

# Leading with Purpose



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## Leading with purpose

At Galaxy, we believe that true leadership goes beyond financial success. It is about making a meaningful impact, guided by a purpose that extends beyond our bottom line. This year's theme, "Leading with Purpose", encapsulates our continuous commitment to driving positive change in the personal care and home care segments. As a purpose-driven organisation, we strive to create sustainable and innovative solutions that not only meet our customer's needs but also contribute to a better world. It is through purposeful leadership that we create value for our stakeholders, empower our employees, and contribute to a better and more sustainable future. Join us as we embrace our purpose and continue to lead with passion, integrity, and a shared vision for a brighter tomorrow.

# 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  
(till October 6, 2022)

### K. Natarajan

Executive Director & COO

### Vaijanath Kulkarni

Whole-time Director

### G. Ramakrishnan

Non-Executive Director

### Shashikant R. Shanbhag

Non-Executive Director

### Subodh Nadkarni

Non-Executive Independent Director

### Nandita Gurjar

Non-Executive Independent Director

### Kanwar Bir Singh Anand

Non-Executive Independent Director  
(w.e.f. August 5, 2022)

### Madhavan Hariharan

Additional Director,  
Non-Executive Independent  
(w.e.f. May 23, 2023)

## BOARD COMMITTEES

### Audit Committee

#### Subodh Nadkarni

Chairman

#### S. Ravindranath

(till April 19, 2022)

#### M. G. Parameswaran

#### G. Ramakrishnan

#### Kanwar Bir Singh Anand

(w.e.f. August 5, 2022)

### Nomination & Remuneration Committee

#### Nandita Gurjar

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

#### M. G. Parameswaran

(Chairman up to April 19, 2022)

#### S. Ravindranath

(till April 19, 2022)

#### Subodh Nadkarni

#### Kanwar Bir Singh Anand

(w.e.f. August 5, 2022)

## Stakeholders

### Relationship Committee

#### M. G. Parameswaran

Chairman

#### G. Ramakrishnan

#### K. Ganesh Kamath

(till October 6, 2022)

#### K Natarajan

(w.e.f. October 7, 2022)

### Corporate Social Responsibility Committee

#### U. Shekhar

Chairman

#### K. Ganesh Kamath

(till October 6, 2022)

#### M. G. Parameswaran

#### Vaijanath Kulkarni

(w.e.f. October 7, 2022)

### Risk Management Committee

#### Vaijanath Kulkarni

Chairman & Chief Risk Officer

#### K. Ganesh Kamath

(till October 6, 2022)

#### K. Natarajan

#### Subodh Nadkarni

#### Sesha Samba Murty Garikiparthi

#### Abhijit Damle

### COMPANY SECRETARY & COMPLIANCE OFFICER

#### Niranjan Ketkar

### CHIEF FINANCIAL OFFICER

#### Abhijit Damle

(w.e.f. July 1, 2022)

### 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 FOR CORRESPONDENCE

Rupa Solitaire, Ground Floor,  
Unit No. 8, 12A and 14  
Millenium Business Park,  
Mahape, Navi Mumbai - 400 710,  
Maharashtra  
Phone: 022-27616666 / 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. N-46/1 & 2; 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 MD



**A HIGHLY CAPABLE AND EXPERIENCED TEAM WITH A STRONG UNDERSTANDING OF THE RAW MATERIAL MARKETS COMBINED WITH THE RELATIONSHIP QUOTIENT BUILT OVER DECADES WITH OUR VENDORS GAVE US THE REAL EDGE IN THIS MARKET AND ENSURED OUR MARCH IN FY 2023-24.**

Over the last 24 months, we have had one such journey and it is important for all of us to understand the story that has played out over the last 24 months.

It was exactly a year back when we had bounced back from one of our weakest quarters. While we registered a robust performance in Q-4 FY 2021-22; for the full year FY 2021-22, we had reported a decline in EBITDA and Net Profitability. Degrowth never sends a positive message and while multiple factors did go against us in FY22; we remained confident and knew only our actions and performance could ensure growth and growth alone could reimpose and reassure our investors.

While FY 2021-22 was all about supply led volatility; FY 2022-23 was all about managing demand cutbacks and astute risk management in an extremely volatile and corrective supply environment. Just

”

**When everything seems to be going against you, remember the airplane takes off against the wind, not with it.**

Henry Ford

to give you a glimpse, our major feedstock Fatty Alcohol which constitutes 50-55% of our raw material purchases corrected 50% just in the last 12 months. But when we compare it Q-O-Q i.e., Q-4 FY 23 vs Q-3 FY 23, it has remained flat. Such has been the magnitude of correction that any speculative positions or wrong calls could have dented the business severely.

A highly capable and experienced team with a strong understanding of the raw material markets combined with the relationship quotient built over decades with our vendors gave us the real edge in this market and ensured our march in FY 2023-24.

Capabilities built along with Perseverance and Persistence combined with small consistent efforts ensured we record our best financial performance till date. Truly a remarkable turnaround when compared to our performance 12 months ago, given the highly volatile macro backdrop. The consistency demonstrated by the team is worthy of praise and I take this opportunity to acknowledge and thank them for the same.

While numbers are lag indicators, one of the leading indicators is the equation we share with our customers. It gives me immense pleasure to share with you all, that this year we received 2 Prestigious awards from 2 of our key customers:

## 1.

The “Clean Future Partner Award” from Unilever. This award was only given to 6 suppliers globally who have partnered with Unilever and through multiple innovations enabled them in their journey towards a Cleaner Future.

As it is said “Success is a journey and not a destination”; and for us the journey of innovation, partnering with purpose with all our stakeholders and delivering consistent performances continues. The inherent business model remains robust and with a strong talent pipeline we remain positive, confident and optimistic about a brighter future.

Moving on to business performance, it is important we understand the structural drivers and focus more on the outlook.

Starting with India which continues to outperform. The uptick in premium consumption, revival of rural demand and entry of a new player overall bodes well for the Home and Personal Care space. While there may be few quarters of volatility, I personally will insist you all to look at the Bigger Picture. Structurally we are now getting into a zone where 8-10% volume growth across segments over the next 3-5 years is a strong probability.

AMET has been a point of concern now for the past couple of years. While macro headwinds on account of currency devaluation and inflation yet remain, there are signs of stability emerging. While it will be too premature to talk about growth, we do believe, Africa Middle East and Turkey will emerge stronger from this. If we reflect on our

Q-4 Performance, excluding Egypt, Rest of AMET did see a 7% volume growth in this quarter. We do see this momentum sustaining. As for Egypt, volumes seem to be stabilising and growth should make a comeback by H2 FY 24.

The rest of the World, which primarily includes the developed markets of Europe, Americas and Asia Pacific have again been impacted by geopolitical issues and inflation. The adverse performance here has impacted our Specialty segment. The key here would be permanent receding inflation and resolution of geopolitical tensions. This holds the key because the bulk of the personal expenditure in the developed world today is being directed towards consumption of basic mass and masstige products adversely impacting the frequency of premium consumption. While price hikes taken by major FMCG players did ensure topline growth; across the board they have reported a volume decline. Their volumes hold the key for our specialties. With raw material prices and freight rates correcting, we do believe demand will make a gradual comeback. War resolution will further boost consumption in Europe which holds the key for us.

While the demand scenario barring for India remains hazy, our complete focus for FY24 will be to ensure sustainable

## 2.

The Supplier Excellence Award for Global Fabric and Home Care Segment 2022 from P&G. Every 2 years, P&G recognises and thanks from over 40,000 suppliers, its key suppliers with excellence awards in different groups. It gives me immense pleasure to share that this is the first time in the History of P&G, an organisation from India Middle East Africa (IMEA) region has won this award.

volume led growth. The last 3 years have been flat in terms of volumes and while we have grown in terms of our profitability due to better mix, efficiencies, recoveries and exchange, volumes hold the key.

The targets as stated previously remain the same –

**VOLUME GROWTH OF 6-8%,  
EBITDA GROWTH BEING HIGHER  
THAN VOLUME GROWTH AND  
PAT GROWTH BEING HIGHER  
THAN EBITDA GROWTH WITH  
ROCE IN THE 22% ZONE.**

To conclude ladies and gentlemen, it is said that “Success in Business is all about building – Building relationships, talent pipelines, great products and robust processes consistently and passionately.” At Galaxy, we have done that for the past 4 decades and the ensuing decades will be no different.

Thank You

Yours Sincerely,

**U. Shekhar**

Managing Director

## Unveiling the Purpose

**Through purpose-driven leadership, innovation, and collaboration, we strive to create a positive impact and drive transformative change in the personal care and home care industries.**

Our unwavering commitment to sustainability, excellence, and ethical practices fuels our journey to develop innovative products, foster a culture of responsible growth, and make a meaningful difference in the lives of our customers, employees, communities, and the environment. It is through purposeful leadership that we create value for our stakeholders and contribute to a better and more sustainable future.

With our dedication to purpose-led growth, we aim to inspire and shape a better tomorrow for the generations to come.

**SUSTAINABILITY**

# Caring for Earth, Nurturing Our Future



We are committed to reducing the environmental footprint of our operations and make our processes more sustainable. We are investing continuously in green chemistry and environment conservation activities that drive sustainable growth and long-term value creation for stakeholders.



**GREENHOUSE GAS (GHG) EMISSIONS**

Climate change has become one of the most crucial issues today. The rising expectations from investors, regulators, and customers have driven companies to set ambitious targets to achieve net zero emissions. The momentum towards net zero is undeniable. At Galaxy, the initial step towards GHG emission reduction is the establishment of a transparent and reliable Green House Gas Inventory System. This allows monitoring, reporting, and verification of the current state of emissions. GHG emission accounting and reduction is an integral part of the Galaxy’s long-term agenda towards climate change mitigation.

The key lever is the implementation of energy conservation projects. We have been accounting and reporting for GHG Emissions every year since FY 2011-12. These emissions are reported according to the ISO 14064-1:2006 standards. Renewable sources of electricity are focussed areas for emission reduction. Currently, we have avoided 7,800 tonnes of CO<sub>2</sub> equivalent due to the utilisation of Solar energy.

**7,800 tonnes**

of CO<sub>2</sub> equivalent due to the utilisation of Solar energy.



**CDP RATINGS**

Climate Change

**B-**

Water Security

**B**

Forest Disclosure

**C**



**CDP DISCLOSURE**

Galaxy started the Carbon Disclosure Project (CDP) as an initiative to build a sustainable economy by measuring and acting on our environmental impact. Since 2013, Galaxy has been continuously participating in the disclosure. We provide clear and thorough reporting on climate change, water security, and forest disclosure. In CDP 2022, Galaxy was awarded management and awareness status in the final evaluation.

**14%**

Renewable energy of the total electricity share in FY 2022-23

**Indian operations**  
**20.62%**

**ENERGY MANAGEMENT & PERFORMANCE**

Energy conservation continues to be our top priority. We focus on reducing the energy intensity of our products and processes. We implemented various projects for energy conservation for our processes and equipment in our

manufacturing facilities to further improve energy efficiency. Galaxy has systematically allocated financial, technological, and human resources to reduce the energy intensity of products. Galaxy is aligned with global goals of emission reductions. With the utilisation of Energy management systems, renewable energy, and adopting clean fuels, Galaxy is committed to reducing its emissions. We have implemented the ISO 50001:2018 Energy Management System at the Taloja Manufacturing facility with the aim of reducing energy consumption and emissions. The certification was awarded to Galaxy after a successful audit conducted by BSI. This year, Galaxy Group’s renewable electricity accounted for 14% of the total electricity share. While our Indian operations had a share of 20.62%.



**WASTE MANAGEMENT**

At Galaxy, we recognise the need for sustainable waste management practices which involve managing waste in an environmentally sound and economically viable manner. Our primary focus is on waste elimination, recycling, and optimum utilisation of resources to minimise land utilisation for waste disposal and at the same time to save natural resources and energy. We measure and monitor waste across all our manufacturing facilities. We are continually improving our waste monitoring mechanisms. We encourage our employees, and

operators to share innovative ideas and look forward to alternative options for reducing, recycling, and re-using waste. We have implemented Waste Elimination Suggestion Award Programme (WESAP) that empowers our employees to provide suggestions on waste reduction.





**All our manufacturing facilities in India are Zero Liquid Discharge (ZLD) units.**

### WATER CONSERVATION

Currently, more than a billion people worldwide lack access to water, and almost 2.7 billion people find water scarce for at least one month of the year. Inadequate sanitation is also a problem for about 2.4 billion people, because of which they are exposed to diseases, such as cholera, typhoid, diarrhoea, and other water-borne illnesses.

Galaxy uses water as an essential input for production, utility, and Water, Sanitation, and Hygiene (WASH) services. All our manufacturing facilities are within the industrial complexes, our major water withdrawal is from industrial utilities. We are aware of our

water footprint and other impacts and strive to reduce water consumption in operations and improve water quality. We have working committees at all locations, guided by the sustainability cell to measure, manage, and review water-related topics for the respective locations, both within the organisation and the community areas.

All our manufacturing facilities in India are Zero Liquid Discharge (ZLD) units. This year recycled water accounted for 25% of our total water consumption in Indian Operations which helped us reduce our water withdrawal intensity. We are about 1.4 times Water Positive at the corporate level.

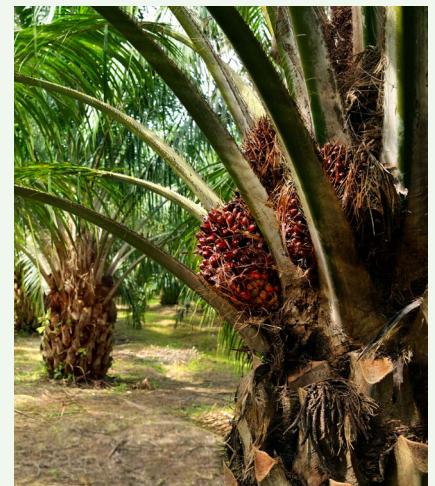
### GREEN SUPPLY CHAIN

The act of incorporating environmental sustainability strategies into supply chain management is known as green supply chain management. It entails reducing an organisation's environmental effects at every stage of the supply chain, including product design, material procurement, production, and final product delivery.

Galaxy's supply chain is dependent on palm oil and its derivatives. To avoid the environmental and social risks due to palm cultivation, we procure RSPO-certified raw materials.

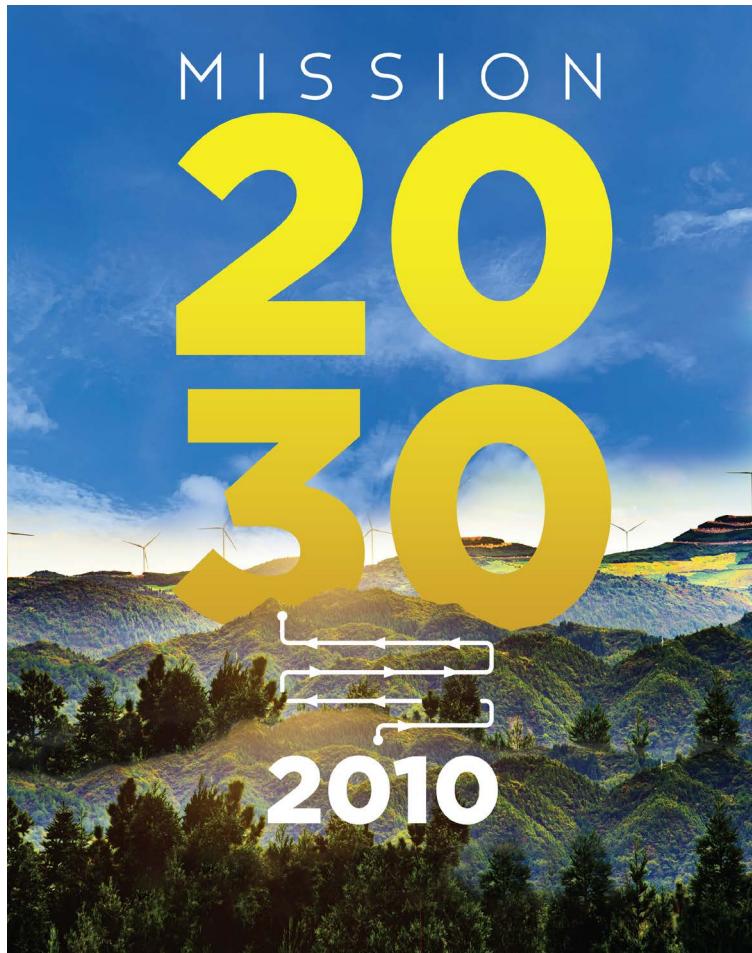
Galaxy is an ordinary member of the Roundtable on Sustainable Palm Oil since 2012. Our manufacturing units in India & Egypt are RSPO certified. Since 2014, we have seen an increase in sales of RSPO MB finished goods. RSPO certification enables us to collaborate with our key customers to contribute to a sustainable palm oil supply chain.

We procure more than 35,000 MT of RSPO MB-certified raw material which enabled us to avoid more than 70,000 tonnes of CO<sub>2</sub> equivalent.





# Mission 2030



Mission 2030 is our ambitious approach to meeting customer demands while creating a positive impact on the environment and society. Our strategy is based on the vision of the organisation which states "Delight Customers; Be a Partner of Choice, and A Global Leader of Surfactants and Specialty Chemicals to the Personal and Home Care Industry with a commitment to a cleaner and safer environment and delivering consistently above average returns to the investors".

The key driver for our strategy remains the changing behaviour of consumers towards sustainable and safe consumption which is a big growth opportunity for us. Consumers have started considering environmental parameters in their consumption preferences. Leveraging this opportunity, we have embarked upon the "Mission 2030" of purpose-led sustainable growth.

The demand for milder, cleaner, non-toxic, and bio-degradable surfactants is on the rise. With our range of mild surfactants and non-toxic preservatives, we are well-positioned to cater to these emerging trends.

# Pioneering Solutions for a Changing World

Our commitment to innovation goes beyond product development. It extends to the very foundation of our operations, including our state-of-the-art laboratories. We constantly innovate to understand our customers' requirements and co-develop pioneering solutions that enable them to achieve their goals.





## INNOVATION

Through our purpose-driven approach to innovation, we are committed to making a positive impact on society, the environment, and our industry. Through collaborative research projects, customisation of products, and responsive technical support, we empower our customers to succeed in their respective markets.

The year under review marked a significant milestone as we inaugurated our newly renovated labs equipped with cutting-edge technologies and advanced research facilities. This investment showcases our dedication to fostering a culture of innovation and provides our talented team of scientists and researchers with an inspiring environment to drive breakthrough solutions. Since 2000, a total of 90 patents have been granted to Galaxy.

# 68

Research Scientists



# Breakthrough Innovations

Today's consumers have an abundance of options and seek high-quality products that are not only safe and sustainable but also personalised. We recognise the importance of delivering exceptional, innovative ingredients to meet our customer's evolving needs. As the demand for safer and superior home and personal care products continues to rise, we consider it our duty to supply the industry with ingredients and solutions that enable our customers to surpass consumer expectations and set new standards.

Our innovation philosophy, known as 'Consumer to Chemistry', steers us to develop products that align perfectly with consumer preferences. We achieve this by analysing market trends and fostering strategic intellectual partnerships with our customers.





# Galguard® LipoG

Innovating Today,  
Preserving Tomorrow



**Galguard® LipoG stands out as a non-toxic, biodegradable, and safe ingredient, aligning perfectly with the growing demand for eco-conscious products.**

With its unique composition of Lipidated Glycines, derived through Galaxy's patented green process, Galguard® LipoG serves as a versatile cosmetic ingredient. It excels not only as an anti-dandruff agent but also as a preservative booster, providing value addition to formulations. One of the notable advantages of Galguard® LipoG is its ability to create clear and opaque formulations, allowing for greater formulation flexibility.

With Galguard® LipoG, Galaxy Surfactants stays ahead of market trends, delivering a product that combines innovation, sustainability, and exceptional performance. It represents our dedication to meeting evolving consumer needs while fostering a greener and more sustainable future for all.





# Galseer<sup>®</sup> TRESSCON

The Future of Hair Care

**Galseer<sup>®</sup> Tresscon is a next-generation sulfate-free, silicon-free, shampoo bar chassis formulated with a sustainable mild surfactants system for hair and scalp cleansing applications.**







Shampoo bars have gained significant global acceptance as a convenient and eco-friendly alternative to liquid shampoos. However, many existing shampoo bars lack quality in terms of lather and conditioning compared to liquid formulations. Additionally, delivering conditioning properties in a bar format has been a challenge for formulators. To address these concerns, Galaxy has developed Galseer® Tresscon, a sulfate-free, mild and conditioning shampoo bar base. With the naturality index of 80%, this shampoo bar base allows for the creation of natural

and sustainable shampoo bars with superior mildness, lather, conditioning, and scalp hydration. It provides the sensorial properties of premium liquid shampoos while being more sustainable and environmentally friendly.

Galseer® Tresscon represents Galaxy's commitment to innovation, offering solutions that combine performance, sustainability, and a delightful experience for consumers.

# Galsoft® TiLS (G)

Environmentally Safe  
Oil-soluble Surfactant





**Galsoft® TiLS (G) is a first-of-its-kind, green oil-soluble surfactant system that offers an innovative approach to personal care product formulation.**

The product is free from ethoxylation, making it an ideal ingredient for developing safe, sustainable, and gentle personal care formulations. Galsoft® TiLS (G) is manufactured with Galaxy's patented green chemistry, making it a sustainable and environmentally friendly ingredient.

It is a versatile ingredient that can be used in a wide range of personal care

products such as shower oils, bath oils, makeup removing oils, shaving oils, facial cleansing oils, hand wash oils, etc. that offer excellent cleansing, skin feel enhancement, and moisturisation benefits. It is a moisturising ingredient that enhances the softness of the skin without leaving any tackiness. It also has a good foam generation ability, making it an ideal choice for rinse-off products.

# Empowering Communities, Inspiring Change

We strive to bring a meaningful difference in the communities and society within which we operate. In line with our commitment to corporate social responsibility, we are actively engaged in a diverse range of initiatives, encompassing following key verticals. These verticals represent our dedication to making a positive impact on the lives of people and creating a sustainable future.

## MAJOR INITIATIVES IN FY 2022-23

### Aarogya Vardheeni



Setting Up Primary Health Centre Facility at Talodara village near Jhagadia factory

**8,446**  
Beneficiaries

### Gyan Sanjeevani



- Construction of Science Laboratory at Primary School, Fulwadi near Jhagadia factory
- Distribution of cumulative 1.6 lakh notebooks to school students near Jhagadia, Taloja, Tarapur & TTC operations (2014-2023)

**155**  
Students benefited  
from science lab

**32,000+**  
Students  
received notebooks  
(2014-2023)



## Samajeeek Utthaan



Integrated watershed development project addressing water shortage and high runoff in the remote villages of Tamsai and Bondarpada, Raigadh district, Maharashtra

**3,100**

Beneficiaries

**23**

Million Litres

**300**

Saplings planted

Waterholding capacity created

Desilting of Ponds at 20 Sites of 17 villages in Nandgaon Block, Nashik, Maharashtra

**29,033**

Beneficiaries

**300**

Saplings planted

**280**

Million Litres Waterholding capacity created

## Paryavaran Suraksha



Plantation of 7,600 Trees at various sites like TEPS – Tarapur, District Collector Office – Palghar, Taloja Jail, and others

**171 MT per annum**

Expected Carbon Absorption after 3 years

## Stree Unnati



Vocational Training in sewing to Tribal Women of Dahanu Block near Tarapur factory

**240+**

Tribal women impacted

Established Community Hall for Women Self-help groups of Salwad Village, Palghar District near Tarapur factory

**200+**

Women beneficiaries



# Collaborating for Success, Empowering Shared Growth

## Building Strong Partnerships FOSTERING COLLABORATIVE RELATIONSHIPS

At Galaxy, we believe in the power of strong customer engagements as a catalyst for mutual growth and shared success. Through personalised interactions, collaborative initiatives, and a customer-centric approach, we strive to build enduring relationships with our valued partners.

## Customisation with Care TAILORED SOLUTIONS FOR UNIQUE REQUIREMENTS

Through our "Customisation with Care" approach, we demonstrate our commitment to delivering tailored solutions that precisely meet our customers' unique needs. We believe that by understanding their challenges, leveraging our formulation expertise, providing flexible solutions, offering comprehensive technical support, and continuously improving our services, we can exceed their expectations and drive their success.



## Trade Shows

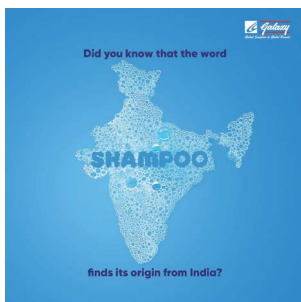
### SHOWCASING INNOVATIONS AND CONNECTING IN PERSON

Participating in exhibitions and trade shows is a vital part of our customer engagement strategy. These industry events provide us with valuable opportunities to showcase our latest innovations, exchange knowledge, and forge meaningful connections. We actively participate in domestic and international exhibitions, where we set up engaging booths to demonstrate our products and engage with industry professionals, thought leaders, and potential partners.

**E-commerce**

**SEAMLESS ACCESS TO SOLUTIONS**

In today's digital era, we understand the importance of providing seamless access to our products. Our user-friendly e-commerce platform enables customers to easily browse, order, and track their purchases. With a wide range of products available, customers can conveniently explore and select the right solutions for their specific needs. Our e-commerce system is operated by a dedicated team that provides responsive assistance, ensuring a smooth and efficient online experience for our customers.



**Regulatory, Technical & Application Support  
EXPERT GUIDANCE AT EVERY STEP**

We are committed to providing comprehensive technical support to our customers. Our team of experts is readily available to offer guidance and assistance at every step of the customer journey. Whether it's formulation advice, compliance, or process optimisation, our technical support team possesses deep knowledge and experience to address any challenges that may arise. We aim to empower our customers with the necessary tools and expertise to achieve optimal results and maximise the value of our solutions.

**Unleashing Curiosity  
EXPLORING CONNECTIONS THROUGH THE 'DID YOU KNOW' CAMPAIGN**

As part of our commitment to knowledge sharing and engaging with our customers in a unique way, we launched the innovative 'Did You Know' campaign on social media. This campaign featured a series of intriguing and lesser-known facts from the home

and personal care industry, subtly highlighting the connection with our products. Through captivating visuals and compelling content, we aimed to capture the attention of customers across different demographics.

The 'Did You Know' campaign served as a platform to impart intriguing knowledge to our audience, creating a deeper bond and fostering a sense of curiosity. By highlighting absorbing aspects of our products, we showcased our expertise and positioned ourselves as a brand that not only offers high-quality solutions but also provides an enriching experience for our customers. The campaign's creative approach, combining interesting facts with captivating visuals, helped us reach a wider audience and strengthen our brand's presence in the market.

Through this knowledge-sharing campaign, Galaxy demonstrated its commitment to engaging with customers beyond traditional marketing strategies. By offering valuable insights and creating a space for discovery, we strive to build lasting connections with our audience while reinforcing our position as a trusted industry leader.



