP have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder. They have further confirmed that they are eligible for the proposed re-appointment under the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

As confirmed to the Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiaries according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed

to re-appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W / W-100018), as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 36th AGM till the conclusion of the 41st AGM of the Company. The re-appointment is subject to the approval of the members of the Company. The proposed annual remuneration payable to the Statutory auditors and its network firms for the statutory audit and limited review of the Company and its subsidiaries (Galaxy Chemicals (Egypt) SAE and TRI-K Industries Inc.) for any financial year shall not exceed ₹ 1.80 Cr. (including annual remuneration of ₹ 0.95 Cr payable to the statutory auditors for the audit of the Company). Amount payable in foreign currency shall be converted at the exchange rate prevailing as on March 31, 2022 for reckoning of the limit.

Considering the evaluation of the past performance, experience and expertise and based on the recommendation of the Audit Committee and the Board, it is proposed to appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as statutory auditors of the Company for a second term of five consecutive years till the conclusion of the 41st AGM of the Company in terms of the aforesaid provisions.

Brief profile of Deloitte

Deloitte Haskins & Sells was constituted in 1997 and was converted to a Limited Liability Partnership, Deloitte Haskins & Sells LLP ("DHS LLP" or "Firm"), in November 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 4000 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa.

The registered office of the Firm is at One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval by the members by way of an Ordinary Resolution.

Item no. 7

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Nawal Barde Devdhe & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 for a remuneration not exceeding ₹ 4,50,000/- plus any taxes and reimbursement of out-of-pocket expenses as agreed between the Company and the Cost Auditors.

In terms of the provisions of the Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the consent of the members is being sought for the aforesaid remuneration to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

Your Board recommends the Resolution at Item no. 7 as an Ordinary Resolution for the approval of the members.

Item no. 8

At the 33rd Annual General Meeting held on August 13, 2019, Mr. K. Natarajan (DIN: 07626680) was re-appointed as the Whole-time director designated as "Executive Director & Chief Operating Officer" of the Company, under section 196, 197 and 203 of the Companies Act, 2013 (the Act) for a period of 3 years w. e. f. October 1, 2019. Accordingly, his term of appointment will be expiring on September 30, 2022.

Mr. Natarajan holds a Bachelors' Degree in Commerce from University of Mumbai and is a qualified Cost Accountant from the Institute of Cost and Works Accountants of India. He has completed the Advanced Management Programme from the Harvard Business School in May 2016. Since joining Galaxy in April 1993, he has headed diverse functions in Galaxy including Finance, IT, Business Creation, Business Commercial, Global Sourcing and Supply Chain and was designated as Chief of Operations in December 2009. Prior to joining Galaxy, he worked for six years with Indian Organic Chemicals Limited in their Corporate Finance function.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 17, 2022 and considering the experience, expertise and contribution made by Mr. Natarajan, thought fit in the interest of the Company to retain and avail his expertise by re-appointing Mr. Natarajan as Executive Director & Chief Operating Officer for the further period of three years from October 1, 2022 to September 30, 2025 to achieve the desired goals of the Company.

The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Mr. Natarajan is not disqualified from being re-appointed as Director under Section 164 of the Act.

The re-appointment and payment of remuneration including perquisites of Mr. Natarajan shall be subject to the following terms and conditions:

- (1) The Whole-time Directors shall subject to superintendence, control and directions of the Board of Directors, manage the business and affairs of the Company.
- (2) The period of reappointment of the Whole-time Directors shall be for a period of 3 (three) years effective from October 1, 2022 to September 30, 2025.
- (3) Mr. Natarajan, Whole-time Director shall be liable to retire by rotation and his re-appointment as such director shall not be deemed to constitute a break in their appointment as Whole-time Director during the tenure of appointment.
- (4) Remuneration payable to Mr. Natarajan shall be as under:
 - a. Monthly Gross Salary
Gross Salary consisting of Basic Salary, HRA and such other Cash Allowances as may be determined by the Board, within the overall scale of ₹ 12,00,000/- to ₹ 17,00,000/- per month.
 - b. Perquisites
In addition to the aforesaid salary, the appointee shall be entitled to the following perquisites:
 - (i) Housing:
In case furnished accommodation is provided to the Whole-time Director, it shall be in lieu of 20% of Monthly Gross Salary.