## 25 Years of Taloja: Celebrating a Milestone

The inception of our Taloja factory was a daring leap of faith. We embarked on this venture, defying the prevailing market conditions and surpassing production capacities beyond the demand at that time. The celebration of 25 years of Taloja factory not only marked the passing of our extraordinary journey but also reinforced the bonds that tie us together as a united force, ready to conquer new frontiers.





With each passing year, Taloja factory flourished, defying the odds, and carving its path to success. On June 22, 2022, we proudly celebrated the silver jubilee of our Taloja factory which is a testament to the audacity and perseverance that sets us apart.

The grand celebration brought together a splendid gathering of individuals who have played an integral role in Taloja's remarkable journey. From the founding members and ex-galaxites to the dedicated employees and skilled factory operators, every individual who has been part of Taloja's story was present for this momentous occasion. Their collective efforts and unwavering commitment formed the foundation of Taloja's success.

As we celebrated Taloja's silver jubilee, the gathering became a testament to the collaborative spirit and unwavering resolve that defines our Taloja family. It showcased our unwavering belief in our capabilities and the immense potential of the surfactants industry.





# Awards & Accolades

Awards Won	Awarded by	Product / Innovation / Purpose for which Award won
1 Home Care Clean Future Awards 2023	Unilever	Going above and beyond in transforming the industry for the better through groundbreaking product and technological innovation
2 Supplier Excellence Award	P&G	Excellence in Service, Innovation and Value
3 Certificate of Merit	ICC	ICC Award-2021 Best compliant company for the emergency response code
4 CHEMEXCIL Trishul Award	CHEMEXCIL	Outstanding Export Performance for the year 2018-19 awarded in this year (2023)
5 Platinum Trophy Award	CII	CII national level 3M kaizen category under MURI category
6 Silver Award Winner	CII	Innovative category in 43 <sup>rd</sup> CII National Kai-Zen Competition
7 3 <sup>rd</sup> in Champions and Champions Trophy	CII	The Champions' Trophy 2022 (Category – MURI)
8 23 <sup>rd</sup> National Award for Excellence in Energy Management 2022 – Talaja	CII	Excellent Energy Efficient Unit
9 23 <sup>rd</sup> National Award for Excellence in Energy Management 2022 – Talaja	CII	Most Useful Presentation
10 6 <sup>th</sup> edition of CII National Energy Efficiency Circle Competition - Talaja	CII	Effective implementation of ISO 50001:2018 Energy management system
11 Winner - Certificate of Excellence Best Kaizen Competition – Tarapur	Baroda Productivity Council	Cost reduction in effluent treatment in Environment category
12 Gold Award Winner	43 <sup>rd</sup> Kaizen Competition by CII (21-23 Jul 2022)	Innovative Category - Elimination of Exposure of Harmful Gases to Human
13 Gold Award Winner	44 <sup>th</sup> Kaizen Competition by CII (16-17 Nov 2022)	Innovative Category - Energy Saving (steam) with utilisation of waste heat by installation of plate and frame heat exchanger
14 Platinum Award Winner	44 <sup>th</sup> Kaizen Competition by CII (16-17 Nov 2022)	Renovative Category - Elimination of production downtime & effective candle filter washing by installation of using load cell





# Consolidated Financial Performance

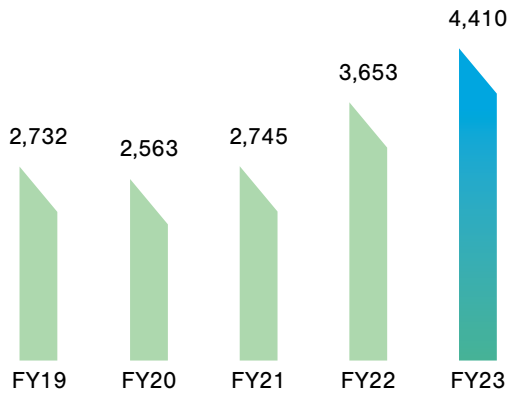
## 5-YEAR TRACK RECORD

Particulars	FY23	FY22	FY21	FY20	FY19
<b>Profit &amp; Loss Account</b>					
Sales	4,410	3,653	2,745	2,563	2,732
Other Income	45	46	50	39	36
EBITDA	578	413	460	375	358
PBIT	495	342	386	313	307
Interest	22	13	13	24	30
Profit Before Taxation	473	329	372	289	277
Profit After Taxation	381	263	302	230	191
Basic Earnings Per Share of ₹10 (₹)	107.46	74.12	85.22	64.99	53.87
Total Dividend Per Share of ₹10 (₹)	<b>22.00</b>	<b>18.00</b>	<b>18.00</b>	<b>14.00</b>	<b>8.00</b>
<b>Balance Sheet</b>					
Fixed Assets	1,063	966	836	814	601
Net Current Assets	1,113	996	757	651	602
<b>Total<sup>^</sup></b>	<b>2,176</b>	<b>1,962</b>	<b>1,592</b>	<b>1,465</b>	<b>1,203</b>
Equity Capital	35	35	35	35	35
Reserves & Surplus	1,847	1,539	1,266	1,032	841
Loan Funds	272	367	268	373	299
Deferred Tax Liability	22	21	23	24	27
<b>Total<sup>^</sup></b>	<b>2,176</b>	<b>1,962</b>	<b>1,592</b>	<b>1,465</b>	<b>1,203</b>
PBIT as % of Sales	11.2	9.4	14.1	12.2	11.2
Fixed Assets Turnover (No. of times)	2.4	2.3	1.9	1.9	2.5
PAT as % of Sales (%)	8.6	7.2	11.0	9.0	7.0
Return on Capital Employed (%)	23.9	19.3	25.2	23.5	26.8
Return on Net Worth (%)	22.0	18.3	25.5	23.7	23.9
Net Current Assets to Sales (%)	25.2	27.3	27.6	25.4	22.0
Cash Generated from Operating activities	573	5	365	316	283

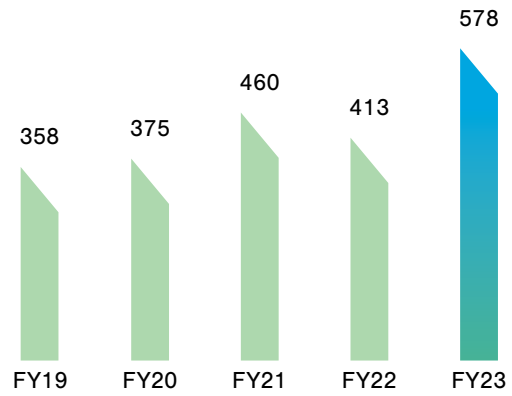
<sup>^</sup> Figures rounded off to ₹ Crores

**CONSOLIDATED PERFORMANCE TRENDS**

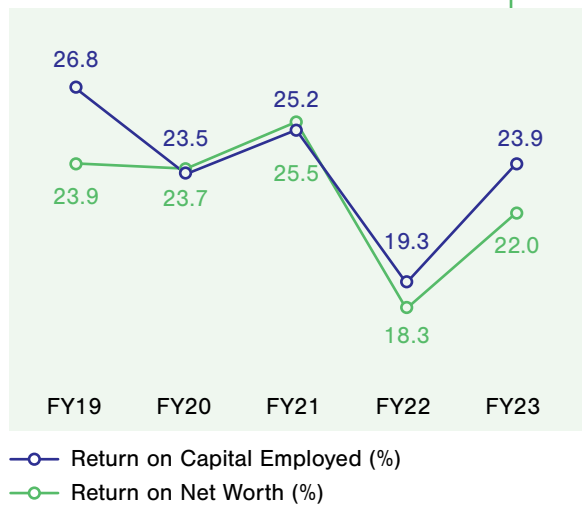
**SALES** (₹ Crores)



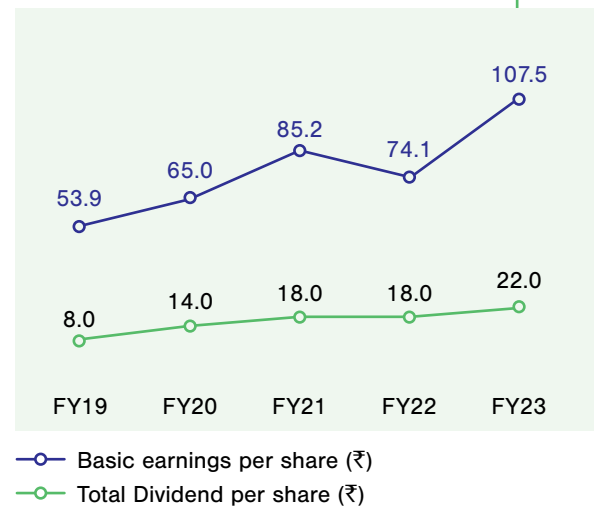
**PBDIT** (₹ Crores)



**RETURN ON CAPITAL EMPLOYED (%) / RETURN ON NET WORTH (%)**



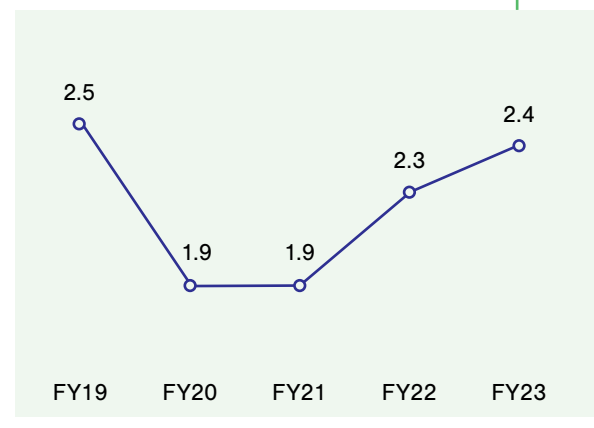
**BASIC EARNINGS & TOTAL DIVIDEND PER SHARE (₹)**



**PBIT AS % OF SALES**



**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

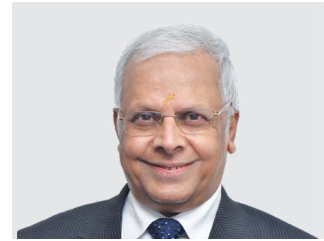
Chairman\* & Non-Executive  
Independent Director  
(\*w.e.f. April 20, 2022)



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  
(till October 6, 2022)



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



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.

**KANWAR BIR SINGH ANAND**

Non-Executive  
Independent Director  
(w.e.f. August 5, 2022)



Mr. Anand is a Mechanical Engineer from IIT, Bombay and holds Post Graduate Diploma in Business Management from the IIM, Kolkata. He brings over 40+ years of experience in the field of marketing, manufacturing and general management.

**MADHAVAN HARIHARAN**

Additional Director,  
Non-Executive Independent  
(w.e.f. May 23, 2023)



Mr. Madhavan is a qualified CA, CS and CISA. He has also done multiple leadership programs at Harvard, Wharton and IIM. He brings over 30+ years of experience in the field of finance strategy, governance and risk management.

# MANAGEMENT DISCUSSION AND ANALYSIS

“There are decades where nothing happens; and there are weeks where decades happen.”

- Vladimir Lenin

## GLOBAL SCENARIO

Since Galaxy’s inception in 1980, the beginning of every decade has been marked by extreme macro led volatility. Be it the Energy crisis in 1980s which led to a sudden surge in Inflation and resulted in an economic recession or the Collapse of the erstwhile Soviet Union and Gulf War in early 90s which yet again saw Crude spiking and halting economic growth. The turn of the century saw the Dot Com Bubble Burst followed by the Collapse of the Twin Towers in September 2001. As the world was recovering from the 2008 subprime crisis, the spike in Crude prices yet again in 2011, halted economic revival briefly.

The current decade has been no different. Starting with the pandemic in 2020 and 2021 to the invasion of Ukraine by Russia in February 2022, the world has been on tenterhooks since the start of this decade.

While major spike in Oil Prices either on account of War or supply cuts by OPEC has been a common cause; what sets this decade apart is the combination of a global pandemic, war and sustained inflation which have plagued economies and human lives simultaneously. Such has been the intensity that within 12 months the narrative has changed from ‘global recovery’ to ‘global recession’.

But the world has always emerged stronger and ended all decades on a high driven by strong economic measures, growth and technological evolutions.

Starting from the 1980s wherein post the energy crisis, multiple steps were taken to open up economies, implement growth-oriented programmes and strengthen economic policies to the IT boom in the 90s. The turn of the century saw the emergence of China and India and as global trade picked up, China and India further consolidated and built on their global presence in the last decade. The last decade has seen multiple innovations and advancements in the fields of Technology, Digitisation, Retail and Sustainability. Going by historical precedents, the current decade will be no different. While the Global Outlook may seem weak today, like previous decades, we will end this decade as well on a positive note.

Reflecting on FY 2022-23, the onset of Russia-Ukraine War did result in yet another Crude Spike (like the previous decades). While supply led inflation on account of unavailability of feedstocks, higher lead times and freight costs had adversely

impacted businesses in FY 2021-22; sustained inflation combined with Crude spike in Q-1 FY 2022-23 halted the buoyant demand led growth seen in FY 2021-22. Businesses therefore had to be geared up for managing the twin challenges emerging on account of:

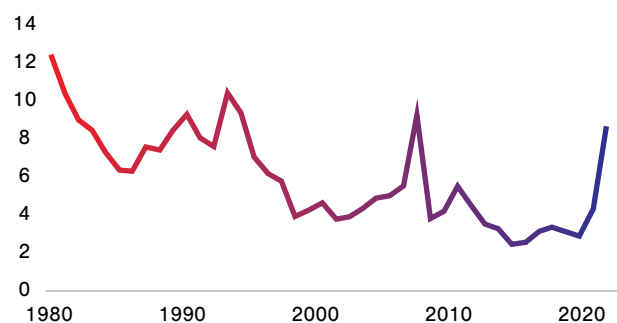
1. Highly Volatile Supply Side (continuation of FY 2021-22)
2. Slowing Demand Side (Consumption)

The business performance reported this year therefore reflects the macro scenario and the strong risk management practices applied to mitigate the supply as well as demand driven challenges.

## FY 2022-23: GLOBAL SCENARIO HIGHLIGHTS AND OUTLOOK FOR 2023-24

Global growth slowed in 2022 to 3.2%, more than 1 percentage point weaker than expected at the end of 2021, mainly weighed down by Russia’s war of aggression in Ukraine and the associated cost-of-living crisis in many countries. Growth is projected to remain at below-trend rates in 2023 and 2024.

### Inflation, consumer prices (annual %)



Inflation, consumer prices (annual %) | Data (worldbank.org)

Inflation which began on account of supply side constraints, further gained momentum on account of the Russia-Ukraine War. Crude Prices which had touched a peak of 85 USD/Barrel in October 2021 rallied to 125 USD/Barrel till June 2022. While the prices did correct post June, it remained above the Pre-Pandemic levels (Brent Crude ended 2019 at 68.6 USD/Barrel).

Sustained inflation resulted in tightening of global liquidity and invited actions from all Central banks via interest rate hikes. The US Federal Funds Rate started 2022 at 0.08% but closed

the year at 4.33%; annual change of 5,412.5%. Unprecedented rate hikes by the US Federal Reserve saw the USD Index strengthening from 95.00 at the start of 2022 to 113.31 by October 2022. While the USD Index did weaken to 102.50 by March 2023, rising USD along with Interest rates is a precursor to economic turmoil in the developing world. The same played out in 2022 with multiple countries requiring a bailout from IMF.

The rapid rise in interest rates in the United States poses a significant challenge to Emerging and Developing Markets. As the Federal Reserve has pivoted towards a more hawkish stance to rein in inflation, a substantial part of the sharp increases in U.S. interest rates since early 2022 has been driven by shocks that capture changes in perceptions of the Fed’s reaction function. These reaction shocks are associated with adverse financial market effects in Emerging and Developing Markets, including a higher likelihood of experiencing a financial crisis. Their effects also appear to be more pronounced in developing markets with greater economic vulnerabilities. These findings of the World Bank suggest that major central banks can alleviate adverse spillovers through proper communication that clarifies their reaction functions. They also highlight that Emerging Markets need to adjust macroeconomic and financial policies to mitigate the negative impact of rising global and U.S. interest rates.

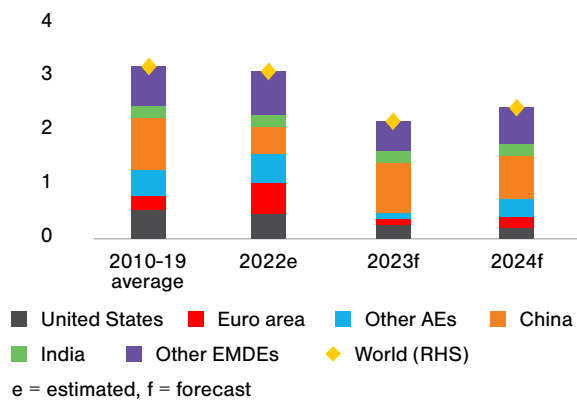
**Global Outlook [Source World Bank Report]**

After growing 3.1% last year, the global economy is set to slow substantially in 2023, to 2.1%, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4%. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging and developing economies. Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored. Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation’s invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

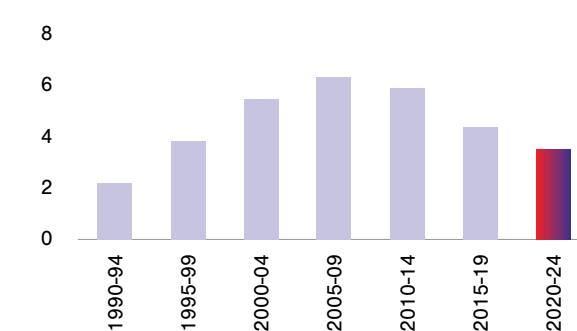
**FIGURE 1.1 Global prospects**

The global economy is projected to slow substantially this year, with a pronounced deceleration in advanced economies. The first half of the 2020s is expected to be one of the weakest half-decades of the past 30 years for emerging and developing market economies [EMDEs], as a result of both cyclical dynamics and slowing potential growth. EMDEs with lower credit ratings are set to experience a particularly sharp slowdown this year. Inflation remains elevated in many countries and is envisaged to remain above pre-pandemic levels beyond 2024. Excluding China, EMDEs are expected to make next to no progress at closing the gap in per capita incomes with advanced economies over the forecast horizon.

**Contribution to global growth (%)**



**Growth in EMDEs (%)**



**BUSINESS HIGHLIGHTS – FY 2022-23**

The sections below provide a Regional as well as Segmental Business Performance Update and Outlook for FY 2023-24.

**India**

India continued its outperformance this year. We strongly believe a structurally strong economy driven by consumption, moderate inflation and macroeconomic stability are critical requirements for sustained growth. Various supply side measures in the form of enhanced infrastructural investments and food availability not only moderated inflation but also enabled consumer spending. Ease of credit, conducive business environment for startups and businesses alike further accelerated growth. All these macro-economic measures have played a critical role in home and personal care consumption. We strongly believe



as per capita incomes rise, spending will shift from mass to masstige and prestige products. This will bode well for us. The premiumisation trend seen in 2022-23 is at the cusp of a multi-decade growth. The Union Budget also hiked the capital expenditure by 33% for infrastructure development for 2023-24. This will not only aid rural spending but if supported by good monsoons can trigger sustained double digit volume growth for home and personal care companies, ensuring continuation of FY 2022-23 momentum for your Company.

Table: India Y-O-Y Volumes Growth (% indicates growth over Previous Financial Year)

FY19	FY20	FY21	FY22	FY23	CAGR 2018-23*
+12.1%	+0.5%	+11.2%	+9.4%	+9.4%	+7.5%

\*Post pandemic CAGR stands at 10% (FY20 – FY23) driven by the structural uptick seen in Home Care consumption.

### Outlook

Barring for any supply side shocks (below average monsoons, crude spikes, lower than budgeted infrastructural spending), we see the demand momentum sustaining for FY 2023-24.

### Growth Tailwinds for coming Decade

- Premiumisation – Higher spending on premium beauty and personal care products or home care products (Liquid detergents/Liquid dishwashes/Premium detergent powders) bodes well for us. Enhanced expenditure on Home and Personal Care Products and Consumer Durables (Washing Machines and Dish Washers) along with greater awareness about sustainability, mildness and quality will further aid growth.
- The ‘Aware and Informed Consumer’ – The median age of India’s population is 28.2 years. Today, at least 50% of India’s population has access to the Internet. These macro factors are important as today’s young Indian consumer has the 3As –
  - Greater Accessibility to Home and Personal Care Products
  - Greater Awareness about Quality and Sustainability of these Products
  - Greater Affordability given the increase in number of products consumed per household when compared to the previous decade
- Home and Personal Care Industry Composition – Entry of a New player, Private labels and D2C Brands gaining traction will be beneficial for both our segments. Improving penetration of niche categories will aid specialty growth and migration of consumers from mass to masstige and prestige categories through improved distribution channels will add further momentum.

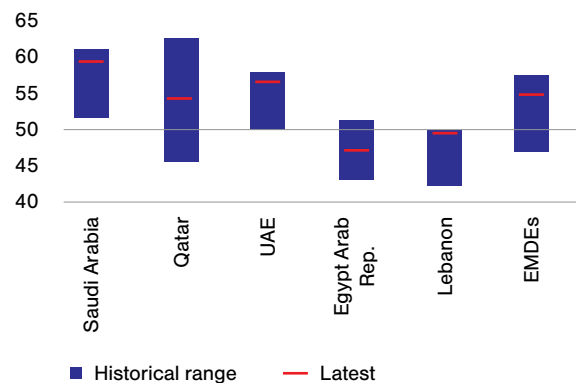
We strongly believe the next decade will belong to India and we at Galaxy are completely ready in terms of products, capacities, capabilities, customer relationships and innovations to serve as well as benefit from these emerging opportunities.

### AMET

Economic growth in early 2022-23 remained solid for oil exporting countries, benefiting from high oil prices, but weak in oil importers, undermined by high inflation. Among countries with floating exchange rates, the currencies of Morocco and Tunisia have depreciated slightly against the U.S. dollar since mid-2022, but the Egyptian pound has depreciated significantly. Consumer price inflation has remained high in several economies. In the Arab Republic of Egypt, limited access to foreign currency and shift to a more flexible exchange rate saw the pound lose about 2/3rds of its value against the U.S. dollar. Rising costs, difficulties securing imported inputs, and slowing global demand weighed on activity, with industrial production (excluding oil) contracting by 6% on a year ago in January 2023. Urban consumer price inflation was 30.6% (year-on-year), reflecting the depreciation of the pound. In response to rising inflation, dwindling reserves, and declining net foreign assets, the central bank more than doubled policy rates since the start of 2022.

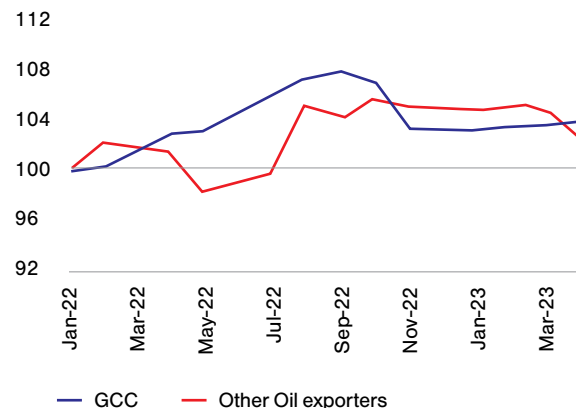
#### A. Purchasing managers' indexes

Index, > 50 = expansion



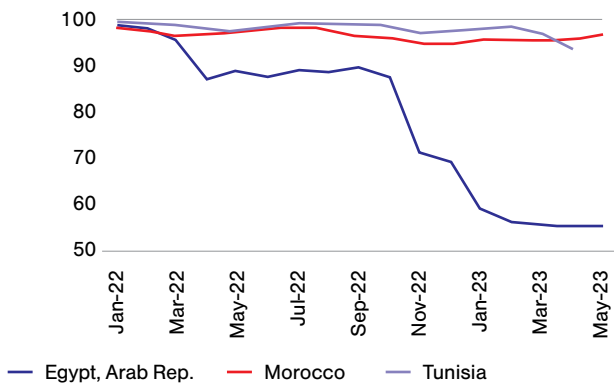
#### B. Oil Production

Index, 100 = January 2022

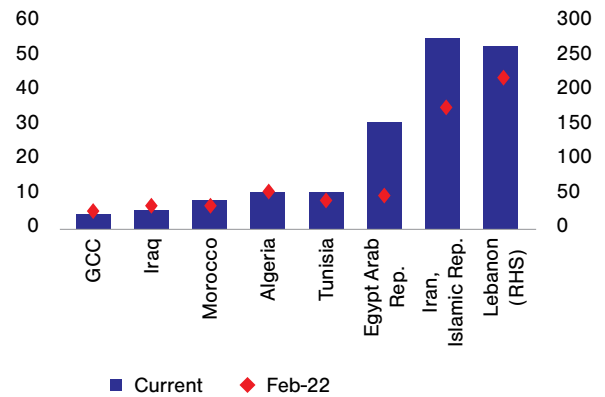


**C. Nominal effective exchange rate**

Index, 100 = January 2022



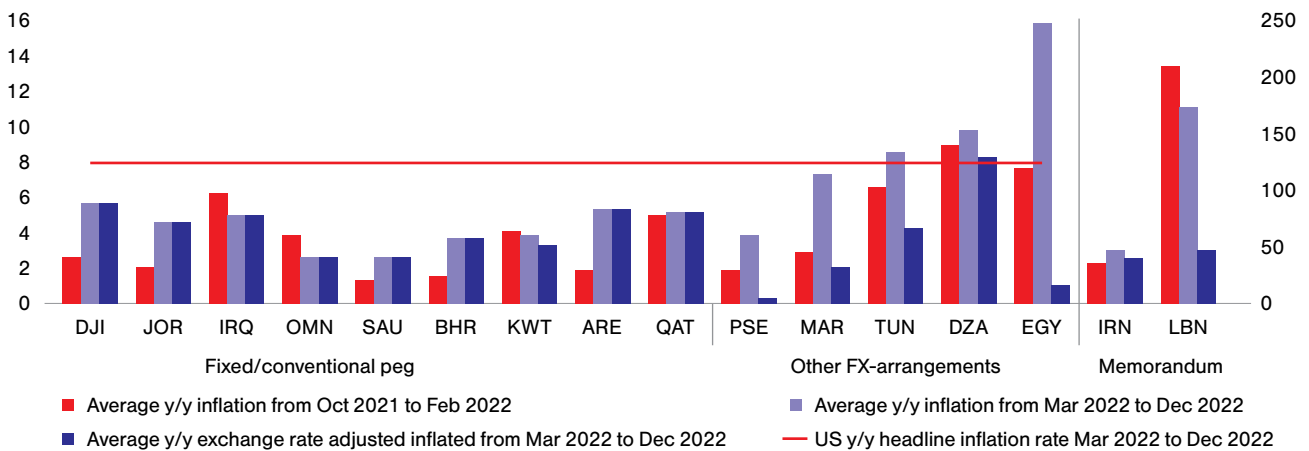
**D. Consumer price Inflation (% Y-o-Y)**



Rising inflation and depreciating currency saw cost of imports surging significantly in Egypt which resulted in price hikes and downtrading by consumers. There has been a strong shift to cheaper local brands with private label detergents gaining share. The upward pressure on unit prices also forced consumers to prioritise their purchasing decisions thus leading to demand cutbacks and slower than usual consumption of essential home and personal care products.

While food inflation too played a key role in cutback of expenditure on other non-food items (including home and personal care products); the impact was felt differently across the region. While the GCC economies largely managed to keep their inflation below global averages, Oil importing countries such as Egypt, Turkey, Morocco and Tunisia experienced higher levels of food and energy linked inflation.

**Exchange-rate adjusted inflation rates across MENA (%)**



While food and energy linked inflation did ease by Q-4 FY 2022-23, AMET Volumes continued to decline vis-à-vis the previous year.

Table: AMET Y-O-Y Volumes Growth (% indicates growth over Previous Financial Year)

FY19	FY20	FY21	FY22	FY23	CAGR 2018-23
-4.7%	+9.4%	+8.2%	-15.1%	-11.9%	-3.0%

**Outlook**

Macro-economic stability along with sustained economic growth are the pre-requisites for sustainable growth in volumes. Both these factors have been missing especially in the non-oil exporting countries of Africa Middle East and Turkey for the past couple of years. But, with food and energy inflation easing; while it will be too premature to talk about growth, we do believe barring for any further accelerated depreciation of the currencies; decline in volumes at Egypt as well as Rest of AMET (excluding Egypt) seems to be done. Your Company is taking all possible steps to restore and revive the growth momentum.

## ROW – Rest of the World (Americas + Europe + Asia Pacific – excl. India)

Persistent Inflation along with accelerated rate hikes acted as sudden breaks for the advanced economies. While demand was robust in FY 2021-22; the shocks on account of the War (especially on Europe), slower than expected recovery post the pandemic (in China) and excess inventory built up (in USA) adversely impacted premium consumption for FY 2022-23.

Trends that impacted home and personal care consumption in FY 2022-23 were:

- Real Consumer Spending in the USA was in a declining trend with real spending falling for the first time in more than 2 years in March 2023. This decline was driven by all sets of consumers ranging from Low Income to High Income groups.
- While overall the intent to splurge declined, selective indulgence was seen on Travel, Food and Apparel. Thus, one trend that was clearly visible was the intent to cut back or trade down on certain categories whereas splurge selectively on others.
- Cutting back on non-essential purchases along with delayed consumption of essential home and personal care products due to energy crisis adversely impacted demand in Europe. The spurt in Oil and Gas prices not only diverted a significant portion of consumer spending on securing Food and Electricity but also reduced the spending frequency on essential as well as non-essential purchases.
- Global Home and Personal Care majors while reported growth; this was driven entirely by price hikes. Given the decline in consumption and persistent inflation, volume-wise all major players reported a decline for their core beauty and personal care categories.
- Migration towards sustainable products continued but willingness to pay a premium for these products declined given the inflationary pressures.

Table: ROW Y-O-Y Volumes Growth (% indicates growth over Previous Financial Year)

FY19	FY20	FY21	FY22	FY23	CAGR 2018-23
+29.2%	+2.8%	-6.8%	+7.8%	-4.6%	-0.4%

### Outlook

Minimisation of supply led volatility along with cooling off inflation may ensure a soft landing for economies. While recession looks likely for US and Europe; rate cuts and fiscal support may provide the required fillip for consumption. With most of the Home and Personal Care channels being low on inventory, any positive trigger may not only give a boost to the

consumption sentiment but may also trigger a strong pickup in non-essential premium consumption. This will bode well for our Specialty Care Products.

With sustainability being one of the topmost priorities; the future looks extremely bright for our new-age Mild Surfactants, Non-Toxic Preservative Blends and other high end specialty products. Barring for any new adverse macro-development, we do see consumption picking up by H2 FY 2023-24.

## Segment-Based Analysis: Performance Snapshot, Outlook and Long-Term Trends

### Performance Surfactants

These are the basic ingredients of any Home and Personal Care formulation which perform the functions of cleansing and foaming. Applications such as Shampoos, Body washes, Face washes, Liquid and Powder detergents, Toothpastes, Dishwashes, Toilet Cleaners primarily contain these performance surfactants as their base building ingredients. Given the applications, scale and operations play a critical role in ensuring sustainable growth for this segment. Your Company has plants in India as well as Egypt which manufacture these Performance Surfactants. Given the nature of the segment, closeness to customers plays a key role in ensuring demand visibility as well as growth. India and AMET therefore are the key regional drivers for this segment.

Table: Performance Surfactant Volumes in MT

FY 2021-22	FY 2022-23	Y-O-Y Change in %
149,195	153,126	+2.6%

While momentum in India drove volumes for this segment, slowdown in Egypt and Turkey adversely impacted the same. Overall, your Company logged in a growth of 2.6% over previous year despite the slowdown seen globally. Going ahead, with inflation cooling off and Home and Personal Care companies focussing on volumes to revive growth, FY 2023-24 may see strong revival in volumes. The key here would be sustenance of momentum in India and revival of demand in AMET.

## The Future – Trends that will ensure sustainable long-term growth for Performance Surfactants [Long-Term Outlook]

- Migration - Petro Oil Based Surfactants to Natural Oleo Chemical Based Surfactants for manufacturing Home Care Products.
- Premiumisation – Migration from Mass Powder detergents to Washing Machine based Powder and Liquid Detergents. Migration from Bars to Dishwashing Liquids.
- Sustained Rise in Consumption – Greater consumption per Household of Home and Personal Care products by members of different age groups.



## Specialty Care Products

Specialty Care Products are products which perform a special function in any Home or Personal Care product. Unlike performance surfactants, these cater primarily to the masstige and prestige categories and volumes can range from Hundred ('00) to Thousand ('000) MT. Your Company manufactures various types of specialty products – Mild Surfactants, Preservatives, Non-Toxic Preservative Blends, Surfactant Blends, Proteins, Syndet and Transparent Bathing Bars, Amine Oxides, Conditioning Agents, Betaines and Quats. As these products cater to the masstige and prestige segments. Affordability and consciousness play a key role in ensuring sustainable growth for this segment. Given the nature, developed markets [Rest of the World] are majorly responsible for driving growth.

Table: Specialty Care Products Volumes in MT

FY 2021-22	FY 2022-23	Y-O-Y Change in %
85,023	77,659	-8.7%

For FY 2022-23, this segment logged in a decline of 8.7% primarily due to the slowdown seen in Europe and persistent inflation experienced globally. This in turn delayed new launches and adversely impacted premium personal care consumption. Going ahead, with inflation cooling off and Europe slowly getting back, we do see demand making a comeback by H2 FY 2023-24. As for the Americas, with retail channels being low on inventories, any uptick in consumer sentiment and spending can trigger a strong revival. Your Company is working closely with all its MNC as well private label customers to ensure we are ready to capitalise on this revival.

## The Future – Trends that will ensure sustainable long-term growth for Specialty Care Products [Long-Term Outlook]

- **Greater Affordability and Consumption – India and AMET:** Today specialty consumption in India and AMET is low compared to the developed countries. Uptick in per capita consumption driven by sustained growth will ensure greater demand for masstige and prestige products thus driving demand for our specialty care products.
- **Premiumisation and Greater Awareness – Globally** the demand for sustainable, mild, non-toxic, high quality and functional attribute-based products is rising. Consumers are not only opting for these but are also willing to pay more for these products. Your Company has exclusively designed its specialty portfolio to cater to these needs.
- **D2C Brands, Private Labels and E-Commerce Channels –** The global emergence of Private labels, D2C Brands and E-Commerce players catering to niche categories will further drive penetration and demand for our specialty care products.

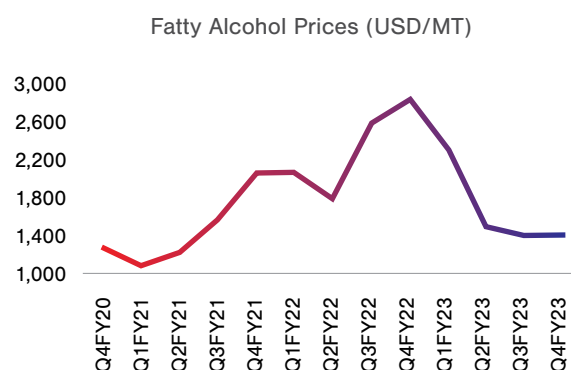
## Raw Materials Scenario

Fatty Alcohol and Fatty Acids accounted for nearly 2/3rds of our Raw Material purchases. Crude-based Derivatives accounted for nearly 1/5<sup>th</sup> of our Raw Material purchases.

While FY 2021-22 was marked by unavailability, higher lead times and persistent uptick in feedstock prices, FY 2022-23 saw a complete reversal. Availability improved, lead times reduced and both Fatty Alcohol and Crude (barring for Q-1 FY 2022-23) were in a downward trajectory. Fatty Alcohol began the year around 2,653 USD/MT and ended the financial year around 1,422 USD/MT. Crude too, rallied to 120 USD/Barrel in Q-1 FY 2022-23, but eventually corrected sharply to end the year around 80 USD/Barrel.

Astute risk management was critical to ensure availability as well as no adverse MTM impact.

## Trends in Fatty Alcohol Prices



## KEY RATIOS

Ratios	2022-23	2021-22	Y-o-Y Change
Volumes (MT)	230,785	234,218	-1.5%
EBITDA (₹ Crores)*	578	413	39.9%
EBITDA/MT (₹/MT)*	25,054	17,641	42.0%
Profit After Tax (₹ Crores)*	381	263	44.9%
Cashflow from Operation (₹ Crores) ^	573	5	11,521.7%
Debtors Turnover	7.0	6.6	6.7%
Inventory Turnover	4.6	4.5	1.5%
Interest Coverage Ratio	22.8	26.6	-14.3%
Current Ratio <sup>§</sup>	2.4	1.8	30.9%
Debt Equity Ratio <sup>#</sup>	0.1	0.2	-37.2%
Operating Profit Margin (%)	11.2%	9.4%	19.3%
Net Profit Margin (%)	8.6%	7.2%	20.0%
ROCE	23.9%	19.3%	23.9%
RONW	22.0%	18.3%	20.4%

\* Better mix, efficiencies, recoveries and exchange

^ Higher due to higher profitability & lower working capital requirements

§ Higher due to repayment of current borrowings and higher cashflow due to higher profitability

# Lower due to repayment of borrowings and higher profitability



## CONCLUSION

While the demand scenario barring for India remains hazy, our complete focus for FY 2023-24 will be to ensure sustainable volume led growth. The last 3 years have been flat in terms of volumes and while we have grown in terms of our profitability due to better mix, efficiencies, recoveries and exchange; volumes hold the key.

The targets as stated previously remain the same:

**Volume Growth of 6-8%, EBITDA Growth being higher than Volume Growth and PAT Growth being higher than EBITDA Growth with ROCE in the 22% zone.**

To conclude dear esteemed shareholders, it is said that "Success in Business is all about building – Building relationships, talent pipelines, great products and robust processes consistently and passionately." At Galaxy, we have done that for the past 4 decades and the ensuing decades will be no different.

# DIRECTORS' REPORT

## To The Members

Your Directors take pleasure in presenting the Thirty Seventh (37<sup>th</sup>) Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2023.

## 1. FINANCIAL RESULTS

(₹ Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
<b>REVENUE &amp; PROFITS</b>				
<b>Total Revenue from Operations</b>	<b>3,159.26</b>	<b>2,628.59</b>	<b>4,445.24</b>	<b>3,685.71</b>
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>352.55</b>	<b>232.54</b>	<b>578.13</b>	<b>413.22</b>
Less: Interest & Finance Charges	12.32	7.75	21.70	12.85
Less: Depreciation	52.62	43.75	83.48	71.06
<b>Profit for the year before Tax</b>	<b>287.61</b>	<b>181.04</b>	<b>472.95</b>	<b>329.31</b>
Less: Provision for Taxation				
- Current	72.01	47.83	91.26	68.56
- Deferred	1.59	(0.66)	0.71	(2.03)
<b>Net Profit after Tax</b>	<b>214.01</b>	<b>133.87</b>	<b>380.98</b>	<b>262.78</b>
<b>RETAINED EARNINGS</b>				
Opening Balance of Retained Earnings	1,075.66	954.79	1,454.48	1,204.70
Add: Profit for the year	214.01	133.87	380.98	262.78
Add: Other comprehensive income	(0.11)	1.18	(0.11)	1.18
Less: Appropriations: Dividend				
-Interim Dividend paid during the year	63.82	0.00	63.82	0.00
-Final Dividend paid during the year	63.82	14.18	63.82	14.18
Total Dividend on Equity Shares	127.64	14.18	127.64	14.18
<b>Balance as at end of the Year</b>	<b>1,161.92</b>	<b>1,075.66</b>	<b>1,707.71</b>	<b>1,454.48</b>

## Operating Subsidiary – TRI-K Industries Inc., USA

Particulars	₹ Crores		USD 000's	
	2022-23	2021-22	2022-23	2021-22
<b>REVENUE &amp; PROFITS</b>				
<b>Total Revenue from Operations</b>	<b>666.40</b>	<b>519.09</b>	<b>82,917</b>	<b>69,668</b>
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>94.99</b>	<b>97.62</b>	<b>11,820</b>	<b>13,101</b>
Less: Interest & Finance Charges	0.62	0.53	77	71
Less: Depreciation	6.50	6.14	809	824
<b>Profit for the year before Tax</b>	<b>87.87</b>	<b>90.95</b>	<b>10,934</b>	<b>12,206</b>
Less: Provision for Taxation				
- Current	19.25	20.73	2,395	2,782
- Deferred	(3.33)	(0.48)	(414)	(64)
<b>Net Profit after Tax</b>	<b>71.95</b>	<b>70.70</b>	<b>8,953</b>	<b>9,488</b>
<b>RETAINED EARNINGS</b>				
Opening Balance of Retained Earnings	259.15	188.45	36,881	27,393
Add: Profit for the year	71.95	70.70	8,953	9,488
<b>Balance as at end of the Year</b>	<b>331.10</b>	<b>259.15</b>	<b>45,834</b>	<b>36,881</b>



## Operating Subsidiary – Galaxy Chemicals (Egypt) S.A.E

Particulars	₹ Crores		USD 000's	
	2022-23	2021-22	2022-23	2021-22
<b>REVENUE &amp; PROFITS</b>				
<b>Total Revenue from Operations</b>	<b>1,240.62</b>	<b>1,049.08</b>	<b>1,54,363</b>	<b>1,40,797</b>
<b>Profit before Interest, Tax &amp; Depreciation</b>	<b>118.46</b>	<b>91.18</b>	<b>14,740</b>	<b>12,238</b>
Less: Interest & Finance Charges	10.49	5.15	1,306	691
Less: Depreciation	24.34	21.22	3,029	2,848
<b>Profit for the year before Tax</b>	<b>83.63</b>	<b>64.81</b>	<b>10,405</b>	<b>8,699</b>
<b>Net Profit after Tax</b>	<b>83.63</b>	<b>64.81</b>	<b>10,405</b>	<b>8,699</b>
<b>RETAINED EARNINGS</b>				
Opening Balance of Retained Earnings	177.46	112.65	18,786	10,087
Add: Profit for the year	83.63	64.81	10,405	8,699
<b>Balance as at end of the Year</b>	<b>261.09</b>	<b>177.46</b>	<b>29,191</b>	<b>18,786</b>

## 2. DIVIDEND

The Board in its meeting held on February 11, 2023 had declared an interim dividend of ₹ 18/- per equity share i.e. 180% of nominal value of ₹ 10/- each for the financial year 2022-23. The Board recommends a final dividend of ₹ 4/- per share making the total dividend for the financial year 2022-23 to ₹ 22/- per share. The total dividend payout for the concluded year shall be ₹ 78 Crores.

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>.

## 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	
	2022-23	2021-22	2022-23	2021-22
EBITDA (% to Revenue from Operations)	11.2%	8.8%	13.0%	11.2%
PAT (% to Revenue from Operations)	6.8%	5.1%	8.6%	7.1%
ROACE (%)	21.0%	14.4%	23.9%	19.3%
RONW (%)	18.1%	12.4%	22.0%	18.3%
Debt: Equity Ratio	0.15	0.22	0.14	0.23
Earnings per Share (₹)	60.36	37.76	107.46	74.12
Cash Earnings per Share (₹)	75.20	50.10	131.00	94.16
Book Value per Share (₹)	345.21	320.89	530.97	444.05

### Business Scenario

Financial Year 2022-23 (FY23) started with the backdrop of disruptions caused by the Russia-Ukraine conflict that started in February 2022 threatening the fragile recovery from the Covid and the supply chain shocks that were seen in the previous year. The conflict which is the largest since the World War II has caused a major geopolitical realignment and has also resulted in ramifications worldwide by way of food and energy crisis far away from the epicentre of the conflict aggravating the already surging global inflation.

The resultant tightening of monetary policies by the central banks across economies, with FED increasing

the interest rates by 9 times since March 2022 - an increase of around 4.4% in FY23 has caused ripple effects throughout the global economy including distress in banking sector and effecting the emerging economies.

A number of developing economies in Africa, Asia and the Americas have experienced sharp economic downturns, acute balance of payments pressures and foreign currency crisis. Growth was also weak in Europe, with output declines in many Central and Eastern European economies and energy-intensive industries, amidst strong adverse effects from extremely high energy prices. The main positive surprise in late 2022 came from the United States, with continued labour market resilience

outweighing the impact of higher interest rates on private investment. Two biggest economies in AMET region i.e. Egypt & Turkey were under severe pressure during the year. Turkey's economic woes continued with balance of payments crisis – sovereign credit rating was the lowest and its CDS premium highest in the last 20 years. The government tried to address the issue of low forex reserves due to continued current account deficit by way of additional capital controls. In Egypt too, a heavy debt burden, rising interest rates and a weakening currency have raised the cost of servicing debt.

It was clear by the hard stance taken by the different central banks across the world that the monetary policies would continue to remain restrictive until there are clear signs of sustained lowering of the inflationary pressures.

The contractionary monetary policy has resulted in moderating the inflation towards the later part of FY23 but has had its toll on the demand slowing down due to the drag on household income which is clearly reflected in the growth rates around the world. Global growth rate slowed down to 3.2% in 2022 and is further expected to slow down to 2.6% in 2023. The only silver lining was in the upward revision from the previous estimates, albeit "A Fragile Recovery" with risks becoming more balanced but tilted more towards downside.

In India, evolving geopolitical situation towards the beginning of 2022-23, threatened to derail the signs of recovery from the third wave of COVID. Global commodity price dynamics started driving the food inflation in India, including prices of inflation sensitive items that are impacted by global shortages due to output losses and export restrictions by key producing countries. RBI too started monetary tightening with an increase of interest rates in May 2022 and since then has increased the rates by around 2.1% in 2022-23. FMCG companies though posted a value led growth, volume growth continued flat or in the negative territory for most part of FY23. With prices of commodities at a decadal high, market growth was more in terms of value with volumes remaining flat to negative. Rural market continued to lag behind the urban market in terms of growth for most part of FY23 although some signs of revival in the rural demand were seen in Q3 with moderating commodity prices and lower inflation.

The inflation has only worsened the inequality in income distribution since the onset of the COVID pandemic. On one hand in FY23, we saw FMCG companies in India struggling to balance inflationary price increases and falling demand with many FMCG companies to resort to grammage reduction in price sensitive segments whereas on the other hand luxury car sales in India are expected to be at record levels. Despite these pressures, India, however, emerged to be a bright spot in the global economy to be the fastest growing economy surpassing the growth rates of both US & China. With easing supply chain pressures, raw material availability and pull back

in the prices of commodities, India is expected to grow at 7% in FY23.

### Financial Outcomes

The prevailing global challenges and the economic scenario in India were reflected in the financial performance of your Company during the year.

With better sales realisations, strategic sourcing and depreciating rupee, despite a 1.5% decline in volumes, your Company registered consolidated EBITDA growth of 40% over the previous year. The volumes reflected the global challenges and the dull global economic scenario prevalent during the year. LA prices started the year on a high with a correction witnessed Q2 onwards. Due to the lag impact, the averages LA prices were higher than the previous year driving value led revenue growth of over 20%.

India region continued its strong performance with volume growth of 9.4% over the previous year. Urban markets outperformed the rural markets which were reeling under the stress of high inflation and reduced disposable income. Your Company also crossed an important milestone of 100,000 MT of volumes in India during the year.

Growth in India volumes was offset by lower performance in international markets leading to an overall flat performance in volumes during the year. AMET volumes were lower by 11.9% due to subdued demand in two of its biggest markets i.e. Egypt & Turkey facing macroeconomic headwinds of high inflation and depreciating currencies. ROW volumes were lower by 5% primarily contributed by Europe.

Your Company commissioned brownfield expansion of multipurpose Specialty plant at Tarapur during the year which will significantly enhance the faster scale-up of new innovation products.

Your Company was conferred with "Supplier Excellence Award" by one of its strategic customers acknowledging the excellence in service, innovation and value. Your Company also received CHEMEXCIL Trishul Award for best export performance.

Sustainability continues to drive the products out of innovation funnel and during the year, your Company has launched the following products:

1. Galseer Tresscon: It is next generation, Sulfate-free, Silicon-free, PEG – free and Alkanol amide-free, mild Solid Surfactant System for hair & scalp cleansing applications. It is uniquely designed for preparation of Shampoo Bars with superior hair-care performance comparable with premium liquid conditioning shampoos, while also ensuring the formulation to be sustainable, safe, green, and environmentally friendly.

2. GalMOL CCT: Emollients are an integral part of any beauty and personal care formulations. GalMOL CCT which is a versatile emollient, is derived from fatty acids and glycerine, making it safe and truly a natural product. It is a saturated medium-chain triglyceride with low viscosity, excellent spreadability and has oxidative stability. GalMOL CCT is used in beauty and personal care products for moisturisation properties. It is also preferred in colour cosmetic formulations as it supports pigment dispersion, which is an important function in processing operation, while providing a light feel to the formulations.

#### 4. PEOPLE ENERGY

Employees are the essence of the Company. They are at the very core of all strategies; helping your Company reach new heights through their dedication and perseverance and it is by surrounding them with continuous opportunities to learn and flourish for professional excellence.

Keeping this in mind, your Company's people strategy has continued to emphasise on investing towards the all-round growth of the employees by building their capabilities and by encouraging regular upskilling.

Your Company has maintained an edge over others in the chemical industry by bringing top talent in our organisation through strategic talent acquisition which has ultimately boosted employee job satisfaction and retention. Your Company's focus was on hiring from diverse sources – to ensure an astute mix of fresh and experienced candidates.

The leadership of your Company is keen on promoting a dynamic workforce. Your Company has provided employment opportunities to People with Disabilities (PwDs) and have built the needed infrastructure to ensure accessibility. Several forums have been set up where our female employees are mentored by the leadership team and senior women leaders at Galaxy. This shall aid in building the women leadership at your Company.

Sustainability has always been an uncompromisable aspect. Every year, your Company is inching closer towards achieving dream of 100% digitalisation and becoming truly sustainable by going paperless for employee's related activities.

In alignment with Galaxy's 4Cs framework, your Company strives to build an organisation with a highly competent workforce that can adapt to this ever-changing world and is ready to take on new challenges. Your Company is equipping workforce with various tools of learning and a strategic investment in employee development and career advancement.

#### 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 in Jhagadia (India) are further certified with EFCI (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 Compliance. Your Company has further strengthened on developing products with High Natural Origin content and Environment Friendly. Sustainable Product Development emphasising on 12 principles of Green Chemistry has been your Company's approach. Product attestations/certifications like COSMOS/Ecocert, Kosher, Halal, RSPO (MB & SG); Product customisations, 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. Your Company continued to march towards improving on innovating environmentally friendly product, operational processes. Your Company's sustainability journey has started with a clear mission of 2030 based on following pillars:

- Climate Change - Following pathway of 1.5 Deg. Celsius for reduction of GHG emissions by increasing the renewable source of energy
- 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 organisation 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 Greenhouse Gas emission (GHG) reduction.

Achievement during FY23

- Avoided 6,700 MT of CO<sub>2</sub> Emission by use of solar energy in its plants
- Rainwater Harvesting of 11,000 m<sup>3</sup> of water within the boundary
- Recycled water of 1,00,000 m<sup>3</sup> of water with ZLD (Zero Liquid Discharge concept)
- Sales of RSPO (MB) certified 88,000 MT of finished goods

Your Company continued to adhere to following frameworks:

- Certified Sustainability Report for FY22
- Adherence to RSPO (MB) – SCCS certification
- Eco Vadis Gold Standard
- Climate Change B- Management Level
- Water Security B Management Level
- Forest C, Awareness Level
- Supplier Engagement rating A- Leadership Level

Your Company received following awards during FY23:

- CII-Energy efficient unit at Taloja unit
- Customer appreciation award - Unilever- Home care Clean Future Award
- Top Exporter award at Chemexcil Best Exporter award

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

Sr. No.	Focused CSR Projects	Description
1	Arogya Vardheeni (Health & Hygiene)	a) Continued (2 <sup>nd</sup> Year) running Primary Health Centre in Talodara Village, Jhagadia, Gujarat b) Distributed 342 Maternal & Child Health Kits to Pregnant Women in Bharuch, Gujarat c) Constructed 8 Household Bathrooms for protection of Dignity, Privacy and Safety of women of Randedi village, Jhagadia, Gujarat d) Supported Unearthing the burden of Non-Communicable Diseases viz. Diabetes, Hypertension, Sickle, Leprosy, Epilepsy for ~ 7,000 patients in Bilaspur, Chhattisgarh e) Supported 2 Cancer Patient's Care Home in Navi Mumbai, Maharashtra f) Constructed Toilet block in Aangawadi at Talodara Village, Jhagadia, Gujarat g) Conducted 9 Blood Donation Camps collecting 1,025 blood units. Till date, total 86 blood donation camps have been conducted collecting 6,398 units of blood. h) Provided 3,000 Adult Diapers to Destitute Senior Citizens in Thane, Maharashtra i) Provided Medical & Nutritional support to 25 Orphan Children for entire year in Navi Mumbai, Maharashtra j) Support provided to 100 tribals for Cataract Operation k) Beneficiary touched – 22,086

Your Company continuously engages with stakeholders to seek feedback, opinions to improve. Engages with supply chain partners through various forums like Gal sustain event with suppliers. Engages with customers during various exhibitions. Contribute through various industry bodies like – RSPO, CDP, WWF, CRB, CII, I-SPOC initiatives to share and learn to co-create for a sustainable future.

## 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 ₹ 4.43 Crores that were required to be spent on CSR activities under Schedule VII, your Company has successfully disbursed ₹ 4.45 Crores.