The expenses in respect of such accommodation shall be subject to the following limits:
 - If the accommodation is hired/leased, the expenditure on accommodation shall be subject to the limit of 20% of the Monthly Gross Salary.

- If the accommodation is Company owned, the expenditure on the accommodation shall be subject to the limit of 7.5% of the Monthly Gross Salary payable to the said appointee.
- (ii) Reimbursement of medical expenses incurred for self and family, as per the Company's Rules. In addition, hospitalization expenses incurred in India for self and family will be paid on actual basis as per Company's Rules framed in this regard.
- (iii) Leave Travel Assistance for self and family, once in a year incurred in accordance with the Rules specified by the Company.
- (iv) Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
- (v) Term Insurance and Personal accident insurance: Coverage to be extended as per the Company's Rules.
- (vi) A car with a driver for official purpose as per Company's Rules.
- (vii) Telephone, fax facilities and other telecommunication facilities at his residence, as per Company's Rules. Personal long-distance calls shall be reimbursed to the Company.
- (viii) Statutory contribution to Provident Fund.
- (ix) Gratuity of half month basic salary for every year of completed service as per the rules of the Company.
- (x) Leave and Leave Encashment as per the Company's Rules.

c. Commission

Commission shall be decided by the Board of Directors/ Committee of Directors from time to time. The commission in a particular year shall be subject to the overall ceiling laid down under Section 197 and 198 and other applicable provisions of the Act and Rules made thereunder.

Explanation:

- Family for the above purpose means the spouse, the dependent children and dependent parents of the appointee
- The aforesaid perquisites may be in the form of reimbursement or allowance

- Unless the context otherwise requires, the aforesaid perquisites shall be valued as per the provisions of the Income Tax Act/ Rules, wherever applicable and in absence of any such rule, perquisites shall be valued at actual costs
- Car for use on Company's business, telephone, fax and other telecommunication facilities at residence for official use, will not be considered as perquisites and shall not be included in remuneration.

(5) Annual Increment

The Annual Increments effective from April 1 every year shall be decided by the Board of Directors/Committee of Directors and shall be merit based and will take into account the Company's performance, subject to ceiling prescribed in Schedule V to the Act or any modification thereof to the same from time to time.

(6) Inadequacy of Profits and Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of the Whole-time Directors, remuneration by way of salary, perquisites, commission and other allowance shall be in accordance with the ceiling prescribed in Schedule V to the Act or any modification thereof to the same from time to time.

In addition, they shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling on remuneration as specified above, in the event of loss or inadequacy of profits in any financial year.

- Statutory Contribution to Provident Fund
- Gratuity of half month basic salary for every year of completed service as per the rules of the Company.
- Leave and Leave encashment, as per Company's Rules.

(7) No sitting fees shall be paid to the appointee for attending the meeting of the Board of Directors or any committees thereof.

The aggregate of remuneration viz. salary, commission and perquisites/ benefits, including contribution towards Provident Fund, and gratuity fund/ provision payable to Whole-time directors of the Company shall not exceed 10% of the net profits of the Company calculated in accordance with the provisions of Section 197, 198 and other applicable provisions of the Act.

The re-appointment and remuneration payable to Mr. Natarajan also subject to the approval of the Shareholders as required under Schedule V to the Act.

The copy of draft letter of appointment is kept open for inspection by any member of the Company under section 190(2) of the Act.

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure-1 to the Notice of this AGM.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. Natarajan and his relatives, are in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item no. 8 of the accompanying notice.