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

Sr. No.	Focused CSR Projects	Description
2.	Gyan Sanjeevani (Education)	<ul style="list-style-type: none"> <li>a) Completed Construction of a Vocational Training Center, Nanded, Maharashtra wherein every year around 5,000 students are expected to get vocational training in different fields</li> <li>b) Constructed Science Lab in Fulwadi Village School, Jhagadia, Gujarat</li> <li>c) Completed Structural Strengthening of Chindhra Village School, Taloja, Maharashtra</li> <li>d) Continued support for education to the children (778 students) of waste pickers, after school hours</li> <li>d) Distributed Notebooks in schools nearby our factory operations ~ 20,000 notebooks</li> <li>e) Beneficiary touched – 14,442</li> </ul>
3.	Samajeeek Utthaan (Community Development)	<ul style="list-style-type: none"> <li>a) Completed Watershed Development Project in two phases at Landakwadi, Yamgirwadi, Mahadeowadi, &amp; Pokharni Devi Villages of Parbhani, Maharashtra</li> <li>b) Continued Watershed cum Integrated Village Development Project in Shivani Village, Nanded, Maharashtra</li> <li>c) Completed Desilting of 33 ponds/percolation tanks in Nandgaon block of Nashik, Maharashtra</li> <li>d) Completed Watershed Development Project in Tamsai Village of Taloja, Maharashtra</li> <li>e) Completed Structural Strengthening of an Old Age Home in Palghar, Maharashtra</li> <li>f) Developed Senior Citizens Park in Kolawade Village, Palghar, Maharashtra</li> <li>g) Completed Construction of Waiting Area in Taloja Jail, Maharashtra</li> <li>h) Beneficiary touched – 1,07,189</li> </ul>
4.	Paryavaran Suraksha (Environment Protection)	<ul style="list-style-type: none"> <li>a) Planted 7,600 trees (5,000 trees in Palghar District Collector office, 1,000 in Taloja Jail premises, 300 at Tamsai village and 300 at Nandgaon village, Nashik, Maharashtra) during the year and cumulatively have planted 69,148 trees till date</li> <li>b) Supported Rabies Mukt Mission in Palghar, Maharashtra</li> <li>c) Initiated Dense Forest Plantation Project (34,800 trees) at Parbhani, Maharashtra</li> <li>d) Beneficiary touched – 1,779</li> </ul>
5.	Stree Unnati (Women Empowerment)	<ul style="list-style-type: none"> <li>a) Started Sewing Skill Development cum Income Generation Centre for Tribal Women in Palghar, Maharashtra</li> <li>b) Developed Community Hall for a Women SHG in Salwad Village of Palghar, Maharashtra</li> <li>c) Continued support to Women SHG of Waste Pickers in Navi Mumbai, Maharashtra</li> <li>d) Continued support to Vocational training centre providing skills in beautician and nursing at Turbhe Slums, Navi Mumbai, Maharashtra</li> <li>e) Beneficiary touched – 2,193</li> </ul>

Note: Cumulatively during FY23, your Company has touched 1,47,939 lives (whereas total 7,14,739 lives have been touched after introduction of CSR)

## 8. SUBSIDIARIES AND ASSOCIATES

As of March 31, 2023, your Company has five wholly owned subsidiaries within the definition of 'Subsidiary Company' under the Companies Act, 2013.

Your Company also has an Associate Company in which your Company has shareholding in excess of 20% - formed specifically in connection with compliance requirements under of Electricity Rules, 2005 for 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.

During the year under review, the Board of Directors has 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](http://www.galaxysurfactants.com) and shall also be available for inspection at the registered office of your Company with prior notice.

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 is awaiting necessary approvals 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 F", 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. Abhijit Damle took over from Mr. K. Ganesh Kamath as Chief Financial Officer w.e.f. July 1, 2022. Mr. Abhijit Damle has also been appointed as a director on the Galaxy Holdings (Mauritius) Limited and as Managing Director of Rainbow Holdings GmbH as a director in place of Mr. K. Ganesh Kamath w.e.f. July 1, 2022.

Mr. K. Ganesh Kamath, continued as an Executive Director till completion of his term till October 6, 2022

– the date of his superannuation. He, thereafter, also resigned as a director of the Company w.e.f. October 7, 2022.

Your Board wishes to place on record the contributions made by Mr. K Ganesh Kamath during long association with your Company in various capacities.

Mr. K. Ganesh Kamath continues as a director of the Company's subsidiary Galaxy Chemicals (Egypt) S.A.E.

### ii. Independent Directors

As on March 31, 2023, your Company has 4 Independent Directors on its Board.

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.

In the 36<sup>th</sup> AGM held on August 5, 2022, Mr. Kanwar Bir Singh Anand (DIN: 03518282) has been appointed as an Independent Director for the term of 5 years commencing from the date of the above AGM.

As per the provisions of the Companies Act, 2013, Mr. M. G. Parameswaran and Mr. Subodh Nadkarni were appointed for a second term in 33<sup>rd</sup> AGM & Mrs. Nandita Gurjar was appointed for the second term in 34<sup>th</sup> AGM. All the independent directors are not liable to retire by rotation.

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 their 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 appointed Mr. Madhavan Hariharan (DIN: 07217072) as an Additional Director and Independent Director w.e.f. May 23, 2023 for the period of 5 years not liable to retire by rotation subject to the approval of the members in the 37<sup>th</sup> Annual General Meeting. The proposal to appoint Mr. Madhavan Hariharan is covered under Item no. 7 of AGM notice as Special Business.



### iii. Reappointment of Directors Liable to Retire by Rotation

Your Board has 4 Directors who are liable to retire by rotation. Mr. K. Natarajan (DIN: 07626680) is liable to retire by rotation in ensuing AGM and being eligible, your Board recommends him for re-appointment.

The proposal for reappointment of Mr. K. Natarajan is covered in Item No. 4 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 "Nomination and Remuneration Policy" which *inter alia* lays down 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 C" 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 familiarisation of Independent Directors of your Company are available on your Company's website [www.galaxysurfactants.com](http://www.galaxysurfactants.com).

The Board of Directors has evaluated the Independent Director appointed during FY23 and opined that the integrity, expertise and experience (including proficiency) of the Independent Director is satisfactory.

## 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, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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, 2023 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 re-appointed as

Statutory Auditors of your Company at the 36<sup>th</sup> Annual General Meeting held on August 05, 2022 for the second term of 5 consecutive years i.e. from the conclusion of 36<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting to be held in the year 2027.

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 2023-24. In terms 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. 5 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 FY23 is appended as “Annexure E” 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 has a Risk Management Committee and has also complied with the requirement of appointment of Independent Director on the Committee. The Risk Management Committee meets to identify, discuss and mitigate risks in business & operational areas thereby addressing ongoing design and oversight adequacy needs. The Risk Management Committee has kicked off Enterprise Risk Management involving review of design and adequacy of organisation structure, governance framework, policies and processes, identification and mitigation of risks and digitisation possibilities.

Your Company has always worked to be contemporary in the application of technology for its business processes and its interface inter and intra organisation. Towards this end review of business process, applications available and the digitisation of process with adequate controls is an ongoing work in progress. We are on one of the best SAP ERP for over a decade, with substantive utilisation of its features and are endeavouring to move subsidiaries

on the same to enable seamless availability of real-time data on consolidated operations.

The above reflects on our continuing endeavour to build an intelligent enterprise that will enable us to create a tech-powered customer and stakeholder-centric solutions that meets the intricacies of the business, operations and emerging customer interface needs. This will enable our core business to become smarter and more efficient through online augmented data driven and machine-enabled processes, build ecosystems that will help deliver differentiated customer and stakeholder experience, value proposition, and help build seamless value chain that supports the scale and efficiency of the large but acts with the nimbleness and agility of the small, pre-requisite for sustained competitive growth by leveraging digitisation, technology application and analytics.

This calls for seamless integration with our consumers, customers and stakeholder operating ecosystems that can lead to a superior experience by improving agility and responsiveness across the business.

Cybersecurity is essential for any organisation to protect its digital assets from cyber-attacks, data breaches, and other security threats. Cybersecurity is critical to protect against a constantly evolving threat landscape, where attackers are becoming more sophisticated in their tactics, techniques, and procedures. Your Company has identified the constantly increasing cybersecurity threats and made major upgrade in the security environment and extend the same to the subsidiaries, applications, and external interfaces.

Technology plays a critical role in cybersecurity and your Company has implemented several measures to enhance its Cybersecurity measures on the principles of Identify Protect, Detect Respond and Recover. Your Company has implemented security solutions which have also provided for round-the-clock surveillance arrangements to track any threats that can help us protect our networks, endpoints, and other operating environments.

Your Company believes in deploying the best security solution to keep Galaxy Business and Operating environment secure, safe and scalable to address global growth needs.

## 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 were two complaints received in relation to sexual harassment and were 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 maintaining the 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

Despite continued endeavour in identifying and communicating the beneficiaries of unclaimed dividend and shares, your Company continues to have some cases of unclaimed dividend on account of various reasons like change in residential address, change in telephone numbers etc. due to which your Company is unable to reach the concerned beneficiaries. Such unclaimed dividends and shares in respect of which dividend has remained unclaimed need to be transferred to IEPF as per statutory provisions.

### 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 ₹ 5,13,400/- and interest on fixed deposit of ₹ 1,296/- lying with your Company for a period of seven years were transferred during FY23 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, 3,300 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 FY23. 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 FY23 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. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2022-23, is available on the Company's website at <https://www.galaxysurfactants.com/investor-relations/annual-general-meetings.aspx>

### 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 D" and form an integral part of this Report. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large.



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:

Particulars	Name of Subsidiary/Firm	(₹ Crores)	
		Maximum amount of loans / advances / investments outstanding during the year ended March 31, 2023	Amount outstanding at the end of the year i.e. March 31, 2023
Investments- Equity Shares	Galaxy Chemicals Inc.	0.15	0.15
Investments- Equity Shares	Galaxy Holdings (Mauritius) Ltd.	2.37	2.37
Investments- Preference Shares (at fair value)	Galaxy Holdings (Mauritius) Ltd.	205.64	197.44
Advances	Galaxy Chemicals (Egypt) S.A.E	1.05	0.89
Advances	TRI-K Industries, Inc.	0.72	0.72

**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 any instances of fraud and mismanagement. 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>

**f. Material Changes and Commitments**

There are no material changes or 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 FY23.

**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**

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 organisation'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

**U. Shekhar**  
Managing Director  
DIN: 00265017

**K. Natarajan**  
Executive Director & COO  
DIN: 07626680

Navi Mumbai  
May 23, 2023

## 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:

Your Company is glad to report that due to continual improvement reflecting in energy management KPI's, overall reduction by 2% in specific energy consumption has been achieved.

Taloja facility has been awarded with EnMS 50001:2018 re-certification and has won "Excellent Energy Award-2022" for 2<sup>nd</sup> consecutive year. Significant reduction in number of energy related deviations has been recorded which can be attributed to improved monitoring and control. Modelling for significant energy users (SEU) in utilities mainly in chillers and compressors was implemented. Additions have been done in list of certified energy auditors at all plant locations.

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

In lines with sustainability goals, Gujarat plant has also moved significantly in terms of renewables power share to the tune of 50% by signing PPA for Hybrid power. Implementation of NG boiler theme for Taloja factory reduction in scope 1 emissions are also in last phase.

#### B. TECHNOLOGY ABSORPTION

##### Innovation and Sustainability – Galaxy's belief in Sustainable Scalable Innovation

Galaxy has stayed abreast of trends in the market and is introducing new products that suit the ever-changing needs and demands of consumers. With 90 patents, and 15 in the pipeline, Galaxy has given utmost importance to Innovation and IP creation, which has resulted in ground-breaking products and technologies.

Your Company, as a responsible ingredient manufacturing organisation, has a huge answerability towards the consumers and our environment. In the present scenario, any new ingredient-offering needs to be principally sustainable to elicit positive consideration of aware-consumers, besides guaranteeing exceptional performance. For it, both the end products and the processes for their manufacture must be Green. Your Company, not only practices green-chemistry and green-processes but ensures that suppliers also follow responsible ways of manufacturing. Without doubt, sustainability is indeed the major focus in HPC industry.

##### Galseer Tresscon:

It is a next generation, Sulfate-free, Silicon-free, PEG – free and Alkanol amide-free, mild Solid Surfactant System for hair & scalp cleansing applications. It is uniquely designed for preparation of Shampoo Bars with superior hair-care performance comparable with premium liquid conditioning shampoos, while also ensuring the formulation to be sustainable, safe, green, and environmentally friendly.

##### GalMOL CCT:

Emollients are an integral part of any beauty and personal care formulations. Galaxy has launched GalMOL CCT, a versatile emollient. GalMOL CCT is derived from fatty acids and glycerin, making it safe and truly a natural product. It is a saturated medium-chain triglyceride with low viscosity, excellent spreadability and has oxidative stability. GalMOL CCT is used in beauty and personal care products for moisturisation properties. It is also preferred in colour cosmetic formulations as it supports pigment dispersion, which is an important function in processing operation, while providing a light feel to the formulations.

During financial year, 9 patents were granted to your Company for 7 inventions.

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

Particulars	(₹ Crores)	
	2022-23	2021-22
R & D Expenses	12.70	14.54
Capital Expenditure	1.76	1.03

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

Particulars	(₹ Crores)	
	2022-23	2021-22
Foreign Exchange Inflow	1,414.29	1,281.93
Foreign Exchange Outflow	1,361.96	1,179.64

For and on behalf of the Board

Navi Mumbai  
May 23, 2023

**U. Shekhar**  
Managing Director  
DIN: 00265017

**K. Natarajan**  
Executive Director & COO  
DIN: 07626680

## ANNEXURE B

### 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 recognises 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	M.G. Parameswaran	Member, Independent Director	2	2
3	Vaijanath Kulkarni*	Member, Whole-time Director	2	1
4	K. Ganesh Kamath*	Member, Executive Director	2	1

\* Mr. Vaijanath Kulkarni replaced Mr. K. Ganesh Kamath as a member of the Committee from October 7, 2022 pursuant to the retirement of Mr. K. Ganesh Kamath.

#### 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.

<https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>

#### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEBLINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

Not Applicable

5.	(a) Average net profit of the company as per section 135(5)	₹ 221 Crores
	(b) Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 4.43 Crores
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Not Applicable
	(d) Amount required to be set off for the financial year, if any	Not Applicable
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	₹ 4.43 Crores
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹4.24 Crores
	(b) Amount spent in Administrative Overheads	₹0.21 Crores
	(c) Amount spent on Impact Assessment, if applicable	NA
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 4.45 Crores



**(e) CSR amount spent or unspent for the financial year:**

Total Amount Spent in Financial Year (₹ Crores)	Amount Unspent (₹ Crores)				
	Total amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
4.45	NIL	NA	NA	NIL	NA

**(f) Excess amount for set-off, if any:**

Sl. No.	Particulars	Amount (₹ Crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	4.43
(ii)	Total amount spent for the Financial Year	4.45
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil*

\* Excess amount spent during this year will not be set-off during the succeeding financial years

**7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:**

1	2	3	4	5	6	7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under schedule VII as per second proviso to sub-section (5) of Section 135, if any Amount (in ₹)      Date of Transfer	Amount remaining to be spent in succeeding in financial year (in ₹)	Deficiency, if any
							Not Applicable

**8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR: NO**

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	CSR Registration Number, if applicable	Name	Registered address
							Not Applicable

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

Not Applicable

For and on behalf of the CSR Committee

Navi Mumbai  
May 23, 2023

**U. Shekhar**  
Chairman  
DIN: 00265017

**Vaijanath Kulkarni**  
Member  
DIN: 07626842

## ANNEXURE C 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:

the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

“**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 thereunder 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

<sup>1</sup> As defined under Regulation 16(1)(d) of the SEBI (LODR) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023.

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;

<sup>2</sup>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
- 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;<sup>3</sup> 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 recognised 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 thereunder 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.

<sup>2</sup> Inserted w.e.f. March 24, 2022.

<sup>3</sup> As inserted in SEBI (LODR) (Amendment) Regulations, 2018 dated May 9, 2018 effective April 1, 2019

- 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.

#### **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 D**  
**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 arm's length transactions under third proviso thereto for FY 2022-23

**1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Sr.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Justification for entering into such contracts or arrangements or transactions</b>	<b>Date(s) of approval by the Board</b>	<b>Amount paid as advances, if any</b>	<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>

There are no contracts or arrangements or transactions entered during the year ended March 31, 2023 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)	
<b>Sr.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts/ arrangements/ transaction</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
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 <sup>th</sup> AGM of the Company	June 8, 2021	NIL
2	Mr. G. Ramakrishnan, Promoter and Director	Appointment as strategic advisor of the Company	Up to three years from June 1, 2022	As per resolution no. 09 approved in the 36 <sup>th</sup> AGM of the Company	May 17, 2022	NIL

For **Galaxy Surfactants Limited**

Navi Mumbai  
May 23, 2023

**U. Shekhar**  
Managing Director  
DIN: 00265017

**K. Natarajan**  
Executive Director & COO  
DIN: 07626680

**ANNEXURE E**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

[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 authorised 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 31<sup>st</sup> March 2023, 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 31<sup>st</sup> March, 2023 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 and Sweat Equity) Regulations, 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 (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;**
  - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the period under review;**
  - g. 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.**
  - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable as the Company has not issued and listed any Non-convertible securities.**
  - i. 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

**S. N. Viswanathan**  
Partner  
ACS: 61955 | COP No.: 24335  
ICSI UDIN: A061955E000349539  
22<sup>nd</sup> May, 2023 | 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 **31<sup>st</sup> March 2023** of even date is to be read along with this letter.

### MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of 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 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 future viability of the Company nor of the efficacy or effectiveness with which the management has conducted 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

**S. N. Viswanathan**

Partner

ACS: 61955 | COP No.: 24335

ICSI UDIN: A061955E000349539

22<sup>nd</sup> May, 2023 | Thane



**ANNEXURE F**

Particulars of Employees pursuant to section 197(12) of the Companies Act, 2013 read with rules 5(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 <sup>&amp;</sup>	0.16
	Mr. U. Shekhar	57.13
	Mr. K. Natarajan	57.13
	Mr. K. Ganesh Kamath <sup>&amp;</sup>	57.13
	Mr. Vajjanath Kulkarni	57.13
	Mr. G. Ramakrishnan	4.05
	Mr. Subodh Nadkarni	4.95
	Mr. M. G. Parameswaran	5.52
	Ms. Nandita Gurjar	3.90
	Mr. Shashikant Shanbhag	3.15
	Mr. Kanwar Bir Singh Anand <sup>@</sup>	2.92
(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. U. Shekhar	6.01%
	Mr. K. Natarajan	6.01%
	Mr. K. Ganesh Kamath <sup>&amp;</sup>	6.01%
	Mr. Vajjanath Kulkarni	6.01%
	Mr. Abhijit Damle <sup>&amp;</sup> (CFO)	14.00%
(iii) The percentage increase in the median remuneration of employees in the financial year;	Mr. Niranjana Ketkar (CS)	8.00%
		6.59%
(iv) The number of permanent employees on the rolls of company; <sup>§</sup>		1,668
(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; <sup>%</sup>	Average percentile increase in salaries of employees other than managerial personnel	13.82%
	Percentile increase in salaries of managerial personnel <sup>^</sup>	6.01%
(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, Chief Financial Officer and Company Secretary

§ As on March 31, 2023

^ Whole time Directors

% Calculated on the basis of Annual CTC of common employees in two years.

& Mr. Ravindranath was director till April 19, 2022 and Mr. K. Ganesh Kamath was director till October 6, 2022. Mr. Abhijit Damle was appointed as CFO w.e.f. July 1, 2022.

@ Mr. Kanwar Bir Singh Anand was appointed as an Independent Director w.e.f. August 5, 2022

For **Galaxy Surfactants Limited**

Navi Mumbai  
May 23, 2023

**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, 2023, the Board consisted of 9 (Nine) Directors, comprising 4 (four) Independent Directors (including one woman director), 3 (Three) 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 has 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 the 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 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. Ravindranath, Chairman and Independent Director retired after completing his second term on April 19, 2022 and accordingly Mr. M. G. Parameswaran, Independent Director was appointed as the Chairman w.e.f. April 20, 2022. The Board of Directors on recommendation of Nomination and Remuneration Committee in its meeting held on May 17, 2022 appointed Mr. Kanwar Bir Singh Anand as Independent Director of the Company w.e.f. August 5, 2022, the said appointment was also approved by the Members at their 36<sup>th</sup> Annual General Meeting held on August 5, 2022. Mr. Subodh Nadkarni, Mr. M. G. Parameswaran and Ms. Nandita Gurjar (Woman Director) are the other Independent Directors of the Company.

Mr. U. Shekhar is the Managing Director of the Company, Mr. K. Natarajan is the Executive Director and Chief Operating Officer and Mr. Vajjanath Kulkarni is the Whole-time Director. Mr. K. Ganesh Kamath, the then Executive Director (Finance) & Chief Financial Officer ceased to be Chief Financial Officer of the Company w.e.f. July 1, 2022 on appointment of Mr. Abhijit Damle as the Chief Financial Officer. Mr. K. Ganesh Kamath, thereafter, continued as an Executive Director of the Company till his term upto October 6, 2022 and he resigned as a director of the Company w.e.f. October 7, 2022.

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, 2023, 6 (Six) meetings of Board of Directors were held on May 17, 2022, August 09, 2022, November 09, 2022, February 11, 2023, March 16, 2023 and March 17, 2023. 1 (one) meeting of Independent Directors was held on March 16, 2023.

Details of the directors and their attendance at the above-mentioned Board meetings and at the last Annual General Meeting held on August 05, 2022 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 August 05,2022	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. M. G. Parameswaran	NED and ID	6	6	Yes	2	NIL	1	1) FDC Ltd. (ID)
Mr. S. Ravindranath <sup>^</sup>	NED and ID	6	NA	NA	NA	NA	NA	NA
Mr. U. Shekhar	MD/ ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. K. Ganesh Kamath <sup>§</sup>	ED	6	2	Yes	NIL	NIL	NIL	NIL
Mr. K. Natarajan	ED	6	5	Yes	NIL	NIL	NIL	NIL
Mr. G. Ramakrishnan	Promoter/ NED	6	6	Yes	1	NIL	1	NIL
Mr. Vaijanath Kulkarni	ED	6	6	Yes	NIL	NIL	NIL	NIL
Mr. Subodh Nadkarni	NED and ID	6	6	Yes	2	1	2	1) Grindwell Norton Ltd. (ID) 2) Goa Carbon Ltd. (ID)
Ms. Nandita Gurjar	NED and ID	6	6	Yes	2	NIL	3	1) Birlasoft Ltd. (ID) 2) Yes Bank Ltd. (ID)
Mr. Shashikant Shanbhag	Promoter/ NED	6	5	Yes	NIL	NIL	NIL	NIL
Mr. Kanwar Bir Singh Anand <sup>#</sup>	NED and ID	6	4	NA	5	1	4	1) TATA Chemicals Ltd. (ID) 2) Borosil Ltd. (ID) 3) Lupin Ltd. (ID) 4) Bharat Forge Ltd. (ID) 5) UFO Moviez Ltd. (ID)

<sup>^</sup> was Director till April 19, 2022.

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

<sup>§</sup> Mr. K. Ganesh Kamath was Director till October 6, 2022.

<sup>#</sup> Mr. Kanwar Bir Singh Anand has been appointed as an Independent Director w.e.f. August 5, 2022.

### 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, 2023 are as under:

Name of Director	Category of Director	No. of equity shares held
Mr. G. Ramakrishnan <sup>§#</sup>	Promoter, Non-Executive	23,62,783
Mr. Subodh Nadkarni	Independent	30,000
Mr. M. G. Parameswaran	Independent	30,000
Ms. Nandita Gurjar	Independent	Nil
Mr. Kanwar Bir Singh Anand	Independent	Nil
Mr. Shashikant Shanbhag <sup>§#</sup>	Promoter, Non-Executive	40,97,684

<sup>§</sup> 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.)

<sup>#</sup> 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](http://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](http://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:

Skills / Expertise / Competencies	M. G. Parameswaran	Subodh Nadkarni	Nandita Gurjar	U. Shekhar	K. Natarajan	Vaijanath Kulkarni	G. Ramakrishnan	Shashikant Shanbhag	KBS Anand
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 fulfil 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. Subodh Nadkarni and Mr. M. G. Parameswaran who completed their first term at the 33<sup>rd</sup> AGM and Ms. Nandita Gurjar who completed her first term at the 34<sup>th</sup> AGM were re-appointed as Independent Directors for their second term by members by passing special resolution at the 33<sup>rd</sup> and 34<sup>th</sup> AGM respectively. Mr. Kanwar Bir Singh Anand was appointed as an Independent Director at the 36<sup>th</sup> AGM for the first term of 5 years w.e.f. August 5, 2022.

### 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 the Audit Committee. The Audit Committee has 4 (four) members i.e. Mr. Subodh

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:

Nadkarni (Chairman), Mr. M. G. Parameswaran, Mr. Kanwar Bir Singh Anand 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, 2023, 4 (four) meetings of the Audit Committee were held on May 17, 2022, August 09, 2022, November 09, 2022 and February 11, 2023.

Attendance at Audit Committee Meetings:

Name of the Members	No. of Meetings attended
Mr. Subodh Nadkarni (Chairman)	4
Mr. M. G. Parameswaran	4
Mr. Kanwar Bir Singh Anand <sup>^</sup>	2
Mr. G. Ramakrishnan	4

<sup>^</sup>Mr. Kanwar Bir Singh Anand was appointed as a member w.e.f. August 5, 2022.



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; and
24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
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 August 05, 2022 to answer queries of the shareholders.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Company has complied with the section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations applicable to Nomination and Remuneration Committee (“NRC”). The Committee comprises of 4 (four) Independent Directors i.e. Ms. Nandita Gurjar (Chairperson), Mr. Subodh Nadkarni, Mr. M.G. Parameswaran and Mr. Kanwar Bir Singh Anand. The Committee meets the criteria as laid down under the Act and SEBI (LODR) Regulations.

During the financial year ended March 31, 2023, 3(Three) meetings of the NRC were held on May 17, 2022, November 09, 2022 and March 16, 2023.

##### Attendance at NRC meetings

Name of the Members	No. of Meetings attended
Ms. Nandita Gurjar (Chairperson)	3
Mr. Subodh Nadkarni	3
Mr. M.G. Parameswaran	3
Mr. Kanwar Bir Singh Anand <sup>^</sup>	2

<sup>^</sup> Mr. Kanwar Bir Singh Anand was appointed as a member w.e.f. August 5, 2022

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 has been appointed as a Chairman of the Board w.e.f. April 20, 2022 after retirement of Mr. Ravindranath on April 19, 2022. Ms. Nandita Gurjar has replaced Mr. M. G. Parameswaran as the Chairperson of the Nomination and Remuneration Committee from the above date. Ms. Nandita Gurjar, Chairperson of the Committee was present at the last Annual General Meeting held on August 05, 2022 to answer queries of the Shareholders.

##### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board of Directors have formulated 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 2022-23

₹ Crores				
Name of Director	Salary	Commission <sup>@</sup>	Perquisites	Total
U. Shekhar	1.75	0.20	0.05	2.00
K. Natarajan	1.75	0.20	0.05	2.00
K. Ganesh Kamath *	0.96	0.20	-	1.16
Vaijanath Kulkarni	1.71	0.20	0.05	1.96

\* Mr. K. Ganesh Kamath was director of the Company till October 6, 2022, salary paid to Mr. Kamath excludes retirement benefits paid to him.

<sup>@</sup> Paid during the financial year 2022-23

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 2022-23

₹ Crores				
Name of Non-Executive Director	Sitting Fees	Commission	Others	Total
Mr. S. Ravindranath <sup>#</sup>	-	0.01	-	0.01
Mr. M. G. Parameswaran	0.13	0.15	-	0.28
Mr. Subodh Nadkarni	0.13	0.12	-	0.25
Ms. Nandita Gurjar	0.08	0.12	-	0.20
Mr. G. Ramakrishnan*	0.08	0.12	0.90	1.10
Mr. Shashikant Shanbhag	0.04	0.12	-	0.16
Mr. Kanwar Bir Singh Anand <sup>§</sup>	0.07	0.08	-	0.15

<sup>#</sup> Mr. Ravindranath was director of the Company till April 19, 2022

<sup>§</sup> Mr. Kanwar Bir Singh Anand was appointed as an Independent Director w.e.f. August 5, 2022

\*Mr. G. Ramakrishnan has been re-appointed as a Strategic Advisor to the Company w.e.f. June 1, 2022 pursuant to approval of the members in 36<sup>th</sup> AGM held on August 05, 2022 and has been paid fees during the financial year 2022-23 which is shown in "Others" column above.

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.

Criteria for making payments to non-executive directors is available on the Company's website [www.galaxysurfactants.com](http://www.galaxysurfactants.com).

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

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has complied with the Section 178 of the Act and Regulation 20 of the SEBI (LODR) Regulations applicable to the Stakeholders' Relationship Committee ("SRC"). The Committee comprises of 3 (three) directors i.e. Mr. M. G. Parameswaran (Chairman), Mr. G. Ramakrishnan and Mr. K Natarajan.

During the financial year ended March 31, 2023, 1 (one) meeting of SRC was held on May 16, 2022.

### Attendance at SRC Meetings

Name of Director	No. of Meetings attended
Mr. M. G. Parameswaran (Chairman)	1
Mr. G. Ramakrishnan	1
Mr. K. Natarajan*	0
Mr. K. Ganesh Kamath*	1

\* Mr. K. Natarajan replaced Mr. K. Ganesh Kamath as a member of the Committee w.e.f. October 7, 2022 pursuant to the retirement of Mr. K. Ganesh Kamath.

The terms of reference to SRC are as under:

- 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.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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

- 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.

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

Particulars of Complaints	Complaint Nos.
Complaints as on April 1, 2022	Nil
Complaints received during the financial year 2022—23	3
Complaints disposed during the financial year 2022—23	3
Complaints remaining unsolved as on March 31, 2023	Nil
Complaints not solved to the satisfaction of shareholder	Nil

Mr. M. G. Parameswaran, Chairman of the Committee was present at the last Annual General Meeting held on August 05, 2022 to answer queries of the Shareholders.

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

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has complied with section 135 of the Act applicable to Corporate Social Responsibility Committee (“CSRC”). The Committee comprises of 3 (three) directors viz. Mr. U. Shekhar (Chairman), Mr. M. G. Parameswaran and Mr. Vaijanath Kulkarni.

During the financial year ended March 31, 2023, 2 (two) meetings of CSRC was held on May 16, 2022 and February 11, 2023.

**Attendance at CSRC Meeting**

Name of Director	No. of Meetings attended
Mr. U. Shekhar (Chairman)	2
Mr. M. G. Parameswaran	2
Mr. Vaijanath Kulkarni*	1
Mr. K. Ganesh Kamath*	1

\* Mr. Vaijanath Kulkarni replaced Mr. K. Ganesh Kamath as a member of the Committee from October 7, 2022 pursuant to the retirement of Mr. K. Ganesh Kamath.

The terms of reference of CSRC are as under:

- 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;

- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- 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 complied with the Regulation 21 of the SEBI (LODR) Regulations applicable to Risk Management Committee (“RMC”). The Committee comprises of 5 (Five) members i.e. Mr. Vaijanath Kulkarni, Chairman & Chief Risk Officer, Mr. K. Natarajan, Mr. Subodh Nadkarni, Mr. Garikiparthi Sesha Samba Murthy and Mr. Abhijit Damle.

Mr. K. Ganesh Kamath was member of the Committee till October 6, 2022.

During the financial year ended March 31, 2023, 3 (three) meetings of RMC were held on April 22, 2022, October 3, 2022 and March 15, 2023.

**Attendance at RMC Meetings**

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

\* Mr. K. Ganesh Kamath was member of the Committee till October 6, 2022.

The terms of reference of RMC are as under:

- To formulate a detailed risk management policy which shall include:
  - 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.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - 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
34 <sup>th</sup> AGM	Tuesday, September 08, 2020	3.00 p.m.	Meeting was conducted through video conferencing / other audio visual means
35 <sup>th</sup> AGM	Wednesday, September 08, 2021	3.00 p.m.	Meeting was conducted through video conferencing / other audio visual means
36 <sup>th</sup> AGM	Friday, August 05, 2022	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
34 <sup>th</sup> AGM	• To approve re-appointment of Ms. Nandita Gurjar (DIN: 01318683) as an Independent Director for second term
35 <sup>th</sup> AGM	• NIL
36 <sup>th</sup> AGM	• To approve the appointment of Mr. Kanwar Bir Singh Anand (DIN: 03518282) as an Independent Director w.e.f. August 5, 2022.

- (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](http://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](http://www.galaxysurfactants.com).

The Company's website [www.galaxysurfactants.com](http://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](mailto:investorservices@galaxysurfactants.com), for investor grievances.

## 11. GENERAL SHAREHOLDER INFORMATION

### a) Annual General Meeting

37<sup>th</sup> Annual General Meeting will be held on Thursday, August 10, 2023 through Video conferencing or OAVM at 02:30 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 2023-24 have been paid to stock exchanges.

### d) Stock Code

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

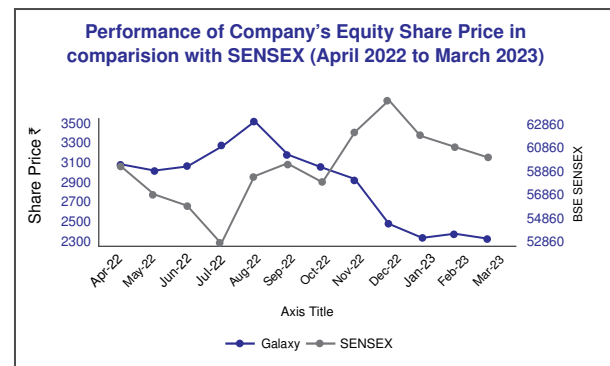
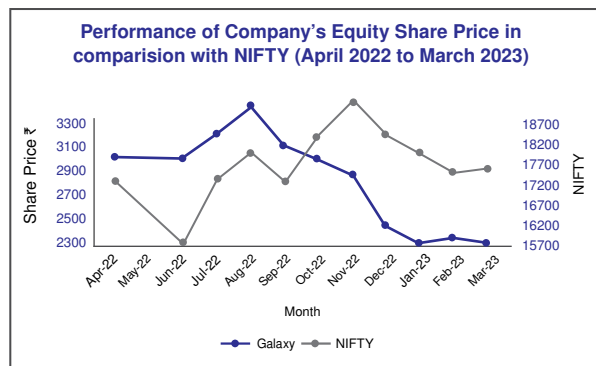
e) **Market price data- high, low during each month in last financial year-**

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-22	3175.00	2860.00	5.84	Apr-22	3219.00	2863.30	0.23
May-22	3022.00	2585.00	4.37	May-22	2995.35	2560.60	0.35
Jun-22	3017.35	2726.00	8.05	Jun-22	3016.15	2730.00	0.26
Jul-22	3123.95	2830.00	7.44	Jul-22	3125.00	2825.10	0.33
Aug-22	3311.90	3040.00	5.73	Aug-22	3310.00	3036.00	0.32
Sep-22	3447.55	2946.00	9.86	Sep-22	3445.00	2910.45	0.47
Oct-22	3068.00	2797.35	3.59	Oct-22	3087.75	2800.00	0.40
Nov-22	3010.00	2750.10	3.52	Nov-22	2972.00	2753.00	0.24
Dec-22	2839.95	2450.00	3.44	Dec-22	2836.00	2448.80	0.28
Jan-23	2480.00	2302.35	2.36	Jan-23	2473.85	2302.00	0.27
Feb-23	2644.75	2303.00	7.29	Feb-23	2606.00	2310.00	0.39
Mar-23	2449.95	2221.60	2.86	Mar-23	2623.95	2217.50	0.29

Source: NSE and BSE Website

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



g) **Details of unpaid dividend**

Year of the Declaration	Date of declaration of dividend	Proposed date of transfer to IEPF	Dividend per Share (₹)	Amount (In ₹)
Int Div 15-16*	05-03-2016	10-05-2023	5	5,50,500
Spl Div 15-16	26-09-2016	01-12-2023	1	1,83,100
Int Div 16-17	04-03-2017	09-05-2024	3	7,01,835
Fin Div 16-17	17-08-2017	22-10-2024	3	4,77,885
Fin Div 17-18	09-08-2018	14-10-2025	7	9,46,813
Int Div 18-19	29-03-2019	02-06-2026	5	6,36,960
Fin Div 18-19	13-08-2019	18-10-2026	3	3,35,445
Int Div 19-20	16-03-2020	21-05-2027	14	10,31,520
Int Div 20-21	08-02-2021	15-04-2028	14	15,48,481
Fin Div 20-21	08-09-2021	13-11-2028	4	2,92,651
Fin Div 21-22	05-08-2022	10-10-2029	18	16,88,842
Int Div 22-23	11-02-2023	18-04-2030	18	9,17,225

\* As required under Section 124 of the Companies Act 2013 (the Act), Unclaimed Interim Dividend for FY 2015-2016 has been transferred to Investor Education and Protection Fund (IEPF) established by Central Government on April 27, 2023.

**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](mailto:rnt.helpdesk@linkintime.co.in)

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.

**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

**j) Distribution of shareholding**

Shareholding Pattern as on March 31, 2023

Sr. No.	Category of Shareholder	Total number of shares	% of holding
1.	Promoter and Promoter Group	2,51,46,978	70.93
2.	Public Shareholding	1,03,07,774	29.07
	<b>Total</b>	<b>3,54,54,752</b>	<b>100.00</b>

Distribution of Shareholding (Shares)							
Sr. No.	Range of Shareholding			Shareholder (Folios)	Percentage of Total	Total Shares	Percentage of total
1	1	to	500	64,292	98.61	15,74,626	4.44
2	501	to	1000	357	0.55	2,64,452	0.75
3	1001	to	2000	184	0.28	2,74,439	0.77
4	2001	to	3000	142	0.22	3,86,904	1.09
5	3001	to	4000	38	0.06	1,30,113	0.37
6	4001	to	5000	29	0.04	1,32,182	0.37
7	5001	to	10000	69	0.11	4,83,305	1.36
8	10001	&	above	86	0.13	3,22,08,731	90.85
	<b>Total</b>			<b>65,197</b>	<b>100.00</b>	<b>3,54,54,752</b>	<b>100.00</b>

**k) Dematerialization of shares**

Status of dematerialisation of shares as on March 31, 2023 is as under

Mode of holding	No. of shares	% of total shareholding
Dematerialised	3,52,58,961	99.45
Physical	1,95,791	0.55
<b>Total</b>	<b>3,54,54,752</b>	<b>100.00</b>

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. The Company has proper internal systems through which commodity price risk 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 borrowings 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. Niranjn 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: <a href="mailto:investorservices@galaxysurfactants.com">investorservices@galaxysurfactants.com</a>	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: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>

**p) Credit rating**

During the year the long term 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.

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.

**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

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

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

- (e) The Company's policy on Related Party Transactions and the policy 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 were raised through preferential allotment or by 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 ₹ 1.95 Cr.
- (j) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Name of the subsidiary	Date and place of incorporation of the subsidiary	Name and date of appointment of statutory auditors of the subsidiary
Galaxy Chemicals (Egypt) S.A.E	July 14, 2009, Egypt	Kamel Magdy Kamel Saleh from May 11, 2022
TRI-K Industries Inc.	March 8, 1974, New Jersey	Deloitte Haskins & Sells LLP from February 24, 2023

- (k) 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	2
(b) number of complaints disposed of during the financial year	2
(c) number of complaints pending as on end of the financial year	0

- (l) 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
- (m) 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>

- (n) Details of Equity shares in the suspense account as on March 31, 2023 is as under:

Sr No	Particulars	No of Shareholders	No of Equity Shares
1	Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2022.	Nil	Nil
2	Number of outstanding shares transferred to Unclaimed Suspense Account during the year.	26	2,600
3	Number of shareholders who approached the Company for transfer of shares during the year.	Nil	Nil
4	Number of shareholders to whom shares were transferred from suspense account during the year.	Nil	Nil
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	26	2,600

The Voting rights of these shares shall remain frozen till the rightful owner of such shares claim the shares.

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' Relationship 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, 2023, 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**

**U. Shekhar**

Managing Director  
(DIN: 00265017)

Navi Mumbai

Date: May 23, 2023

## 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

**Abhijit Damle**  
Chief Financial Officer

Navi Mumbai  
May 23, 2023

## 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/22-23/001 dated August 11, 2022.
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, 2023, 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, 2023.
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)

Place: Mumbai  
Date: May 23, 2023

**Kedar Rajee**  
Partner  
(Membership No. 102637)  
(UDIN: 23102637BGXUSY4189)



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
Galaxy Surfactants Ltd  
C-49/2, TTC, Industrial Area,  
Pawane, Navi Mumbai – 400703.

We have examined the following documents:

- Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Galaxy Surfactants Ltd ('the Company') bearing CIN: L39877MH1986PLC039877 and having its registered office at C-49/2, TTC, Industrial Area, Pawane, Navi Mumbai – 400703, to the Board of Directors of the Company ('the Board') for the Financial Year 2022 – 2023 and Financial Year 2023 – 2024 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending 31<sup>st</sup> March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1.	Mr. Unnathan Shekhar	00265017	20/05/1986	-
2.	Mr. Subodh Satchitanand Nadkarni	00145999	16/08/2002	-
3.	Mr. Melarkode Ganesan Parameswaran	00792123	24/09/2005	-
4.	Mr. Shekhar Ravindranath Warriar	00011680	29/06/2007	19/04/2022
5.	Mr. Gopalkrishnan Ramakrishnan	00264760	01/11/2009	-
6.	Ms. Nandita Gurjar	01318683	01/02/2015	-
7.	Mr. Natarajan Krishnan Kulumani	07626680	01/10/2016	-
8.	Mr. Vaijanath Kulkarni	07626842	01/10/2016	-
9.	Mr. Kasargod Ganesh Kamath	07767220	01/04/2017	06/10/2022
10.	Mr. Shashikant Shanbhag	00265103	10/08/2018	-
11.	Mr. Kanwar Bir Singh Anand	03518282	05/08/2022	-

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31<sup>st</sup> March, 2023.

For **S. N. ANANTHASUBRAMANIAN & Co.**  
Company Secretaries  
ICSI Unique Code P1991MH040400  
Peer Review Cert. No.: 606/2019

**S. N. Viswanathan**  
Partner  
ACS: 61955  
COP No. : 24335  
ICSI UDIN: A061955E000349649

22<sup>nd</sup> May, 2023  
Thane

# 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, 2022 to March 31, 2023
10. **Paid-up Capital:** ₹ 35.45 Cr
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:**
  - Name: Mr. U. Shekhar - Managing Director (DIN 00265017)
  - Telephone number: +91-22-27616666
  - E-mail Id: sustainability@galaxysurfactants.com
13. **Reporting boundary: Products / services:** Disclosures of Galaxy Surfactants under this report are made on a standalone basis.

### 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	Manufacturing of speciality organic chemicals for Home and Personal Care industry	100%

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

Product / Service	NIC Code	% of total turnover contributed
Speciality Organic Chemicals for Home and Personal Care.	2023*	100%

\* As per the National Industrial Classification – Ministry of Statistics and Programme implementation

## 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?**

The contribution of exports as a percentage of the total turnover of the Company is 45.56%.

**c) A brief on types of customers:**

Galaxy Surfactants Ltd. has a diverse customer base that includes leading multinational corporations as well as small and medium-sized enterprises. Galaxy customers are primarily in the home and personal care sector. Galaxy customer base is spread across more than 80 countries, including India, the United States, Europe, and Asia-Pacific. In recent times, Galaxy is exploring the emerging markets of Africa Middle East and Turkey. Our products provide some of the key functional characteristics to an array of consumer-centric personal care and home care products, including, shampoos, conditioners, body wash formulations, soap bars, liquid soaps, tubes of toothpaste, 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
<b>Employees</b>		
<b>Permanent</b>	807	
Male	656	81%
Female	151	19%
<b>Other than Permanent</b>	59	
Male	44	75%
Female	15	25%
<b>Total Employees</b>	866	
Male	700	81%
Female	166	19%
<b>Workers</b>		
<b>Permanent</b>	861	
Male	861	100%
Female	Nil	0%
<b>Other than Permanent</b>	504	
Male	484	96%
Female	20	4%
<b>Total Workers</b>	1365	
Male	1345	98.5%
Female	20	1.5%

**b) Differently abled employees and workers:**

	No.	% of total
<b>Differently abled employees</b>		
<b>Permanent</b>	2	
Male	1	50%
Female	1	50%
<b>Other than permanent</b>		
Male	Nil	-
Female	Nil	-
<b>Total differently abled employees</b>	2	
Male	1	50%
Female	1	50%

**19. Participation / Inclusion / Representation of women:**

	No.	% of total
<b>Board of Directors</b>	9	
Female	1	11%
<b>Key Management Personnel (including 3 Executive Directors)</b>	5	
Female	0	0%

**20. Turnover rate for permanent employees and workers:**

	Turnover rate in FY 2022-23	Turnover rate in FY 2021-22	Turnover rate in FY 2020-21
<b>Permanent employees</b>	24%	23%	19%
Male	15%	13%	12%
Female	20%	19%	13%
<b>Permanent workers</b>	7%	8%	5%
Male	7%	8%	5%
Female	0%	0%	0%

**Holding, Subsidiary and Associate Companies (including Joint Ventures)**

**21. Names of holding / subsidiary / associate companies / joint ventures:**

	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

\* 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: ₹ 3145.85 Cr.\*
- III. Net worth: ₹ 1223.95 Cr.\*
- IV. Total amount spent on CSR for FY23: ₹ 4.45 Cr.

\*Standalone financials as of 31<sup>st</sup> March 2023

**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 2022-23			FY 2021-22		
		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	NA	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	NA	-	Nil	Nil	-
Shareholders	Yes	3	Nil	-	Nil	Nil	-



Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	FY 2022-23			FY 2021-22		
		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
Employees and workers	Yes	2	Nil	-	1	Nil	-
Customers	Yes	NA	NA	-	NA	NA	-
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	In case of risk, 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"> <li>Launched behavior-based safety (BBS) program to rejuvenate employees' knowledge on safety behaviors.</li> <li>Implemented ISO 45001:2018 Occupational Health and Safety management system at various manufacturing locations.</li> <li>Safety performance is reviewed by the Higher management in monthly safety meets. External/ Internal Board reviews safety performance on a quarterly basis.</li> <li>Regularly train employees and contract workers on topics like Behavioural Safety, Fire Safety, SCBA, MSDS, EMS OH&amp;S Standards, Responsible Care, etc.</li> <li>Separate dedicated team for Process Safety.</li> </ul>	<ul style="list-style-type: none"> <li>It helps us to run our plants efficiently and effectively for a budgeted number of hours.</li> <li>It helps us to achieve zero accidents.</li> <li>It helps to meet our financial goals and objective</li> </ul>
2 Innovation Product Quality and Safety	Opportunity	<ul style="list-style-type: none"> <li>Regulations on product safety, quality</li> <li>Sustainability norms of customers</li> </ul>	<ul style="list-style-type: none"> <li>Committed to developing safe, sustainable, and eco-friendly products, processes, technologies, and services and to adopting Life Cycle thinking contributing towards product stewardship.</li> <li>Galaxy took up Life Cycle Assessment based on ISO 14040 / 14044 as a part of assessing the total impact of the product.</li> <li>Completed Life Cycle Assessment of 43 products.</li> <li>Focuses on strengthening Sustainable Product Development, Product Safety.</li> <li>Plans to assess most of its product range for their total environmental impacts, moving beyond basics like energy and water intensity of the products.</li> <li>Adopted the principles of GMP and Quality Risk Management Approaches at all manufacturing sites.</li> </ul>	<ul style="list-style-type: none"> <li>It helps us to understand our customers better and meet their requirements for quality improvement and product safety on a continuous basis.</li> <li>Innovation has given us an opportunity to cull out revenue enhancement projects.</li> </ul>

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	
3	Ethics and Governance	Opportunity	<ul style="list-style-type: none"> <li>Committed to develop an excellent working culture</li> <li>Good governance help to attract and retain talent</li> <li>Improve brand value among stakeholders</li> <li>Smooth business operation</li> </ul>	<ul style="list-style-type: none"> <li>Corporate BSC (balanced scorecard) considers compliance as one of the Key Result Areas and continuous stress is put on monitoring, reporting and corrective/preventive actions of the same.</li> <li>Employees undergo mandatory training on the whistle-blower policy.</li> <li>Encourage, protect, and recognize "Whistleblowing" to prevent brand and reputational risks.</li> <li>Zero tolerance for statutory non-compliance.</li> <li>Bringing 'Galaxy Code of Conduct' into the realm of discussion while handling dilemmas, conflicting choices and paradoxes.</li> <li>"Value Workshops" are conducted to ensure that the linkages between values and behaviors are well understood.</li> </ul>	<ul style="list-style-type: none"> <li>These mitigation practices help us with de-risking facilities, healthy work environment which brings better productivity.</li> <li>Adherence to regulatory compliance, attract customers and grow business.</li> </ul>
4	Water Stewardship	Risk and Opportunity	Water Disclosure	<ul style="list-style-type: none"> <li>Ensuring that our manufacturing units in India are Zero Liquid Discharge Units.</li> <li>Aim to achieve ZLD (Zero Liquid Discharge) at our Egypt location.</li> <li>Galaxy has incorporated multiple water conservation projects like recycling, condensate recovery, steam recovery and several water stress adaptation projects within and outside the boundary.</li> <li>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.</li> <li>Established mechanisms for monitoring water intake and consumption.</li> </ul>	Galaxy is 1.4 times water positive at the corporate level. We have an opportunity to be water positive at individual sites. As Galaxy manufactures personal and home care products, fresh water supply is important for operation. Water scarcity can affect our operations 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"> <li>Continually improving our waste monitoring mechanism.</li> <li>TPM is adopted in 2003</li> <li>Implemented CEP (Cost efficiency Projects) and WESAP (Waste Elimination and Suggestion Award program) projects that have reduced waste.</li> <li>Hazardous waste is sent to authorized waste management agencies and Non-Hazardous waste is sent to authorized recyclers for further recycling.</li> </ul>	We can increase the yield of finished goods and adopt waste circularity. We can carry out waste mapping for all our sites.

Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	
6	Climate Change	Risk	<ul style="list-style-type: none"> <li>Strives to minimize environmental impact by setting long-term sustainability goals.</li> <li>We identify physical and transitional risks and estimate the impacts, thereby assessing resilience upon transitioning to a low-carbon economy.</li> </ul>	<ul style="list-style-type: none"> <li>Process of setting our emission targets in line with the Science Based Targets approach.</li> <li>The initiative includes resource efficiency, cost savings, adoption of low-emission energy sources and development of new products.</li> </ul>	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.
7	Oil Palm Derivatives	Opportunity	Customer demands for RSPO (MB) finished goods	<ul style="list-style-type: none"> <li>Galaxy is RSPO (Mass Balance) certified since 2014 and has witnessed the growth of RSPO (Mass Balance) certified finished goods year on year.</li> <li>Galaxy is carrying out oil palm traceability since 2016.</li> </ul>	Very few players in the market can provide RSPO (MB) finished goods. This has helped Galaxy 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 new 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, and many more. 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 the upgradation of technologies, competencies, capacity building, training, and learning from time to time for enabling growth.	Financial growth would certainly serve the interest of all the stakeholders of the enterprise.
9	Labour Relations	Opportunity	<ul style="list-style-type: none"> <li>Happy and engaged employees keep customers happy and delighted.</li> <li>We ensure goal setting, performance reviews, reward and recognitions are carried out in a structured format</li> </ul>	<ul style="list-style-type: none"> <li>Galaxy, since its inception is very conscious about the well-being of people. All the policies are curated by keeping the well-being of people in mind.</li> <li>We have formulated and established Human Right Policy ensuring we keep our focus and monitoring on the progress and improvements.</li> <li>We have a robust Grievance Redressal Mechanism and multiple forums for our employees to express their concerns and get them resolved.</li> </ul>	We have an annual goal-setting and review mechanism. We also have a reward and recognition program to encourage our employees. 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	In case of risk, 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"> <li>Committed to delivering consistently high-quality and high-performing products and services.</li> <li>Focus relentlessly on continuous improvement in quality in all domains and implemented key Best Practices at our sites.</li> </ul>	<ul style="list-style-type: none"> <li>Regular business reviews with key customers.</li> <li>Customer satisfaction surveys and feedback.</li> <li>Customer audits and customer questionnaire responses.</li> <li>Meeting customer requirements and requests for improvement on environmental and social responsibility.</li> <li>Technical Flash Cards: addresses basic queries of customers related to the product such as its application, grades handling and storage, first aid and environmental measures.</li> </ul>	We participate in national and international exhibitions. This helps us to showcase our capabilities and engage new customers. Participation in exhibitions helps us to understand customers' issues in-depth. Over the years, we have seen a growing customer base through these engagements.

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 2022 an online survey response form was circulated to evaluate 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
<b>Policy and management processes</b>									
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, all the policies are translated in procedures.								
3 Do the enlisted policies extend to your value chain partners?	Yes.								
4 Name of the national and international codes / certifications / labels / standards adopted by your entity and mapped to each principle	<ul style="list-style-type: none"> <li>Galaxy Surfactants has adopted international standards like ISO 9001, ISO 45001, ISO 50001, and ISO 14064.</li> <li>Galaxy follows Global Reporting Initiative (GRI) standards for measuring and reporting its sustainability performance, reports to Carbon Disclosure Project (CDP) on Climate Change, Water security, and Forest Disclosure.</li> <li>Galaxy is an ordinary member of the Roundtable on Sustainable Palm Oil (RSPO) and is a signatory to Responsible Care Global Charter (RCGC).</li> <li>Galaxy is also certified as Great Place to Work and is committed to Valuable 500.</li> </ul>								
5 Specific commitments, goals and targets set by the entity with defined timelines	<p>Galaxy's Mission 2030 is a focused approach to climate change, circular economy, and water Stewardship which entails the following goals:</p> <ul style="list-style-type: none"> <li>Climate Change: <ul style="list-style-type: none"> <li>Achieving a 100% Renewable energy share by 2030</li> <li>Implementation of an Energy Management System (ISO 50001:2018) at all locations by 2025.</li> <li>Plantation of one lakh trees by 2030.</li> </ul> </li> <li>Circular Economy: <ul style="list-style-type: none"> <li>Achieving 100% waste circularity by 2030.</li> <li>Zero waste to Incineration.</li> </ul> </li> <li>Water Stewardship: <ul style="list-style-type: none"> <li>Achieving Net water Positive status at all manufacturing sites in India.</li> </ul> </li> </ul>								

\*\* Policies are accessible only to employees.