Your Board recommends the resolution at Item no. 8 as Ordinary Resolution for the approval of members.

Item no. 9

In the 34th Annual General Meeting held on September 08, 2020, Mr. G. Ramakrishnan (DIN: 00264760) who is a Promoter and Non-Executive Director of the Company was re-appointed as a strategic advisor for the period upto May 31, 2022 to undertake focused exploration and study of the North American marketplace with a view to help the Company formulate appropriate strategies to more fully exploit the potential of that marketplace.

Mr. G. Ramakrishnan holds a Masters' Degree in Commerce from University of Mumbai. He is a Fellow Member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He is also a qualified Company Secretary. He has over forty years of experience with the Company in its Personal and Home care business in various areas including strategic planning, marketing and sales, general management and human resources management.

In recognition of the large and growing North American market, the Company in 2009 made the strategic decision to acquire TRI-K Industries, Inc. ("TRI-K"), a New Jersey based manufacturer of cosmetic ingredients. Over the years, the Company and TRI-K has increased business in North America. It is the considered view of your Board that North America continues to be a very important market and source of new product innovation, and for strategic acquisitions, alliances and hires for the Company.

Mr. G. Ramakrishnan has long experience with the Company and has been closely involved in the formulation and implementation of the Company's strategic initiatives. Mr. G. Ramakrishnan along with Mr. Uday K. Kamat have undertaken focused exploration and study of the customers in North America and have formulated a medium-term strategy to help the Company to more fully exploit the potential of the market. The continued focus on the business in North America and close coordination with the management in TRI-K Industries in taking the products to the market has resulted in significant uptick in the sales to our subsidiary TRI-K Industries Inc., which acts as a trading and distribution setup for North America. In continuing the momentum, the role of Mr. G. Ramakrishnan and Mr. Uday Kamat would be important in the coming years.

Your Board, has therefore, on the recommendation of the Audit Committee in their meeting held on May 17, 2022 have approved the extension of the term of appointment of Mr. G Ramakrishnan as a strategic advisor to the Company for a further period of 3 years on the following terms:

Duties: To periodically travel to North America, to engage with customers – including TRI-K Industries Inc., vendors, R&D laboratories and facilities, potential acquisition targets and hires, and other strategic participants in the marketplace;

Term of appointment: Three years, starting June 1, 2022 till May 31, 2025;

Annual remuneration: Upto ₹ 90 Lakhs (Rupees Ninety Lakhs) per annum (exclusive of taxes);

Expense reimbursement: Actual business expenses to be reimbursed;

Mr. G. Ramakrishnan is a Promoter and Non-Executive Director of the Company and has abstained himself from voting in the Board for the proposal of his re-appointment as a strategic advisor.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mr. G. Ramakrishnan and his relatives, are deemed to be interested to be concerned or interested in the Resolution at Item no. 9 of the accompanying notice.

Mr. G. Ramakrishnan and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the Resolution at Item no. 9 as an Ordinary Resolution for the approval of the members.

Item no. 10

At the 33rd Annual General Meeting, the members approved the payment towards sitting fees to Mr. G. Ramakrishnan (DIN: 00264760) by the operating subsidiaries on which he is nominated as the Director for participating in their Board Meetings for a period from April 1, 2020 to March 31, 2023.

On the approval of the Audit Committee, the Board of Directors at its meeting held on May 17, 2022 has considered extending the approval for the payment of sitting fees by the Operating Subsidiaries to Mr. G. Ramakrishnan till he ceases to be a director on the board of such subsidiaries.

Any payment received by the Directors of the Company from the subsidiary attracts the provisions of the Section 188 of the Act covering appointment to place of profit.

Approval of the members is being sought under section 188 for the payment of sitting fees to Mr. G. Ramakrishnan on the following terms:

- a) The approval shall be valid from April 1, 2023 and shall continue until Mr. Ramakrishnan ceases to be director on the board of such subsidiaries;
- b) The payment of sitting fees by any operating subsidiary shall not exceed USD 12,000 per annum;
- c) In addition to the above, Mr. G. Ramakrishnan shall be entitled to reimbursement of expenditure incurred for attending the meetings of such subsidiaries.

The payment shall be subject to requisite approval of the members and any other approvals that may be required under the provisions and rules applicable.

None of the Directors, Key Managerial Personnel and/ or their relatives, except Mr. G. Ramakrishnan and his relatives, are deemed to be interested to be concerned or interested in the Resolution at Item no. 10 of the accompanying notice.

Mr. G. Ramakrishnan and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the resolution at Item no. 10 as an Ordinary resolution for the approval of members.

Item no. 11

The Board of Directors at its meetings held on March 24, 2022 and May 17, 2022 has nominated Mr. Subodh Nadkarni (DIN: 00145999), Independent Director of the Company on the Board of Operating Subsidiaries as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the approval of the Audit Committee, the Board of Directors at its meeting held on May 17, 2022 has considered the payment of sitting fees by the Operating Subsidiaries to Mr. Subodh Nadkarni till he ceases to be a director on the board of such subsidiaries.

Any payment received by the Directors of the Company from the subsidiary attracts the provisions of the Section 188 of the Act covering appointment to place of profit.

Approval of the members is being sought under section 188 for the payment of sitting fees to Mr. Subodh Nadkarni on the following terms:

- a) The approval shall be valid from April 20, 2022 and shall continue until Mr. Nadkarni ceases to be director on the board of such subsidiaries;
- b) The payment of sitting fees by any operating subsidiary shall not exceed USD 12,000 per annum;

- c) In addition to the above, Mr. Subodh Nadkarni shall be entitled to reimbursement of expenditure incurred for attending the meetings of such subsidiaries.

The payment shall be subject to requisite approval of the members and any other approvals that may be required under the provisions and rules applicable.

None of the Directors, Key Managerial Personnel and/ or their relatives except Mr. Subodh Nadkarni and his relatives, are deemed to be interested to be concerned or interested in the Resolution at Item no. 11 of the accompanying notice.

Mr. Subodh Nadkarni and his relatives/ related parties as defined under the provisions of the Act and rules made thereunder, being interested, are not entitled to vote in favour of this resolution.

Your Board recommends the resolution at Item no. 11 as Ordinary Resolution for the approval of members.

Item no. 12

The Board on the recommendation of the Nomination and Remuneration Committee in its meeting held on May 17, 2022 has recommended the appointment of Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 for a term of 5 years with effect from August 5, 2022. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

The Company has received a declaration from Mr. Kanwar Bir Singh Anand confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board, Mr. Kanwar Bir Singh Anand fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company.

Mr. Kanwar Bir Singh Anand will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings and commission on annual basis of such sum as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limits under Companies Act, 2013. Details of remuneration paid to Independent Directors shall be disclosed as part of the Annual Report.

Mr. Kanwar Bir Singh Anand, aged 66 years, is a Mechanical Engineer from the Indian Institute of Technology, Bombay having passed out in the year 1977 and then completed his Post Graduate Diploma in Business Management from the

Indian Institute of Management, Kolkata in the year 1979 with a specialisation in Marketing.

Mr. Kanwar Bir Singh Anand is a distinguished business leader who had risen through the ranks in Asian Paints Limited and retired as a Managing Director and CEO.

Mr. Kanwar Bir Singh Anand joined Asian Paints Limited in the year 1979 and worked in the Sales and Marketing function of the Architectural Coating and Chemical business, Industrial products manufacturing. He was made the head of the Decoratives Business in 2009 and Managing Director & CEO of Asian Paints Limited effective April 1, 2012. Mr. Kanwar Bir Singh Anand led the company into launching some of its top selling brands and also launching the first company-run painting service in 2001 which was a unique step - the first by any paint company in the world.