\* Policies available on Galaxy website: <https://www.galaxysurfactants.com/about/our-policies.aspx>  
<https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>



**6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met:**

<b>P1</b>	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 about 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 <a href="https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx">https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx</a>
<b>P2</b>	Product Responsibility: Galaxy plans to assess most 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 the total impact of a product through its lifecycle and completed LCA for 43 identified products with the help of the GaBi tool. We display product information like product trade name, gross wt., tare wt. etc. on regular product labels. In addition, in the case of specific countries/customers, we share information concerning product hazards 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).
<b>P3</b>	Human Resources: People Energy Process policy focuses on recruiting the best talent based on their merits, training them to perform efficiently and rewarding them for their performance. Continuous learning forms an essential part of the employee journey at Galaxy at all levels and at all points. Galaxy has laid down Human Rights Policy setting out how the company respects human rights by having policies and processes in place to identify, prevent, mitigate, and account for how it addresses its adverse human rights impacts. Our organization has also drafted an employee code of conduct applicable to all the employees, articulating the values the organization wishes to foster in leaders and employees, and in doing so, defines the desired behavior. Besides the Corporation's Code of Conduct, other policies include the Policy on the 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 keeping the organization in compliance with legislation and provide protection against employment claims.
<b>P4</b>	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 relevant ESG issues are included in the study.
<b>P5</b>	Respecting Human Rights: Galaxy has established a Human Rights policy that is communicated to all the employees making an important step in embedding human rights in the corporate culture and influencing decision-making. 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. There is no discrimination with regard to race, color, religion, sex, age, national or social origin, political affiliation, physical or mental disability, marital status, sexual orientation, or any other status protected by law while providing equal opportunities and treatment to the individuals. We also ensure that the compensation, working hours, and Health & Safety of the employees are complied with as per legal and industry standards. All the labor laws and other policies about workplace ethics are well communicated to employees through display boards, handbooks, Learning Management Systems, and other forms of communication. We have developed a Human Rights checklist to improve human rights reporting across our units.
<b>P6</b>	Protect and restore environment: Galaxy employs green technology i.e., products that can be produced sustainably in an environmentally friendly manner.
<b>P7</b>	Legislative and Regulatory: Galaxy ensures to comply with laws and regulations in the area of its operation.
<b>P8</b>	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.
<b>P9</b>	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).**

For the last decade, Galaxy has integrated sustainability into its day-to-day functioning. Galaxy is committed to integrating environmental, social, and governance (ESG) principles into its business which improves the quality

of life of the communities it serves. Galaxy's purpose is to create value for its customers through innovation and delight them through its service. Currently, the Net Zero movement has started to make positive progress. Galaxy is committed to reducing its emissions, establishing a Circular- economy, and Innovating Green products along with water and product Stewardship. Product stewardship helps to understand the environmental impact of the product throughout its lifecycle.

For Galaxy, Corporate Social Responsibility (CSR) is not mere compliance but an opportunity to serve the community. It aims to empower and transform society through various CSR initiatives. Galaxy is committed to conducting beneficial and fair business practices for labor, human capital, and the community. It provides employees and business associates with working conditions that are clean, safe, healthy, and fair.

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.

**8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy (ies):**

Mr. U. Shekhar, Managing Director (DIN 00265017)

**9. Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? If Yes, provide details.**

Yes, Sustainability at Galaxy is driven through a three-tier structure called the Sustainability cell. It has a Steering Committee at the apex comprising the Board of Directors, the Working pillars comprised of process heads and leaders, and working teams to carry out projects. The Sustainability Cell meeting is held every quarter to assess and review sustainability and business responsibility performance.

**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					Yes													
b	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances										Yes								

		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.	Bureau Veritas	has	provided	a	'reasonable assurance'	on	GHG emissions	and	a 'moderate assurance (AA1000AS)' on non-financial sustainability disclosures based on GRI standards and SDG framework. In this, our policies and working are also evaluated by the auditor on sample basis.

**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

**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	13	BRSR Compliance Program, Compliance Program like POSH, Whistle-blower Policy, Code of Conduct, Human Rights	100%
Key Managerial Personnel	20	Case Study Based Learning, One on One Coaching, BRSR Compliance Program, ISB – Managing Influence and Negotiation, Tough Love Leadership, Behavioural Based Outbound Training Program	85%
Employees other than BoD and KMPs	650	<ul style="list-style-type: none"> <li>Behavioural and Functional Training is provided for capability building.</li> <li>Compliance Programs include POSH Awareness and Cybersecurity Awareness Program</li> </ul>	95%
Workers	980	<ul style="list-style-type: none"> <li>We regularly provide training, education and development opportunities to company and contractor employees on topics like behavioural safety, Fire Safety, SCBA, MSDS, EMS-OH&amp;S standards, Responsible Care, etc. to enhance safety awareness among employees and contractors, various emergency drills and training have also been conducted.</li> <li>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.</li> <li>Compliance programs include POSH awareness, whistle-blower, code of conduct and human rights.</li> </ul>	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 ₹)	Brief of the case	Has an appeal been preferred?
Monetary				
Penalty / Fine		Nil		
Settlement				
Compounding fee				
Non-Monetary				
Imprisonment		Nil		
Punishment				

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

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.

Galaxy does not have an anti-bribery or anti-corruption policy. Galaxy has a whistle-blower and code of conduct policies which contains clauses related to anti-bribery practices. These policies are available at Galaxy 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 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

There were no complaints regarding conflict of interest.

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 our business by regulatory and judicial institutions, and no complaints /cases of corruption and conflicts of interest registered during the year. The Board of Directors and senior management are subject to the provisions of the Code of Conduct.

<https://www.galaxysurfactants.com/pdf/corporate-governance/policies/Code-of-Conduct-for-Board-Members-and-Senior-Management.pdf>

## 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
1	2	Sustainability Awareness, 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.

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.

Please refer the following link for more information: <https://www.galaxysurfactants.com/investor-relations/corporate-governance.aspx>

## 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&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial year (%)	Previous financial year (%)	Details of improvements in environmental and social impacts
R&D	16.14%	25.0%	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&D capabilities and new product scalability. Major improvements include in developing green products, safe workplace and emergency preparedness, renewable source of energy, consumables for synthesis of natural and benign products, lab expansion for study of green and natural products.
Capex	20.0%	33.0%	

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 environmental, social, safety, and quality parameters before registration of a vendor. The suppliers are asked to endorse the supplier Code of Conduct containing the organization's 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 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, suppliers' internal standards, adherence to Galaxy's supplier code of conduct, etc. Galaxy is a signatory to the 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 2023	Galaxy 790 MFG	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
2 2023	Galaxy CAPB SB	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
3 2023	Galaxy LES 370	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
4 2023	Galaxy MW 287	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
5 2023	2-Phenoxyethanol	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
6 2023	Lauryl Chloride (Only Internal)	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
7 2023	Cocoyl Chloride (Only Internal)	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
8 2023	Galaxy MW 251	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
9 2023	Galaxy MW 252	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
10 2023	Galaxy LES 70	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
11 2023	Galsoft SLI 80	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
12 2023	GALSOFT SCI 85(P, G)	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
13 2023	Galsoft SLT	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
14 2023	Galaxy CAPB Plus	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders



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
15 2023	Galaxy BKC	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
16 2023	Galaxy LABSA	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
17 2023	Galsoft SLG PLUS	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
18 2023	Galsoft SLGL PF	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
19 2023	Galsoft GLI 21	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
20 2023	Galsoft SCG	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
21 2023	Galaxy 111	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
22 2023	Galaxy BKC AT	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
23 2023	Sparkle 670	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
24 2023	Galaxy LAPAO	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
25 2023	Galaxy CAPAO	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
26 2023	Galsilk 700	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
27 2023	Galaxy ESS	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
28 2023	Galaxy LSS P	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
29 2023	Galsilk 7	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
30 2023	Galaxy LAO	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
31 2023	Galaxy LES 170	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
32 2023	Galaxy LES 370	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
33 2023	Galaxy CAPB SB	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
34 2023	Galaxy CAPB	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
35 2023	Galaxy 610	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
36 2023	Galaxy 689-Granules	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders
37 2023	Galaxy Hearth Mix LLDC	-	Cradle- to- Gate	Yes, the first study was performed in collaboration with external agency	Results are shared with relevant stakeholders

\*Results are not showcased on public domain but are shared with the relevant external and internal stakeholders

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.

Name of Product / Service	Description of the risk /concern	Action taken
Nil	NA	NA

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).

Indicate input material	FY 2022-23	FY 2021-22
	Nil	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil			Nil		
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

### 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:

Category	Total (A)	% of employees covered by									
		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)
<b>Permanent employees</b>											
Male	656	656	100%	656	100%	NA	-	656	100%	656	100%
Female	151	151	100%	151	100%	151	100%	NA	-	151	100%
<b>Total</b>	<b>807</b>	<b>807</b>	<b>100%</b>	<b>807</b>	<b>100%</b>	<b>151</b>	<b>100%</b>	<b>656</b>	<b>100%</b>	<b>807</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	100% of all other than permanent employees are covered under Accident Insurance and Day Care facilities										
Female											
<b>Total</b>											

All permanent employees are covered under Mediclaim or ESIC

- 1b. Details of measures for the well-being of workers:

	Total (A)	% of workers covered by									
		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)
<b>Permanent workers</b>											
Male	861	861	100%	861	100%	Nil	Nil	861	100%	861	100%
Female											
<b>Total</b>	<b>861</b>	<b>861</b>	<b>100%</b>	<b>861</b>	<b>100%</b>	<b>Nil</b>	<b>Nil</b>	<b>861</b>	<b>100%</b>	<b>861</b>	<b>100%</b>
<b>Other than Permanent workers</b>											
Male	100% of all other than permanent workers are covered under Accident Insurance and Day Care facilities										
Female											
<b>Total</b>											

All permanent workers are covered under Mediclaim or ESIC

2. Details of retirement benefits:

Benefits	FY 2022-23			FY 2021-22		
	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)	1%	99%	Yes	2%	62%	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 corporate offices are accessible to employees and workers with disabilities. We are developing infrastructure at manufacturing sites to make them accessible to differently abled employees.

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.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention rate
<b>Permanent employees</b>		
Male	100%	100%
Female	100%	100%
<b>Total</b>		
<b>Permanent workers</b>		
Male	100%	100%
Female	100%	100%
<b>Total</b>		

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, EWC (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.
Other than Permanent Workers	
Permanent Employees	Employees are encouraged to provide their feedback and there are anonymous speak-up mechanisms set up for sharing their concerns and grievances.
Other than Permanent Employees	Galaxy Parivar Bane Surakshit (GPBS) program helps the employee and operators to report any safety observation across all manufacturing units.

7. Membership of employees and worker in association(s) or unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	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	Galaxy does not have any Union or Association of employees or workers. Galaxy acknowledges and respects the right of employees towards freedom of peaceful association and collective bargaining.					
Male	Galaxy encourages and facilitates open communication and direct engagement between workers and management.					
Female						
<b>Total Permanent Workers</b>	EWC is a forum which facilitates worker and management meet once a month wherein key issues pertaining to work are discussed.					
Male						
Female						

## 8. Details of training given to employees and workers:

	FY 2022-23					FY 2021-22				
	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)
<b>Employees</b>										
Male	656	568	87%	554	84%	623	402	65%	304	49%
Female	151	84	56%	73	48%	127	42	33%	72	57%
<b>Total</b>	<b>807</b>	<b>652</b>	<b>81%</b>	<b>627</b>	<b>78%</b>	<b>750</b>	<b>444</b>	<b>59%</b>	<b>376</b>	<b>50%</b>
<b>Workers</b>										
Male	861	652	76%	627	73%	796	683	86%	607	76%
Female	Nil	Nil	-	Nil	-	Nil	Nil	-	Nil	-
<b>Total</b>	<b>861</b>	<b>652</b>	<b>76%</b>	<b>627</b>	<b>73%</b>	<b>796</b>	<b>683</b>	<b>86%</b>	<b>607</b>	<b>76%</b>

## 9. Details of performance and career development reviews of employees and worker:

	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	656	584	89%	623	623	100%
Female	151	113	75%	127	127	100%
<b>Total</b>	<b>807</b>	<b>697</b>	<b>86%</b>	<b>750</b>	<b>750</b>	<b>100%</b>
<b>Workers</b>						
Male	861	804	93%	796	796	100%
Female	Nil	Nil	-	Nil	Nil	-
<b>Total</b>	<b>861</b>	<b>804</b>	<b>93%</b>	<b>796</b>	<b>796</b>	<b>100%</b>

100% of all the eligible employees have undergone performance and career development reviews.

## 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 in charge.

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 (Job Safety Analysis), PSSR (Pre-Start-up Safety review), weekly/monthly inspections, AI and HIRA, cross-functional safety audits, external safety audits, workplace monitoring studies, etc.

We also conducted a total evacuation mock drill for increasing emergency preparedness. We received the ICC (India Chemical Council) Award on Emergency Response Code.

c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

We have Parivartan- WESAP at the site (Waste Elimination Suggestion Award Program), which enables all employees at the site to provide their suggestions on productivity, quality, cost, defects, safety, and morale.

We also have Galaxy Parivar Bane Surakshit (GPBS) program. This program enables reporting of safety observations. WESAP suggestions and safety observations are reviewed and if feasible, implemented at the site. We encourage all employees to participate in WESAP and GPBS programs.

d) **Do the employees / worker of the entity have access to non-occupational medical and healthcare services?**

Yes, Employees and operators are covered under Mediclaim and ESIC schemes.

11. Details of safety related incidents:

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.32	0.52
	Workers	0.17	0.12
Total recordable work-related injuries	Employees	1	1
	Workers	1	2
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	2
	Workers	1	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At manufacturing sites, safety performance is reviewed by the senior management in the monthly Safety meeting. 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 contract worker categories. We regularly provide training to payroll and contract employees on topics like behavioral safety, Fire Safety, SCBA, MSDS, EMS and OHSMS 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-ups and induction training through STK (Safety Training Kiosk) are conducted for everyone including visitors, drivers, contractors and new employee recruits. Sensitization is ensured by announcing Safety Anthem every shift through the public address system at our manufacturing units.

A software portal system is available for reporting any near-miss incident as well as any incident including incident investigation and recommendations. The software system helps to track incident investigations as well as the closure of recommendations. ECC (Emergency Control Centre) is available and is well-equipped with all communication infrastructures like walkie-talkies and emergency contacts with a list of important telephone

numbers. Galaxy follows the system 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 audits, external safety audits, workplace monitoring studies, etc. We have a well-equipped OHC (Occupational Health Centre) which operates round the clock. All the employees, including contract employees, undergo periodic medical check-ups, and health records are maintained in place. The frequency of medical check-ups of employees is twice a year from DISH (Directorate of Industrial Safety and Health) approved medical practitioners. FMO conducts periodic training and guides on lifestyle diseases. (Such as healthy diet and exercise etc). We have certified First Aiders and Firefighters are present at the site. We also, have an on-site emergency plan for handling any emergency at the site.

We have launched cross-functional Project Abhayatam – A Fearless, New Beginning. This project comprises of 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, P&ID, SOP /BMR review, Aspect/Impact and HIRA review, MSDS training and maintenance management etc, subsequent findings were taken forward for improvement. A weekly Safety Circle Meeting is conducted with all processes in charge to take safety-related recommendations from them.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	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 2022-23	FY 2021-22
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.

A particular plant has been assigned to a safety executive to collect Behavioral-Based Safety (BBS) observations which are reported monthly to improve the quality of observations.

After the occurrence of any incident, a thorough investigation takes place for the implementation of corrective and preventive measures. The learning from the analysis is shared with all shop floor employees and supervisors to increase awareness and avoid future errors.

Hazard identification and risk assessment (HIRA) training is conducted across all locations. These assessments are revised to understand the risk and adequate measures. Significant HIRA is reviewed for effective operational control periodically.

Every change goes through Management of Change (MOC) and respective risk assessment followed by PSSR.

For every New start-up or shutdown, comprehensive PSSR and its recommendation closures have been ensured for a Smooth/ safe start-up.

**Leadership Indicators**

## 1. Does the entity extend any life insurance or any compensatory package in the event of death of

**(A) Employees – Yes**

**(B) Workers – Yes**

## 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 transactions are deducted and deposited as per regulations. We are in the process of carrying 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 2022-23	FY 2021-22
<b>Total no. of affected employees / workers</b>		
Employees	Nil	Nil
Workers	Nil	Nil
<b>No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>		
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 policies 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:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	Raw Material: 17% Packaging material: 76%
Working Conditions	Raw Material: 17% Packaging material: 76%

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.

No corrective actions were identified during supplier audits which were conducted on a sample basis.

**BRSR SECTION C: PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

The process for identification of stakeholders for Galaxy is based on the following attributes:

- Dependency - Stakeholders who are directly dependent on the organization's activities, products, services, or on whom the organization is dependent to operate.
- Responsibility – Stakeholders towards whom the organization has legal, commercial, operational, or moral/ethical responsibilities.

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"> <li>Regular business reviews with key customers</li> <li>Customer satisfaction surveys and feedback</li> <li>Customer audits and customer questionnaire responses</li> <li>Technical flash cards</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Carbon footprint / Carbon disclosure</li> <li>Management of Environmentally hazardous substances</li> <li>Innovation</li> <li>Customer Satisfaction Survey</li> </ul>
2 Investors	No	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual Reports</li> <li>Investor Meets Investor call is arranged after the declaration of financial results every quarter. The details for participation are updated on stock exchanges.</li> </ul>	Annually (AGM) Quarterly (event-based investor conferences) one to one Investor Meetings	<ul style="list-style-type: none"> <li>Business performance</li> <li>Challenges faced by the company</li> </ul>
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"> <li>Supplier workshops and annual suppliers meet</li> <li>Suppliers consultation and auditing</li> <li>Informing suppliers through a feedback mechanism</li> <li>Supplier Sustainability assessment questionnaire</li> </ul>	Half Yearly	<ul style="list-style-type: none"> <li>Environmental initiatives (e.g., reduced packaging and recycling)</li> <li>Supply chain management</li> <li>Compliance with laws and regulations</li> <li>Work environment and hygiene</li> <li>Machine/equipment safety</li> <li>Human Rights</li> </ul>

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"> <li>Transporter consultation and auditing</li> <li>Informing transporter through a feedback mechanism</li> </ul>	Half Yearly	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Carbon management</li> <li>Road Safety</li> <li>Safe System</li> <li>Compliance with laws and regulations</li> </ul>
6 Employees (Employee and contract employees)	No	<ul style="list-style-type: none"> <li>Meetings and Training</li> <li>Employee Engagement Survey</li> <li>360-degree feedback</li> <li>One-on-one interviews with managers</li> <li>Performance communication</li> <li>Communication meetings with recruits</li> <li>Employees can communicate through internal channels</li> <li>Energy Week, Safety Month, Environment Day celebrations</li> <li>Employee Welfare Council</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Ethics/integrity management</li> <li>Human rights</li> <li>Learning and growth</li> <li>Work environment / Working conditions</li> <li>Salary / Benefits</li> <li>Health and safety</li> <li>Employee Well-being</li> <li>Career Development</li> <li>Balance of work and life</li> </ul>
7 Community	Yes	<ul style="list-style-type: none"> <li>CSR initiatives</li> <li>Sustainability Report</li> <li>Participation in conferences</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Environmental awareness</li> <li>Community Development</li> </ul>

### 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.

All the consultations with the stakeholders on ESG issues are delegated to the respective process/department within the organization which is responsible for regularly engaging with stakeholders. The Sustainability Cell Meeting provides an opportunity to communicate feedback with the Board about these consultations.

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, Materiality Assessment helps to identify and manage environmental and social material topics. These topics are incorporated into our Mission 2030. The details of the same are provided in the link below.

<https://www.galaxysurfactants.com/interactive-report.aspx>

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

Galaxy's CSR team engages with the communities around the operations and helps in the development of vulnerable and marginalized stakeholder groups. The team also provides various avenues for financial and social inclusion of women and provides relief material to people affected by natural calamities.

## 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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	807	698	86%	750	129	17%
Other than permanent	Nil	Nil	-	Nil	Nil	-
<b>Total Employees</b>	<b>807</b>	<b>698</b>	<b>86%</b>	<b>750</b>	<b>129</b>	<b>17%</b>
<b>Workers</b>						
Permanent	861	411	48%	796	65	8%
Other than permanent	Nil	Nil	-	Nil	Nil	-
<b>Total Workers</b>	<b>861</b>	<b>411</b>	<b>48%</b>	<b>796</b>	<b>65</b>	<b>8%</b>

2. Details of minimum wages paid to employees and workers:

	FY 2022-23					FY 2021-22				
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	656	Nil	-	656	100%	623	Nil	-	623	100%
Female	151	Nil	-	151	100%	127	Nil	-	127	100%
Other than Permanent										
Male	44	Nil	-	44	100%	Nil	Nil	-	Nil	Nil
Female	15	Nil	-	15	100%	Nil	Nil	-	Nil	Nil
<b>Workers</b>										
<b>Permanent</b>										
Male	861	27	3%	834	97%	796	48	6%	748	94%
Female	Nil	Nil	-	Nil	-	Nil	Nil	Nil	Nil	Nil
Other than Permanent										
Male	484	185	38%	299	62%	671	632	94%	39	6%
Female	20	7	35%	13	65%	23	23	100%	Nil	Nil

3. Details of remuneration / salary / wages:

	Number	Median remuneration / salary / wages of respective category (₹ in lakh)
<b>Male</b>		
Board of Directors (BoD)	8	26
Key Managerial Personnel	2*	60
Employees other than BoD and KMP	651	6.8
Workers	861	3.7
<b>Female</b>		
Board of Directors (BoD)	1	19.5
Key Managerial Personnel	0	N.A.
Employees other than BoD and KMP	151	6.2
Workers	0	N.A.

\*excluding 3 Executive Directors

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, The People Energy Process (Human Resource Department) is responsible for addressing human rights impacts or 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 2022-23			FY 2021-22		
	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	2	Nil	N.A.	1	Nil	N.A.
Discrimination at workplace	Nil	Nil	N.A.	Nil	Nil	N.A.
Child Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Forced Labour / Involuntary Labour	Nil	Nil	N.A.	Nil	Nil	N.A.
Wages	Nil	Nil	N.A.	Nil	Nil	N.A.
Other human rights related issues	Nil	Nil	N.A.	Nil	Nil	N.A.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Galaxy condemns any form of discrimination, harassment, victimization, or any other unfair employment practice being adopted against an employee complaining about discrimination and harassment. Complete protection will, therefore, be given to employees against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, or any type of harassment, biased behavior, or the like including any direct or indirect use of authority to obstruct the employee's right to continue to perform his duties/functions including making further Disclosure.

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%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no significant risks or concerns arising from the assessments.

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Not Applicable.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

There was no Human rights due diligence conducted in FY 22-23.



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?

Our corporate offices are accessible to Differently abled employees and workers. We are developing infrastructure at manufacturing sites to make them accessible to Differently abled employees.

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	90%
Child Labour	90%
Forced Labour / Involuntary Labour	90%
Wages	90%
Others – please specify	Assessed 90% of value chain based on Human rights

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at question 4 above.

There were no significant risks or concerns arising from the assessments.

## 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 2022-23	FY 2021-22
Total electricity consumption (A)	148938 GJ	137206 GJ
Total fuel consumption (B)	243589 GJ	233406 GJ
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>392527 GJ</b>	<b>370612 GJ</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) ((GJ/ Cr. ₹)</b>	<b>124.78</b>	<b>141.70</b>
<b>Energy intensity (optional) – the relevant metric may be selected by the entity (GJ/MT)</b>	<b>1.46</b>	<b>1.41</b>
<b>Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.</b>	As a part of Sustainability Report FY 21-22, Bureau Veritas provided assurance for energy consumption.	

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:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	301102 KI	296084 KI
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>301102 KI</b>	<b>296084 KI</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>418115.00 KI</b>	<b>405505.20 KI</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover) (kl/ Cr. ₹)</b>	<b>132.91</b>	<b>155.05</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity (kl/MT)</b>	<b>1.56</b>	<b>1.55</b>
<b>Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.</b>	As a part of Sustainability Report FY 21-22, Bureau Veritas provided assurance for energy consumption. All our manufacturing sites are Zero Liquid Discharge (ZLD) Units. Galaxy is 1.4 times Water Positive with Water recycling back in the operations along with Rainwater Harvesting.	

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.

Yes, all the manufacturing sites in India are Zero Liquid Discharge units.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	tonnes	8.40	9.61
SOx	tonnes	21.88	24.06
Particulate matter (PM)	tonnes	13.53	14.82
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
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	As a part of our annual Sustainability Report, Bureau Veritas, provides Assurance.		

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Break-up	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions	CO2	Metric tonnes		
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	<b>Total</b>	<b>tCO2e</b>		<b>17168</b>
Total Scope 2 emissions	CO2	Metric tonnes		
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	<b>Total</b>	<b>tCO2e</b>		<b>26304</b>
Total Scope 1 and Scope 2 emissions per rupee of turnover			13.81	16.30
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity (tCO2e/MT)		CO2 equivalent/ Metric tonnes	0.16	0.16
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? If yes, name of the external agency.	Yes, Bureau Veritas provided independent verification and validation for Scope 1 and Scope 2 emissions as per ISO 14064 for FY 21-22.			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Galaxy is aligned with global goals of emission reductions. With the utilization of Energy management systems, renewable energy, and adopting clean fuels Galaxy is committed to reducing its emissions.

- **Reduction in Energy Consumption:** All manufacturing units operate with the aim of reducing energy consumption in processes that have a direct impact on carbon emissions. Galaxy is committed to energy conservation and our Talaja unit is ISO 50001 EnMS certified.
- **Renewable Energy:** Renewable Energy is a focused area for emission reduction. Currently, renewable energy accounts for 20.62% of the total electricity share of FY 22-23, and Galaxy is focused on increasing the renewable share in upcoming years.

8. Provide details related to waste management by the entity:

Parameter	FY 2022-23	FY 2021-22
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	224.62	229.23
E-waste (B)	8.68	4.54
Bio-medical waste (C)	0.02	0.01
Construction and demolition waste (D)	-	-
Battery waste (E)	1.15	11.65
Radioactive waste (F)	-	-
Other hazardous waste. Please specify, if any. (G)	6128.77	4593.91
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1081.84	1012.02
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>7445.08</b>	<b>5851.36*</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	3754.64	413.58
(ii) Re-used	1630.11	2076.35
(iii) Other recovery operations	434.97	-
<b>Total</b>	<b>5819.72</b>	<b>2489.93*</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	78.90	64.96
(ii) Landfilling	456.85	424.13
(iii) Other disposal operations	1089.61	2872.24
<b>Total</b>	<b>1625.36</b>	<b>3361.33</b>

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.

As a part of our Annual Sustainability Report for FY 2021-22, Bureau Veritas provided assurance for waste accounting.

\*This data has been corrected for last year.

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.

Galaxy has implemented projects that have reduced waste and improved the yield of production. Galaxy follows the '3R' Reduce, Reuse, and Recycle strategy for our waste management. Galaxy follows legally prescribed procedures and applies environmentally sound techniques for disposing of hazardous waste whereas the non-hazardous waste is sold to authorized recyclers. World-class practices such as TPM have been adopted at our manufacturing sites since 2003, which helps to increase productivity by minimizing waste.

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:

Not Applicable.

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:

Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, Galaxy is compliant with all the applicable environmental laws. 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:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources (in GJ)</b>		
Total electricity consumption (A)	30690	19836
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>30690</b>	<b>19836</b>
<b>From non-renewable sources (in GJ)</b>		
Total electricity consumption (D)	118249	117369
Total fuel consumption (E)	243589	233406
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>361838</b>	<b>350775</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. As a part of our annual Sustainability Report FY 2021-22, Bureau Veritas, provides Assurance for energy consumption.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To surface water</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(ii) To groundwater</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(iii) To seawater</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(iv) Sent to third-parties</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	1645	1197
<b>(v) Others</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>1645</b>	<b>1197</b>

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency. As a part of our annual Sustainability Report, Bureau Veritas, provides Assurance for Water Accounting.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters). For each facility / plant located in areas of water stress, provide the following information:

- I. Name of the area: Jhagadia
- II. Nature of operations: Manufacturing

III. Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	121246	123930
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>121246</b>	<b>123930</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>150412</b>	<b>148775</b>
<b>Water intensity per rupee of turnover (water consumed / turnover) (KI/₹ Cr.)</b>	<b>47.81</b>	<b>56.88</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity (KI/MT)</b>	<b>1.59</b>	<b>1.47</b>
Water discharge by destination and level of treatment (in kilolitres)		
<b>(i) Into surface water</b>		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(ii) Into groundwater</b>	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(iii) Into seawater</b>	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(iv) Sent to third-parties</b>	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>(v) Others</b>	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	Nil	Nil
<b>Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.</b>	As a part of our annual Sustainability Report FY 2021-22, Bureau Veritas provided Assurance for Water Accounting	

\*Jhagadia is a Zero Liquid discharge plant.

4. Please provide details of total Scope 3 emissions and its intensity:

Parameter	Break-up	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions	CO2	Metric tonnes		
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	<b>Total</b>	<b>Metric tonnes</b>		-
Total Scope 3 emissions per rupee of turnover			NA	NA
Total Scope 3 emission intensity – the relevant metric may be selected by the entity			NA	NA
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? If yes, name of the external agency.			NA	

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
Condensate recovery at F II and Dryer Plant	-	Reduction in condensate losses
Energy Savings in ETLA heating	-	Reduction of energy losses
Power Savings in mixing operations	-	Efficiency improvements, Power Savings
Chiller Efficiency Improvements	-	Efficiency improvements
Eliminate compressor losses	-	Efficiency improvements
LED Fixtures	-	Efficiency improvements

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Galaxy has a Business Continuity Plan (BCP) consisting of annual budgeting, long-term budgeting, a career development plan for most employees, and a succession plan for all the key positions. Succession plan progress is reviewed by the Board on a 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, the organization conducts internal and external training for its employees and workers. Major organizational risks are identified, measured, monitored, and reviewed by the central risk review committee. This risk review committee consists of the board of directors.

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 on the environment arises from the value chain entity. Following proactive measures have been taken by the entity to reduce the risk:

- 1) Traceability - Galaxy completed 8<sup>th</sup> Oil palm traceability for the calendar year 2022 and it involves work from Galaxy and its value chain partners. The organization developed a template that enables suppliers, customers, Galaxy, Customer appointed

third-party agencies to capture and analyze required details. The Oil Palm traceability cycle is carried out annually.

2) Sourcing policy:

- Organization shall strive to ensure our suppliers commit to protecting the rights of local communities, workers, and palm oil smallholders.
- Organization shall strive to ensure our suppliers commit to the 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.

Galaxy carries out annual supplier sustainability. 80-90% of suppliers on a value basis suppliers are covered under the supplier sustainability program.

### 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 various industries and trade bodies and actively participates in industry events and stakeholder consultation/dialogue leading to policy formulation by various regulatory bodies. A detailed table mentioned as per SEBI guidance.

- 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
9	Tarapur Industrial Manufacturer Association	State
10	Jhagadia Industries 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 (R&R) is being undertaken by your entity.

Not Applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

Galaxy arranges stakeholder engagement at all the manufacturing sites with a focus to discuss, receive and redress any grievances of the community residing near the manufacturing sites. Feedback form mechanism is used for same

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs small producers	Raw Materials: 13% Packing Materials: 87%	Raw Materials: 2% Packing Materials: 86%
Sourced directly from within the district and neighbouring districts	Raw Materials: 33% Packing Materials: 43%	Raw Materials: 23% Packing Materials: 42%

### 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 conducted in Aspirational Districts.

- 3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?  
No.
- 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	22086	100%
b) Gyan Sanjeevani - Education	14442	100%
c) Samajeek Utthaan - Rural Development	107189	100%
d) Paryavaran Suraksha - Environment Protection	1779	100%
e) Stree Unnati - Women Empowerment	2193	100%
f) Aapda Rahat - Calamity Relief	250	100%

## 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 is into B2B Business and all the feedback about our products and services are received and sought from our customers who cater to end consumers. The feedback from customers is handled through our well-established and robust customer complaint and satisfaction management system. We follow the 8D (eight-disciplines) methodology which is a rigorous and structured tool for responding to customer complaints and preventing its recurrence. Devising an interim containment plan, systemic root cause analysis, implementing a permanent solution to prevent recurring problems, customer reassurance, and a customer-centricity approach are the key elements of our complaint management process.

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 2022-23			FY 2021-22		
	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	NA	NA	-	NA	NA	-
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:

	Number	Reasons for recall
Voluntary recalls	2	As per the requirement of SOP
Forced recalls	3	Due to quality deviation

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. 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.

None.

of Dangerous goods labels in compliance with IMDG (International Maritime Dangerous Goods) and IATA (International Air Transport Association).

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

Galaxy has an online platform for Management of Change wherein communication with customers is activated by the team in case of any changes that would impact on 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, all products of Galaxy have storage and handling instructions on labels. The product information like product trade name, gross wt., tare wt. etc. are displayed on regular product labels. Technical data sheet and safety data sheet are also provided for more information as per Globally Harmonized System.

Galaxy has a dedicated team that conducts a customer satisfaction survey once every two years to understand levels of customer satisfaction with products and services provided by the Company as a whole.

5. Provide the following information relating to data breaches:

a) **Number of instances of data breaches along-with impact**

None.

b) **Percentage of data breaches involving personally identifiable information of customers**

None.

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information of the products can be accessed on the Website: <https://www.galaxysurfactants.com/products/product-groups/fatty-alcohol-sulfates.aspx> and on Social Media platforms like LinkedIn etc.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

Galaxy educates customers through our Safety Data Sheets (SDS), Questionnaires, Product Brochures, Customer Interactions, and BQ-Flash Booklets. 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 Harmonized 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

# 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, 2023, 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, 2023, 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 (SAs) specified under section 143(10) of the Act. 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><b>Fair valuation of financial instruments- Investment in Preference shares in subsidiary company</b> <b>(Refer Note 6, sub note (p), (t) of Note 1(B), Note 50 and note 51 to Standalone financial statements of the Company)</b></p> <p>The Company's investment in preference shares in the subsidiary Company amounting to Rs. 197.44 Crores is considered as a financial asset and is measured at fair value through Profit &amp; 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>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.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the valuation techniques used by the management for valuation of these financial instruments.</li> <li>We tested the design and operative effectiveness of the controls over valuation of investments including controls over assumptions used by the management's expert.</li> <li>We obtained the fair valuation report of management's expert.</li> <li>We assessed the objectivity and competence of the management's expert.</li> <li>We evaluated the reasonableness of the future cash flows considered by the management in respect of the preference shares.</li> <li>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.</li> <li>With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) discount rate by:</li> <li>Testing the source information underlying the determination of the discount rate and the mathematical accuracy of the calculation.</li> <li>Developing a range of independent estimates and comparing those to the discount rate selected by management.</li> </ul>

## 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, 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.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to standalone financial statements 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements 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 with reference to standalone financial statements.
- 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- Refer Note 40 to the 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 note 54 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 note 54 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.
- The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
- As stated in note 1 (under Statement of Changes in Equity) to the standalone 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
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 (Membership No. 102637)  
Date: May 23, 2023 (UDIN: 23102637BGXUSU4550)

## 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 to the Members of Galaxy Surfactants Limited of even date)

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Galaxy Surfactants Limited ("the Company") as of March 31, 2023 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 Company's internal financial controls with reference to standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone



financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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)

(Membership No. 102637)

Place: Mumbai

Date: May 23, 2023

(UDIN: 23102637BGXUSU4550)

## 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)**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, 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) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) To the best of our knowledge and according to information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2023 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 or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories / alternate procedures performed as applicable, 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 Rs. 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, book debt statements 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 and no material discrepancies have been observed.
- (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, stood guarantee, or provided security during the year and details of which are given below during the year and details of which are given below:

	Loans (Rs. In Crores)	Guarantees (Rs. In Crores)
Aggregate amount granted/ provided during the year:		
Others	1.20	-
Balance outstanding as at balance sheet date in respect of above cases:		
Subsidiaries	-	18.26
Others	1.22	-

- The Company has not provided any advances in nature of loans to any other entity during the year.
- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned 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 by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No 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 any deposit or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act. Hence, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (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) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, 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 a delay in respect of remittance of Employees' State Insurance and Provident Fund dues.
- (b) Undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of the dues	Amount (Rs. In Crores)	Period to which the Amount Relates	Due Date	Date of payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	April'22	15-May-22	NA
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	May'22	15-Jun-22	NA
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	June'22	15-Jul-22	NA
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	July'22	15-Aug-22	NA
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	Aug'22	15-Sep-22	NA
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	*	Sept'22	15-Oct-22	NA

\*Figures less than Rs. 50,000

(c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March 2023 on account of disputes are given below

Statute	Nature of Dues	Amount involved (Rs. In Crores)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	2.59*	2006-14	Appellate Tribunal
		3.29	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/ Central Sales Tax	0.98	2015-17	Joint Commissioner
		1.86 <sup>§</sup>	2010-14	Sales Tax Tribunal
Gujarat Value Added Tax Act, 2003	Value Added Tax/ Central Sales Tax	0.03	2016-17	Joint Commissioner
The Custom Act, 1962	Custom Duty	3.06 <sup>#</sup>	2012-13	Directorate of Revenue Intelligence
		32.97 <sup>@</sup>	2014-20	Appellate Tribunal
Central Goods and Services Tax Act, 2017	Goods and Service Tax	0.01 <sup>&amp;</sup>	2017-18	Commissioner (Appeals)

\* Net of Rs. 0.24 Cr paid under protest

§ Net of Rs. 0.82 Cr paid under protest

# Net of Rs. 5.00 Cr paid under protest

@ Net of Rs. 1.08 Cr paid under protest

& Net of Rs. 0.04 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 willful 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, other than temporary deployment pending application.

(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 subsection (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) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 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 2023.
- (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) of paragraph 3 of the Order is not applicable.
- (d) The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of paragraph 3 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) (a) 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)

(Membership No. 102637)

(UDIN: 23102637BGXUSU4550)

Place: Mumbai

Date: May 23, 2023



# STANDALONE BALANCE SHEET

as at 31<sup>st</sup> March, 2023

₹ Crores

Particulars	Note	2023	2022
<b>I. Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	526.26	383.82
(b) Right of use Asset	3	98.39	98.52
(c) Capital Work-in-Progress	4	84.48	178.18
(d) Other Intangible Assets	5	5.10	5.28
(e) Financial Assets			
(i) Investments	6	199.96	208.16
(ii) Loans	7	0.80	0.43
(iii) Other Financial Assets	8	8.61	6.60
(f) Income Tax Assets (Net)		8.01	8.53
(g) Other Non-Current Assets	9	25.27	22.25
<b>Total Non-Current Assets</b>		<b>956.88</b>	<b>911.77</b>
<b>Current Assets</b>			
(a) Inventories	10	338.91	409.46
(b) Financial Assets			
(i) Trade Receivables	11	457.80	474.69
(ii) Cash and Cash Equivalents	12	21.69	8.15
(iii) Bank Balances other than Cash and Cash Equivalents	12	15.57	5.80
(iv) Loans	7	0.43	0.39
(v) Other Financial Assets	8	10.49	7.49
(c) Other Current Assets	9	61.24	61.76
<b>Total Current Assets</b>		<b>906.13</b>	<b>967.74</b>
<b>Total Assets</b>		<b>1,863.01</b>	<b>1,879.51</b>
<b>II. Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	35.45	35.45
(b) Other Equity	14	1,188.50	1,102.24
<b>Total Equity</b>		<b>1,223.95</b>	<b>1,137.69</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	79.93	62.75
(ii) Lease Liabilities	16	4.14	4.82
(iii) Other Financial Liabilities	17	0.33	0.33
(b) Provisions	18	6.07	7.61
(c) Deferred Tax Liabilities (Net)	19	30.60	29.05
(d) Other Non-Current Liabilities	20	0.99	-
<b>Total Non-Current Liabilities</b>		<b>122.06</b>	<b>104.56</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	103.29	186.72
(ii) Lease Liabilities	16	4.25	3.02
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	22	37.96	13.02
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	22	335.44	406.02
(iv) Other Financial Liabilities	17	6.44	4.23
(b) Provisions	18	5.59	5.28
(c) Current Tax Liabilities (Net)		5.52	2.24
(d) Other Current Liabilities	20	18.51	16.73
<b>Total Current Liabilities</b>		<b>517.00</b>	<b>637.26</b>
<b>Total Equity And Liabilities</b>		<b>1,863.01</b>	<b>1,879.51</b>

The accompanying notes 1 to 56 are an integral part of the Standalone Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN: 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place: Navi Mumbai  
Date: 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN: 07626680

**NIRANJAN KETKAR**  
Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2023

₹ Crores			
Particulars	Note	2022-23	2021-22
Revenue from operations	23	3,159.26	2,628.59
Other Income	24	(5.98)	(1.21)
<b>Total Income</b>		<b>3,153.28</b>	<b>2,627.38</b>
<b>Expenses</b>			
Cost of materials consumed	25	2,260.60	2,001.99
Purchases of Stock-in-trade	26	20.29	15.13
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	37.30	(67.80)
Employee benefit expenses	28	140.58	113.62
Finance costs	29	12.32	7.75
Depreciation, amortisation and impairment expenses	30	52.62	43.75
Other expenses	31	341.96	331.90
<b>Total Expenses</b>		<b>2,865.67</b>	<b>2,446.34</b>
<b>Profit before exceptional items and tax</b>		<b>287.61</b>	<b>181.04</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>287.61</b>	<b>181.04</b>
Tax Expenses			
Current Tax	32	72.01	47.83
Deferred Tax charge / (credit)	32	1.59	(0.66)
<b>Total Tax Expenses</b>		<b>73.60</b>	<b>47.17</b>
<b>Profit for the year</b>		<b>214.01</b>	<b>133.87</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(0.15)	1.58
(ii) Income tax relating to items that will not be reclassified to profit or loss	33	0.04	(0.40)
B. (i) Items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		<b>(0.11)</b>	<b>1.18</b>
<b>Total Comprehensive Income for the year</b>		<b>213.90</b>	<b>135.05</b>
Earnings per equity share:			
(Face value ₹10 per share)			
Basic (₹)	34	60.36	37.76
Diluted (₹)	34	60.36	37.76

The accompanying notes 1 to 56 are an integral part of the Standalone Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**

Chartered Accountants

**KEDAR RAJE**

Partner

Place: Mumbai

Date: 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**

Managing Director

DIN: 00265017

**ABHIJIT DAMLE**

Chief Financial Officer

Place: Navi Mumbai

Date: 23<sup>rd</sup> May, 2023**K. NATARAJAN**

Executive Director &amp; COO

DIN: 07626680

**NIRANJAN KETKAR**

Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2023

## A) EQUITY SHARE CAPITAL

Particulars	₹ Crores	
	2023	2022
<b>Issued and Subscribed:</b>		
Balance at the beginning of the current reporting period	35.45	35.45
<b>Balance at the end of the current reporting period</b>	<b>35.45</b>	<b>35.45</b>

## B) OTHER EQUITY

Particulars	Reserves and Surplus			Total Other Equity
	Securities Premium Account	General Reserve	Retained Earnings	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>0.20</b>	<b>26.38</b>	<b>954.79</b>	<b>981.37</b>
Profit for the year	-	-	133.87	133.87
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	1.18	1.18
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>135.05</b>	<b>135.05</b>
Dividend on Equity Shares	-	-	(14.18)	(14.18)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>0.20</b>	<b>26.38</b>	<b>1,075.66</b>	<b>1,102.24</b>
Profit for the year	-	-	214.01	214.01
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	(0.11)	(0.11)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>213.90</b>	<b>213.90</b>
Final Dividend paid during the year	-	-	(63.82)	(63.82)
Interim Dividend paid during the year	-	-	(63.82)	(63.82)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>0.20</b>	<b>26.38</b>	<b>1,161.92</b>	<b>1,188.50</b>

### Note:

#### B.1: Details of Dividend proposed:

Particulars	₹ Crores	
	2023	2022
Dividend per share (In Rupees)	4.00	18.00
Dividend proposed on Equity Shares	14.18	63.82
<b>Total Dividend proposed</b>	<b>14.18</b>	<b>63.82</b>

The Board of Directors of the company at its meeting held on 23<sup>rd</sup> May, 2023 has approved final dividend of ₹ 4 per share (40% of the face value of the equity share of face value of ₹ 10 each) amounting to ₹ 14.18 crores for the year ended 31<sup>st</sup> March, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on 10<sup>th</sup> August, 2023.

**The accompanying notes 1 to 56 are an integral part of the Standalone Financial Statements.**

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN: 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place: Navi Mumbai  
Date: 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN: 07626680

**NIRANJAN KETKAR**  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March, 2023

Particulars	₹ Crores	
	2022-23	2021-22
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit After Tax</b>	<b>214.01</b>	<b>133.87</b>
<b>Adjustments for:</b>		
Income tax expenses	73.60	47.17
Finance costs	12.32	7.75
Interest Subvention income	(1.52)	(1.67)
Interest income	(2.54)	(0.56)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	(0.10)	-
Net foreign exchange loss/(gain)	1.05	(0.66)
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	0.90	1.08
Impairment Reversal in Property, Plant and Equipment	(0.22)	-
Gain on early termination of leases	(0.34)	-
Depreciation, amortisation and impairment expenses	52.62	43.75
Net loss/(gain) arising on financial assets mandatorily measured at Fair Value through Profit and Loss (Preference shares)	8.20	8.24
Bad Debts and allowance for Doubtful Debts (Net)	0.10	0.30
Liabilities no longer required written back	(0.08)	(0.02)
Provision for diminution in Investments	-	0.31
	<b>143.99</b>	<b>105.69</b>
<b>Operating Profit before Working Capital changes</b>	<b>358.00</b>	<b>239.56</b>
<b>Changes in:</b>		
Trade receivables & Other Assets	12.10	(122.61)
Inventories	70.55	(139.27)
Trade payables & Other Liabilities	(41.81)	115.88
	<b>40.84</b>	<b>(146.00)</b>
<b>Cash generated from operations</b>	<b>398.84</b>	<b>93.56</b>
Income Taxes Paid (net of refunds)	(68.21)	(47.33)
<b>NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>330.63</b>	<b>46.23</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	2.33	0.90
Payments for Property, Plant & Equipment (including Capital Work-in-Progress) and Intangible Assets	(97.24)	(117.14)
Proceeds from disposal of Property, Plant & Equipment	1.26	0.43
(Increase)/ Decrease in Earmarked balances with banks (net)	(0.13)	0.10
(Increase)/ Decrease in bank deposits not considered as Cash & Cash Equivalents (net)	(9.76)	7.00
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(103.54)</b>	<b>(108.71)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from long term borrowings	40.00	40.00
Repayment of long term borrowings	(21.40)	(31.23)
Proceeds from/(Repayment of) short term borrowings (net)	(85.59)	76.96
Dividend paid on equity shares	(127.51)	(14.24)
Interest paid	(15.09)	(9.46)
Payment of lease liabilities	(3.98)	(3.36)
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(213.57)</b>	<b>58.67</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>13.52</b>	<b>(3.81)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>8.15</b>	<b>11.93</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.02	0.03
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>21.69</b>	<b>8.15</b>

**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 Standalone Financial Statements.

In terms of our report attached

For and on behalf of the Board

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**U. SHEKHAR**  
Managing Director  
DIN: 00265017

**K. NATARAJAN**  
Executive Director & COO  
DIN: 07626680

**KEDAR RAJE**  
Partner

**ABHIJIT DAMLE**  
Chief Financial Officer

**NIRANJAN KETKAR**  
Company Secretary

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2023

Place: Navi Mumbai  
Date: 23<sup>rd</sup> May, 2023

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 - 400703, 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 31<sup>st</sup> March, 2023 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 23<sup>rd</sup> May, 2023.

### 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, 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 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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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.

## 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 liability 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.

## 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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.

## I) 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.

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

### 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 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



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 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 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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>(I) Cost</b>						
Balance as at 1 <sup>st</sup> April, 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)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>160.58</b>	<b>544.96</b>	<b>19.07</b>	<b>6.27</b>	<b>23.99</b>	<b>754.87</b>
Add: Additions during the year	29.17	150.25	3.37	2.45	5.32	190.56
Less: Disposals / Adjustments during the year	(0.07)	(8.41)	(0.37)	(0.89)	(1.14)	(10.88)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>189.68</b>	<b>686.80</b>	<b>22.07</b>	<b>7.83</b>	<b>28.17</b>	<b>934.55</b>
<b>(II) Accumulated depreciation</b>						
Balance as at 1 <sup>st</sup> April, 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)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>61.35</b>	<b>274.92</b>	<b>14.85</b>	<b>2.87</b>	<b>17.06</b>	<b>371.05</b>
Add: Depreciation expenses for the year	5.81	35.25	0.85	0.75	3.25	45.91
Add: Impairment expenses/reversals for the year (Refer Note 2.5)	-	(0.09)	-	-	-	(0.09)
Less: Disposals / Adjustments during the year	(0.03)	(6.41)	(0.35)	(0.67)	(1.12)	(8.58)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>67.13</b>	<b>303.67</b>	<b>15.35</b>	<b>2.95</b>	<b>19.19</b>	<b>408.29</b>
<b>Net carrying amount(I-II)</b>						
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>99.23</b>	<b>270.04</b>	<b>4.22</b>	<b>3.40</b>	<b>6.93</b>	<b>383.82</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>122.55</b>	<b>383.13</b>	<b>6.72</b>	<b>4.88</b>	<b>8.98</b>	<b>526.26</b>

Notes:

2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -\* (2021-22: ₹ -\*)

2.2 The amount of borrowing costs capitalised is ₹ 6.38 Crores (2021-22: ₹ 1.38 Crores).

₹ Crores

Particulars	2023	2022
Buildings	0.93	0.07
Plant and Equipment	5.45	1.31

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 ₹ 10.40 crores (2021-22: ₹ 2.85 crores) out of which ₹ 2.89 Crores (2021-22: ₹ 1.25 Crores) 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 Impairment expenses have been included under 'Depreciation, amortisation and impairment expenses' and Impairment reversals have been included under 'Other Income' in the Statement of Profit and Loss.

\*Figures less than ₹ 50,000.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 3 RIGHT OF USE ASSET

Particulars	₹ Crores		
	Building	Land	Total
<b>(I) Cost</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>11.78</b>	<b>97.16</b>	<b>108.94</b>
Add: Additions during the year (Refer Note 3.2)	3.19	-	3.19
Less: Deductions/Adjustments during the year	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>14.97</b>	<b>97.16</b>	<b>112.13</b>
Add: Additions during the year (Refer Note 3.2)	7.06	-	7.06
Less: Disposals / Adjustments during the year	(6.44)	-	(6.44)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>15.59</b>	<b>97.16</b>	<b>112.75</b>
<b>(II) Accumulated amortisation</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>5.23</b>	<b>4.54</b>	<b>9.77</b>
Add: Amortisation expenses for the year	2.78	1.06	3.84
Less: Deductions/Adjustments during the year	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>8.01</b>	<b>5.60</b>	<b>13.61</b>
Add: Amortisation expenses for the year	3.46	1.06	4.52
Less: Deductions/Adjustments during the year	(3.77)	-	(3.77)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>7.70</b>	<b>6.66</b>	<b>14.36</b>
<b>Net Carrying amount(I-II)</b>			
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>6.96</b>	<b>91.56</b>	<b>98.52</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>7.89</b>	<b>90.50</b>	<b>98.39</b>

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 ₹ 0.01 Crores (2021-22: ₹ 0.59 Crores).

## 4 CAPITAL WORK-IN-PROGRESS

Particulars	₹ Crores	
	2023	2022
Capital Work-in-Progress (Refer Note 4.1)	84.48	178.18
<b>Total</b>	<b>84.48</b>	<b>178.18</b>

Notes:

- 4.1 Capital work-in-progress (CWIP) Ageing Schedule:

### As at 31<sup>st</sup> March, 2023

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	50.14	18.53	15.60	0.21	84.48
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>50.14</b>	<b>18.53</b>	<b>15.60</b>	<b>0.21</b>	<b>84.48</b>

### As at 31<sup>st</sup> March, 2022

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	-	-	-	-	-
<b>Total</b>	<b>107.19</b>	<b>47.07</b>	<b>20.20</b>	<b>3.72</b>	<b>178.18</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 31<sup>st</sup> March, 2023**

₹ 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	18.01	17.00	-	-	35.01
<b>Total</b>	<b>18.01</b>	<b>17.00</b>	<b>-</b>	<b>-</b>	<b>35.01</b>

**As at 31<sup>st</sup> 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
<b>Total</b>	<b>145.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145.09</b>

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
<b>(I) Cost</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>13.79</b>	<b>0.30</b>	<b>14.09</b>
Add: Additions during the year	1.59	-	1.59
Less: Deductions/Adjustments during the year	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>15.38</b>	<b>0.30</b>	<b>15.68</b>
Add: Additions during the year	1.88	-	1.88
Less: Deductions/Adjustments during the year	-*	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>17.26</b>	<b>0.30</b>	<b>17.56</b>
<b>(II) Accumulated amortisation</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>8.32</b>	<b>0.20</b>	<b>8.52</b>
Add: Amortisation expenses for the year	1.85	0.03	1.88
Less: Deductions/Adjustments during the year	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>10.17</b>	<b>0.23</b>	<b>10.40</b>
Add: Amortisation expenses for the year	2.03	0.03	2.06
Less: Deductions/Adjustments during the year	-*	-	-
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>12.20</b>	<b>0.26</b>	<b>12.46</b>
<b>Net Carrying amount(I-II)</b>			
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>5.21</b>	<b>0.07</b>	<b>5.28</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>5.06</b>	<b>0.04</b>	<b>5.10</b>

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.