Mr. Kanwar Bir Singh Anand has been the recipient of some of the most prestigious Indian and global recognitions for business leaders, including Forbes Best CEO (Private Sector) in 2016, E&Y Entrepreneurial CEO in 2019 and Business Standard CEO of the Year (2020).

Mr. Kanwar Bir Singh Anand is also on the Boards of Tata Chemicals Limited, Lupin Limited and Borosil Limited.

Considering Mr. Kanwar Bir Singh Anand's experience of over four decades in leading a large successful organisation, the

Board of Directors is of the opinion that Mr. Kanwar Bir Singh Anand be appointed as an Independent Director for a period of five years with effect from August 5, 2022.

Draft letter of appointment of Mr. Kanwar Bir Singh Anand setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Kanwar Bir Singh Anand, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure 1 to this Notice.

None of the Directors, Key Managerial Personnel and/ or their relatives are deemed to be interested to be concerned or interested in the Resolution at Item no. 12 of the accompanying notice.

Your Board recommends the resolution at Item no. 12 as Special Resolution for the approval of members.

Item no. 13

The members of the Company have approved terms and conditions of the appointment of executive directors in the earlier Annual General Meetings as under:

Name of Director	Designation	Date of AGM	Period From	Period To
U. Shekhar	Managing Director	August 13, 2019	April 1, 2019	February 17, 2024
K. Natarajan	Executive Director & COO	August 13, 2019	October 1, 2019	September 30, 2022
K. Ganesh Kamath	Executive Director & CFO	August 13, 2019	April 1, 2020	October 6, 2022
Vaijanath Kulkarni	Whole-time Director	September 8, 2021	October 16, 2021	October 15, 2024

Following terms and conditions of the appointment of Executive Directors are proposed to be changed with the reasons therefor:

1. Change in Contribution to Provident Fund

One of the terms and conditions of appointment has been contribution by the employer to the provident fund which was made @ 12% of the basic salary as per the provisions of the Provident Fund Act.

The Finance Act, 2020 has amended the Income Tax Act to bring aggregate employer's contributions to specified funds viz. Provident Fund (PF), National Pension Scheme (NPS) and Approved Superannuation Fund (ASF), in excess of ₹ 750,000 under the ambit of tax.

Before this amendment, the provisions of the Income Tax Act were in line with the provisions of Provident Fund

Act. As per the amendment in the Income Tax Act, any contribution to Provident Fund in excess of ₹ 750,000 is now taxable in the hands of the employee. However, the contribution would still be required to be @ 12% of the basic salary as per the Provident Fund Act.

2. Change in Fees of Club

A correction is proposed to modify the inadvertent exclusion of annual fees paid to the club. The intention was to exclude life membership fees.

3. Change in Car perquisite

Car with driver has been provided and the perquisite value is calculated as per the provisions of Income Tax Act. Accordingly, the said clause is recommended to be changed to make the same in line with the Company's Policy.

The proposed changes shall be carried out in the manner given below:

Parameter	Existing clause which is to be changed	Changes Proposed in the clause
Contribution to Provident Fund	(4)(b)(viii) Contribution to provident fund to the extent it is not taxable, under the Income Tax Act, 1961 (6) Inadequacy of profits and Remuneration Contribution to provident fund, to the extent this is not taxable, under the Income Tax Act, 1961	4(b)(viii) Statutory contribution to Provident Fund The existing part relating to contribution to provident fund in clause no. 6 shall be replaced as under: Statutory contribution to Provident Fund
Fees of club	4(b)(iv) Fees of clubs, subject to maximum of two clubs. This will not include admission and membership fees.	4(b)(iv) Fees of clubs, subject to maximum of two clubs. This will not include admission and life membership fees.
Use of company car	4(b)(vi) A car with a driver for official purpose as per Company's Rules. Use of car for personal purpose shall be reimbursed to the Company.	A car with a driver for official purpose as per Company's Rules

The above changes are proposed for the entire period of the of appointment as given above.

Other than the above there are no changes in any other terms and conditions of appointment of executive directors.

No other Director, Key Managerial Personnel of the Company and their relatives, except Mr. U. Shekhar, Mr. K. Natarajan, Mr. K. Ganesh Kamath and Mr. Vaijanath Kulkarni and their relatives, are in any way, concerned or interested, financially or otherwise, in resolution as set out in Item no. 13 of the accompanying notice.

Your Board recommends the resolution at Item no. 13 as an Ordinary Resolution for the approval of members.

By Order of the Board of Directors

Navi Mumbai
May 17, 2022

Niranjan Ketkar
Company Secretary

Registered Office:
C-49/2, TTC Industrial Area, Pawne,
Navi Mumbai – 400 703, India,
Phone: +91-22-27616666/65134444

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 36TH ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS ON GENERAL MEETING (SS-II) AND REGULATION 36(3) OF THE LISTING REGULATIONS:

Annexure-1

Name of Director	Mr. K. Natarajan	Mr. Kanwar Bir Singh Anand
Director Identification Number	07626680	03518282
Age (years)	57	66
Qualification	Bachelors' Degree in Commerce from University of Mumbai Cost accountant from The Institute of Cost and Works Accountant of India Advanced Management Program from Harvard Business School.	B. Tech from IIT, Bombay and Post Graduate Diploma in Business Management from the IIM, Kolkata
Date of First Appointment	October 1, 2016	NA
Expertise in specific General functional Area	Since joining Galaxy in April 1993, he has headed diverse functions including Finance, IT, Business Creation, Business Commercial, Global Sourcing and Supply Chain and was designated as Chief of Operations in December 2009	Mr. Kanwar Bir Singh Anand joined Asian Paints Limited in the year 1979 and worked in the Sales and Marketing function of the Architectural Coating and Chemical business, Industrial products manufacturing. He was made the head of the Decoratives Business in 2009 and Managing Director & CEO of Asian Paints Limited effective April 1, 2012. He superannuated in 2020. He serves on the Boards of Tata chemicals, Borosil Limited and Lupin Limited as an Independent Director
Shareholding in the Company	9600 equity shares of ₹ 10 each jointly held with Mrs. Parvathy Natarajan.	NIL
Relationship with other Directors /KMPs	NIL	NIL
Terms and conditions of Re-appointment/ Appointment	As per Resolution No. 8 of the Notice read with Explanatory Statement thereto.	As per Resolution No. 12 of the Notice read with Explanatory Statement thereto.
Remuneration last drawn including sitting fee	Salary & Allowances ₹ 1.94 Cr	Not applicable
Remuneration proposed to be paid	As per Resolution No. 8 of the Notice read with Explanatory Statement thereto.	As per Resolution No. 12 of the Notice read with Explanatory Statement thereto.
No. of Board meetings attended during the Financial Year (2021-22)	6/6	Not applicable
Directorships of other Boards as on March 31, 2022	NIL	Tata Chemicals Limited Lupin Limited Borosil Limited
Membership/ Chairmanship of Committees of other Boards as on March 31, 2022 alongwith listed entities from which the person has resigned in the past three years	NIL	A) Committee Details (i) Tata Chemicals Limited Audit Committee – Member Risk Management Committee – Chairman (ii) Lupin Limited Stakeholders' Relationship Committee- Chairman Corporate Social Responsibility Committee- Member

Name of Director	Mr. K. Natarajan	Mr. Kanwar Bir Singh Anand
		(iii) Borosil Limited Nomination and Remuneration Committee – Member Risk Management Committee - Member B) Resigned as a Director of the following listed entities over the last 3 years: Marico Limited Borosil Renewables Limited
Skills and capabilities	As per the explanatory statement of Resolution no. 8	As per the explanatory statement of Resolution no. 12

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Galaxy Surfactants Ltd.

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