\*Figures less than ₹ 50,000.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 6 NON CURRENT INVESTMENTS

Particulars	Face Value Per Unit	2023		2022	
		Number	₹ Crores	Number	₹ Crores
<b>Investments in Equity Instruments:</b>					
<b>Unquoted (all fully paid unless otherwise specified)</b>					
<b>(A) At Cost</b>					
<b>(i) In Subsidiary Companies</b>					
<b>Equity shares</b>					
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
<b>Investments in Equity Instruments (Total)</b>			<b>2.83</b>		<b>2.83</b>
Less: Provision for diminution in value of Investments (Refer Note 6.1)			(0.31)		(0.31)
<b>Investments in Equity Instruments (Net)</b>			<b>2.52</b>		<b>2.52</b>
<b>Investments in Preference Shares:</b>					
<b>Unquoted (all fully paid unless otherwise specified)</b>					
<b>(A) Carried at Fair Value Through Profit &amp; Loss (FVTPL)</b>					
<b>(i) In Subsidiary Companies</b>					
<b>Preference shares</b>					
10% Non Cumulative Redeemable Preference Shares					
Galaxy Holdings (Mauritius) Ltd.	US \$ 1	3,40,50,000	197.44	3,40,50,000	205.64
<b>Investments in Preference Shares (Total)</b>			<b>197.44</b>		<b>205.64</b>
<b>Total Non Current Investments (Net)</b>			<b>199.96</b>		<b>208.16</b>
<b>Other Disclosures</b>					
Aggregate carrying value of unquoted investments			199.96		208.16

Note:

- 6.1 The Board of Directors approved winding up of its subsidiary Galaxy chemicals Inc, USA at its meeting held on 24<sup>th</sup> March 2022 subject to approvals by the statutory authorities and relevant compliances. During the year, the relevant compliances were completed and the approval by the statutory authorities is pending. The management therefore has prepared the financial statements on a basis other than going concern. As a result, Assets have been valued at realizable values and Liabilities are stated at their estimated settlement amounts.

## 7 LOANS

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Financial assets at amortised cost</b>				
<b>Other Loans (Employees)</b>				
- Unsecured, considered good	0.43	0.80	0.39	0.43
<b>Total</b>	<b>0.43</b>	<b>0.80</b>	<b>0.39</b>	<b>0.43</b>

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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 8 OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Financial assets at amortised cost (Considered Good, unless otherwise stated)</b>				
Security Deposits				
- Unsecured, considered good	0.27	8.47	0.14	6.58
Dues from Related Parties (Refer Note 42)	1.62	-	0.33	-
Advances				
- Considered Good	8.17	-	6.55	-
Bank Deposit (more than 12 months)	-	0.12	-	-
Interest accrued	0.34	-	0.13	-
Other Financial assets	-	0.02	-	0.02
	<b>10.40</b>	<b>8.61</b>	<b>7.15</b>	<b>6.60</b>
<b>Derivatives Financial instruments not designated as hedging instruments carried at Fair value through Profit and Loss</b>				
Derivative Financial instruments	0.09	-	0.34	-
<b>Total</b>	<b>10.49</b>	<b>8.61</b>	<b>7.49</b>	<b>6.60</b>

## 9 OTHER ASSETS

₹ Crores

Particulars	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Advances</b>				
Capital Advances	-	9.19	-	6.72
Export Incentives receivable	4.07	1.19	6.20	-
Balance with government authorities	30.90	15.35	40.32	15.27
Prepaid Expenses	5.41	0.14	6.93	0.28
Other Advances (Refer Note 9.1)				
- Considered Good	20.88	-	8.31	-
- Considered Doubtful	0.02	-	-	-
	<b>61.28</b>	<b>25.87</b>	<b>61.76</b>	<b>22.27</b>
Less: Allowance for Doubtful Advances	(0.04)	(0.60)	-	(0.02)
<b>Total</b>	<b>61.24</b>	<b>25.27</b>	<b>61.76</b>	<b>22.25</b>

Note:

9.1 Other advances mainly include Advances to suppliers, etc.

## 10 INVENTORIES

₹ Crores

Particulars	2023	2022
Raw Materials [Including in transit of ₹ 54.47 Crores (2021-22: ₹ 78.11 Crores)]	121.08	158.55
Packing Materials	8.33	6.96
Work-in-Progress	63.55	85.43
Finished Goods	110.22	125.22
Stock-in-Trade [Including in transit of ₹ 0.83 Crores (2021-22: ₹ 1.13 Crores)]	5.29	5.71
Consumables, Stores and Spares [Including in transit of ₹0.01 Crores (2021-22: ₹ -*)]	30.44	27.59
<b>Total</b>	<b>338.91</b>	<b>409.46</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Notes:

- 10.1 The cost of inventories recognised as an expense during the year was ₹ 2,605.15 Crores (2021-22: ₹ 2,180.40 Crores).
- 10.2 The cost of inventories recognised as an expense includes ₹ 4.90 crores (2021-22: ₹ 0.27 crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 0.35 crores (2021-22: ₹ 0.59 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 working capital facilities from banks 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

Particulars	₹ Crores	
	2023	2022
<b>Undisputed</b>		
Unsecured, considered good (Refer Note 11.1)	457.80	474.69
Unsecured, Credit Impaired (Refer Note 11.2)	0.07	0.16
	<b>457.87</b>	<b>474.85</b>
Less: Allowance for expected credit loss (Refer Note 11.2)	(0.07)	(0.16)
<b>Total</b>	<b>457.80</b>	<b>474.69</b>

Notes:

- 11.1 Includes ₹ 57.89 Crores (2021-22 ₹ 82.02 Crores) receivable from subsidiaries. (Refer Note 42)
- 11.2 Also refer note 46(B) for disclosure related to Credit risk, Impairment of trade receivables 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 31<sup>st</sup> March, 2023

Particulars	₹ Crores						
	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	395.15	60.63	1.47	0.54	0.01	-*	457.80
Undisputed Trade receivables – credit impaired	-	-	0.03	-	-	0.04	0.07
<b>Total Trade Receivables</b>	<b>395.15</b>	<b>60.63</b>	<b>1.50</b>	<b>0.54</b>	<b>0.01</b>	<b>0.04</b>	<b>457.87</b>
Less: Allowance for expected credit loss (Refer Note 11.2)							(0.07)
<b>Net Trade Receivables</b>							<b>457.80</b>

### As at 31<sup>st</sup> March, 2022

Particulars	₹ Crores						
	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 – credit impaired	-	-	0.15	-	0.01	-*	0.16
<b>Total Trade Receivables</b>	<b>393.89</b>	<b>80.70</b>	<b>0.18</b>	<b>0.02</b>	<b>0.02</b>	<b>0.04</b>	<b>474.85</b>
Less: Allowance for expected credit loss (Refer Note 11.2)							(0.16)
<b>Net Trade Receivables</b>							<b>474.69</b>

\*Figures less than ₹ 50,000.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 12 CASH AND BANK BALANCES

Particulars	₹ Crores	
	2023	2022
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
- On Current Accounts	5.57	7.97
- Fixed Deposits with original maturity 3 months or less than 3 months	16.00	-
	<b>21.57</b>	<b>7.97</b>
Cash on hand	0.12	0.18
<b>Total Cash and cash equivalents</b>	<b>21.69</b>	<b>8.15</b>
<b>Bank balances other than cash and cash equivalents</b>		
Earmarked balances with banks (Refer Note 12.1)	0.93	0.80
Term Deposits	14.64	5.00
<b>Total Bank balances other than cash and cash equivalents</b>	<b>15.57</b>	<b>5.80</b>

Note:

12.1 Earmarked balances with banks represents amount set aside for payment of dividend and interest.

## 13 EQUITY SHARE CAPITAL

Particulars	₹ Crores	
	2023	2022
<b>Authorised</b>		
5,00,00,000 Equity Shares of ₹ 10 each (Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid Up</b>		
3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up. (Previous Year: 3,54,54,752 Equity Shares of ₹ 10 each, fully paid-up)	35.45	35.45
<b>Total</b>	<b>35.45</b>	<b>35.45</b>

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

Particulars	2023		2022	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
<b>Issued and Subscribed</b>				
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
Add: Issue of bonus shares during the period	-	-	-	-
Less: Redemption of shares	-	-	-	-
<b>Balance as at the end of the year</b>	<b>3,54,54,752</b>	<b>35.45</b>	<b>3,54,54,752</b>	<b>35.45</b>

### 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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

Name of the Shareholder	2023		2022	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil <sup>#</sup> 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 <sup>#</sup>	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
Axis Mutual Fund	27,19,364	7.67	17,10,760	4.83
	<b>2,71,08,433</b>	<b>76.46</b>	<b>2,60,99,829</b>	<b>73.61</b>

## D. Details of shares held by promoters and promoters group at the end of the year

Particulars	2023		2022		% Change during the year
	No. of Shares	% Shareholding	No. of Shares	% Shareholding	
<b>Promoters</b>					
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	-
Late Sandhya Patil <sup>#</sup>	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	-
<b>Promoters group</b>					
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 <sup>#</sup>	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	42,905	0.12	44,811	0.13	(4.25)
Anuradha Dayanand Prabhu	12,000	0.03	12,000	0.03	-
Vandana Shashikant Shanbhag	10,000	0.03	10,000	0.03	-
K. S. Natarajan	7,204	0.02	6,704	0.02	7.46
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	-	20	-	-
Lata Nayak	10	-	10	-	-
	<b>2,51,46,978</b>	<b>70.93</b>	<b>2,51,48,384</b>	<b>70.93</b>	<b>(0.01)</b>

<sup>#</sup>Mrs. Sandhya Patil expired on 25<sup>th</sup> 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.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 14 OTHER EQUITY

Particulars	₹ Crores	
	2023	2022
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Retained Earnings	1,161.92	1,075.66
<b>Total</b>	<b>1,188.50</b>	<b>1,102.24</b>

### 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	
	2023	2022
<b>Carried at amortised cost</b>		
<b>Secured:</b>		
Term Loan From Banks (Refer Note 15.1 and 15.2)	79.93	62.75
<b>Total</b>	<b>79.93</b>	<b>62.75</b>

### Current maturities in respect of long term borrowings that have been included in Note 21 are as under

Particulars	₹ Crores	
	2023	2022
Term Loan From Banks	22.86	21.40
<b>Total</b>	<b>22.86</b>	<b>21.40</b>

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 The borrowings carry varying rates of interest upto 8.90% p.a. and have maturities starting from 2025 and ending with 2027.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 16 LEASE LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
Lease Liabilities (Refer Note 16.2)	4.25	4.14	3.02	4.82
<b>Total</b>	<b>4.25</b>	<b>4.14</b>	<b>3.02</b>	<b>4.82</b>

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	
	2023	2022
<b>Opening Balance</b>	<b>7.84</b>	<b>7.43</b>
Add: Additions (Refer Note 3.2)	7.06	3.19
Add: Finance cost accrued during the period	0.48	0.58
Less: Deletions	(3.01)	-
Less: Payment of lease liabilities	(3.98)	(3.36)
<b>Closing Balance</b>	<b>8.39</b>	<b>7.84</b>

## 17 OTHER FINANCIAL LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Carried at amortised cost</b>				
Interest accrued on borrowings	0.52	-	0.51	-
Unclaimed dividends (Refer Note 17.1)	0.93	-	0.80	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 17.2)	-	-	-	-
Security Deposits	3.00	0.33	-	0.33
Other liabilities (Refer Note 17.3)	1.99	-	2.92	-
<b>Total</b>	<b>6.44</b>	<b>0.33</b>	<b>4.23</b>	<b>0.33</b>

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 as on 31<sup>st</sup> March, 2022.

17.3 Other liabilities mainly include creditors for capital goods, etc.

## 18 PROVISIONS

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Provision for Employee Benefits</b>				
Compensated absences	1.39	6.02	1.46	5.78
Gratuity	4.20	0.05	3.82	1.83
<b>Total</b>	<b>5.59</b>	<b>6.07</b>	<b>5.28</b>	<b>7.61</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 19 DEFERRED TAX LIABILITIES (NET)

Particulars	₹ Crores	
	2023	2022
Deferred Tax Liabilities (Refer Note 19.1)	30.60	29.05
<b>Total</b>	<b>30.60</b>	<b>29.05</b>

Note:

### 19.1 Movement in Deferred Tax Liabilities

Particulars	₹ Crores			
	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
<b>Deferred tax liabilities/ (assets) as at 1<sup>st</sup> April, 2021</b>	<b>28.24</b>	<b>(3.73)</b>	<b>4.81</b>	<b>29.32</b>
Charge/ (credit) to Statement of Profit and Loss	1.04	0.19	(1.90)	(0.66)
Charge/ (credit) to OCI	-	0.40	-	0.40
<b>Deferred tax liabilities/ (assets) as at 31<sup>st</sup> March, 2022</b>	<b>29.28</b>	<b>(3.14)</b>	<b>2.91</b>	<b>29.05</b>
Charge/ (credit) to Statement of Profit and Loss	4.30	0.35	(3.06)	1.59
Charge/ (credit) to OCI	-	(0.04)	-	(0.04)
<b>Deferred tax liabilities/ (assets) as at 31<sup>st</sup> March, 2023</b>	<b>33.58</b>	<b>(2.83)</b>	<b>(0.15)</b>	<b>30.60</b>

## 20 OTHER LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
Advances received from customers	7.76	-	10.77	-
Deferred revenue income under EPCG scheme	0.10	0.99	-	-
Others (Refer Note 20.1)	10.65	-	5.96	-
<b>Total</b>	<b>18.51</b>	<b>0.99</b>	<b>16.73</b>	<b>-</b>

Note:

20.1 Others mainly include government dues and taxes payable, salary deductions payable, etc.

## 21 CURRENT BORROWINGS

Particulars	₹ Crores	
	2023	2022
<b>Secured (Carried at amortised cost)</b>		
Packing credit loan from banks (Refer Note 21.1 & 21.2)	80.43	165.32
Current maturities of long-term debt (Refer Note 15.1 & 15.2)	22.86	21.40
<b>Total</b>	<b>103.29</b>	<b>186.72</b>

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 are upto 8.90% p.a.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 22 TRADE PAYABLES

Particulars	₹ Crores	
	2023	2022
<b>Carried at amortised cost</b>		
Trade payable - Micro and Small Enterprises (Refer Note 22.1)	37.96	13.02
Trade payable - Other than Micro and Small Enterprises (Refer Note 22.2)	335.44	406.02
<b>Total</b>	<b>373.40</b>	<b>419.04</b>

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 31<sup>st</sup> March, 2023.

22.2 Trade payable - Other than Micro and Small enterprises includes payable to subsidiary company ₹ 3.56 Crores (2021-22: ₹ 3.47 Crores). (Refer Note 42)

22.3 Trade payables Ageing Schedule:

### As at 31<sup>st</sup> March, 2023

Particulars	₹ Crores					Total
	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues of micro enterprises and small enterprises	36.70	1.26	-	-	-	37.96
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	327.31	7.65	0.45	0.03	-*	335.44
<b>Total</b>	<b>364.01</b>	<b>8.91</b>	<b>0.45</b>	<b>0.03</b>	<b>-</b>	<b>373.40</b>

\*Figures less than ₹ 50,000.

### As at 31<sup>st</sup> March, 2022

Particulars	₹ Crores					Total
	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed outstanding dues of micro enterprises and small enterprises	11.88	1.09	0.05	-	-	13.02
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	385.82	19.77	0.16	0.10	0.17	406.02
<b>Total</b>	<b>397.70</b>	<b>20.86</b>	<b>0.21</b>	<b>0.10</b>	<b>0.17</b>	<b>419.04</b>

## 23 REVENUE FROM OPERATIONS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Revenue from contracts with customers</b>		
Sale of products (Refer Note 23.2)	3,145.85	2,615.37
<b>Other operating revenue</b>		
Scrap Sales	3.91	2.32
Government Grant and Incentives (including export benefits)	9.50	10.90
<b>Total</b>	<b>3,159.26</b>	<b>2,628.59</b>

Notes:

23.1 Refer note 37 for geography wise revenue from contracts with customers.

23.2 Sale of products includes sale to subsidiary companies ₹ 533.57 Crores (2021-22: ₹ 446.43 Crores). (Refer Note 42)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 24 OTHER INCOME

Particulars	₹ Crores	
	2022-23	2021-22
<b>Interest Income</b>		
On Financial Assets at Amortised Cost (Refer Note 24.1)	2.36	0.52
On Non Financial assets	0.18	0.04
<b>Other Non - Operating Income</b>		
Profit / (Loss) on sale/retirement of Property, Plant and Equipment (Net)	(0.90)	(1.08)
Impairment Reversal in Property, Plant and Equipment	0.22	-
Liabilities no longer required written back	0.08	0.02
Net Foreign exchange gain/(loss)	(3.41)	0.61
Commission received (Refer Note 24.2)	0.17	0.21
Others (Refer Note 24.3)	3.52	6.71
<b>Other gains and losses</b>		
Net gain/(loss) arising on financial assets mandatorily measured at Fair Value through Profit & Loss (Preference shares)	(8.20)	(8.24)
<b>Total</b>	<b>(5.98)</b>	<b>(1.21)</b>

Notes:

24.1 Includes ₹ 1.3 Crores (2021-22: ₹ 0.22 Crores) interest on overdue receivable from subsidiary companies. (Refer Note 42)

24.2 Includes ₹ 0.17 Crores (2021-22: ₹ 0.21 Crores) guarantee commission received from subsidiary companies. (Refer Note 42)

24.3 Others include insurance claim received, interest subvention, gain on early termination of lease, etc.

## 25 COST OF MATERIALS CONSUMED

Particulars	₹ Crores	
	2022-23	2021-22
Raw materials	2,178.89	1,930.57
Packing materials	81.71	71.42
<b>Total</b>	<b>2,260.60</b>	<b>2,001.99</b>

## 26 PURCHASE OF STOCK-IN-TRADE

Particulars	₹ Crores	
	2022-23	2021-22
Purchase of Stock-in-trade	20.29	15.13
<b>Total</b>	<b>20.29</b>	<b>15.13</b>

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Opening Stock</b>		
Finished goods	125.22	88.80
Work-in-progress	85.43	53.76
Stock-in-trade	5.71	6.00
	<b>216.36</b>	<b>148.56</b>
<b>Less: Closing Stock</b>		
Finished goods	(110.22)	(125.22)
Work-in-progress	(63.55)	(85.43)
Stock-in-trade	(5.29)	(5.71)
	<b>(179.06)</b>	<b>(216.36)</b>
<b>Net (increase) / decrease in inventory</b>	<b>37.30</b>	<b>(67.80)</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 28 EMPLOYEE BENEFIT EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Salaries and wages, including bonus	120.58	97.31
Contribution to provident and other funds	8.91	8.16
Workmen and staff welfare expenses	11.09	8.15
<b>Total</b>	<b>140.58</b>	<b>113.62</b>

## 29 FINANCE COSTS

Particulars	₹ Crores	
	2022-23	2021-22
Interest expenses	10.20	6.60
Other borrowing costs (Refer Note 29.2)	2.12	1.15
<b>Total</b>	<b>12.32</b>	<b>7.75</b>

Notes:

29.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 7.78% (2021-22: 6.39%).

29.2 Finance Cost during current year includes interest on lease liabilities amounting to ₹ 0.48 Crores (2021-22: ₹ 0.58 Crores).

## 30 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Depreciation on Property, Plant and Equipment	45.91	38.03
Amortisation of Other Intangible Assets	2.06	1.88
Amortisation of Right to use Asset	4.52	3.84
Impairment of Property, Plant and Equipment (Refer Note 2.5)	0.13	-
<b>Total</b>	<b>52.62</b>	<b>43.75</b>

## 31 OTHER EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Power and fuel	62.72	52.58
Water charges	1.46	1.20
Repairs and maintenance	24.91	15.42
Consumption of stores, spares & consumables	21.41	16.64
Rates and taxes	7.01	2.50
Insurance	10.76	8.85
Freight and forwarding	133.18	170.53
Travelling and conveyance	12.85	8.60
Discount and commission on sales	1.64	0.96
Bad Debts and allowance for Doubtful Debts	0.10	0.30
Royalty	0.14	0.16
"REACH" registration expenses (Net)	(0.31)	0.07
CSR expenditure (Refer Note 39)	4.45	4.69
Donations	0.02	0.06
Directors' sitting fees	0.52	0.59
Commission to non-executive directors	0.72	0.80
Rent (including storage charges)	2.76	1.99
Legal and professional fees (Refer Note 31.1)	18.17	14.69
Miscellaneous expenses	39.45	31.27
<b>Total</b>	<b>341.96</b>	<b>331.90</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Note:

## 31.1 Legal & Professional fees include

(a) Amounts paid/payable to Statutory Auditors

Particulars	₹ Crores	
	2022-23	2021-22
Audit fees	0.82	0.82
Certification Charges and Other Services	0.07	0.13
Out of pocket expenses	0.04	0.03
<b>Total</b>	<b>0.93</b>	<b>0.98</b>

(b) Amounts paid/payable to Cost Auditors

Particulars	₹ Crores	
	2022-23	2021-22
Audit fees	0.05	0.05
Out of pocket expenses	-	-
<b>Total</b>	<b>0.05</b>	<b>0.05</b>

## 32 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Current Tax</b>		
In respect of current year	72.18	47.76
In respect of prior years	(0.17)	0.07
	<b>72.01</b>	<b>47.83</b>
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	1.53	(0.60)
In respect of prior years	0.06	(0.06)
	<b>1.59</b>	<b>(0.66)</b>
<b>Total tax expenses</b>	<b>73.60</b>	<b>47.17</b>

## 33 INCOME TAX (RECOGNISED)/CREDITED IN OTHER COMPREHENSIVE INCOME

Particulars	₹ Crores	
	2022-23	2021-22
<b>Deferred tax related to items (recognised)/credited in Other Comprehensive Income</b>		
Remeasurement of defined benefit obligations	0.04	(0.40)
<b>Total</b>	<b>0.04</b>	<b>(0.40)</b>
<b>Classification of income tax (recognised)/credited in Other Comprehensive Income</b>		
Income taxes related to items that will not be reclassified to profit or loss	0.04	(0.40)
<b>Total</b>	<b>0.04</b>	<b>(0.40)</b>

## 34 EARNINGS PER SHARE (EPS)

Particulars	₹ Crores	
	2022-23	2021-22
Profit for the year (₹ Crores)	214.01	133.87
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)	60.36	37.76

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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

Particulars	₹ Crores	
	2022-23	2021-22
Profit before tax	287.61	181.04
Applicable Income tax rate	25.17%	25.17%
Expected income tax expenses	72.39	45.56
<b>Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses</b>		
- Effect of expenses/provision not deductible in determining taxable profit	1.13	1.20
- Impact on account of prior years taxation	(0.11)	0.01
- Impact on account of differential Tax Rate on investments	0.15	0.16
- Other Differences	0.04	0.24
<b>Reported income tax expenses</b>	<b>73.60</b>	<b>47.17</b>

## 36 THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

Assessment Year	₹ Crores		
	2023	2022	Available Upto 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 segment 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

Particulars	₹ Crores					
	2023			2022		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	1,712.47	1,433.38	3,145.85	1,311.27	1,304.10	2,615.37
Non Current Assets*	747.51	-	747.51	696.58	-	696.58

\* 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 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 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 ₹ 12.70 Crores (2021-22: ₹ 14.54 Crores) debited to the Statement of Profit and Loss.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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.

A CSR committee has been formed by the company as per the Act.

Particulars	₹ Crores	
	2022-23	2021-22
(a) Amount required to be spent by the company during the year	4.43	4.64
(b) Amount of expenditure incurred		
i) Construction/ acquisition of any asset	-	-
ii) For purposes other than (i) above	4.45	4.69
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	N.A.	N.A.
(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.	
(g) Provision movement during the year:		
<b>Opening Provision</b>	<b>0.09</b>	<b>0.09</b>
Add: Addition during the year	0.16	0.08
Less: Utilised during the year	(0.07)	(0.08)
<b>Closing Provision</b>	<b>0.18</b>	<b>0.09</b>

Notes:

39.1 There are no related party transactions in relation to Corporate Social Responsibility in the current and previous year.

39.2 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.

39.3 The Company does not wish to carry forward any excess amount spent during the year.

## 40 CONTINGENT LIABILITY AND COMMITMENTS

### (A) Contingent liability

Particulars	₹ Crores	
	2023	2022
(a) Corporate guarantees given to bank in connection with borrowings by subsidiary company	18.26	25.26
(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	7.27
- Income tax	0.97	0.97
- Sales tax & GST	3.77	5.09
- Custom duty	42.11	42.11

Note:

Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## (B) Commitments

Estimated amount of contracts remaining to be executed of Property, Plant & Equipment (net of advances) and not provided for ₹ 57.18 Crores (2021-22: ₹ 43.79 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 0.75 Crores (2021-22: ₹ 0.48 Crores).

## 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) 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) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmy 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 (till 6 <sup>th</sup> October, 2022) Executive Director (Finance) & Chief Financial Officer		
4	Mr. Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021) Whole Time Director	Wife	Mrs. Bhagyashree Kulkarni
		Son	Mr. Shaunak Kulkarni
		Son	Mr. Chinmay Kulkarni
5	Mr. Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022) Chief Financial Officer	Wife	Mrs. Shilpa Damle
		Daughter	Ms. Anushka Damle

### (c) 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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## (d) 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	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>1</b>	<b>PURCHASES</b>								
	<b>Goods</b>								
	Galaxy Chemicals (Egypt) S.A.E.	11.62	6.72	-	-	-	-	-	-
	Tri-K Industries Inc.	4.67	4.08	-	-	-	-	-	-
<b>2</b>	<b>SALES</b>								
	<b>Goods</b>								
	Galaxy Chemicals (Egypt) S.A.E.	278.05	212.84	-	-	-	-	-	-
	Tri-K Industries Inc.	255.52	233.59	-	-	-	-	-	-
<b>3</b>	<b>MANAGERIAL REMUNERATION (Refer Note 42.1 &amp; 42.2)</b>								
	U. Shekhar								
	Short-term employee benefits	-	-	-	-	2.00	1.75	-	-
	K. Natarajan								
	Short-term employee benefits	-	-	-	-	2.00	1.75	-	-
	K. Ganesh Kamath (till 6 <sup>th</sup> October, 2022)								
	Short-term employee benefits	-	-	-	-	1.16	2.89	-	-
	Other Long-term employee benefits	-	-	-	-	0.21	-	-	-
	Post-employment employee benefits	-	-	-	-	0.91	-	-	-
	Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021)								
	Short-term employee benefits	-	-	-	-	1.96	0.76	-	-
	Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022)								
	Short-term employee benefits	-	-	-	-	0.63	-	-	-
<b>4</b>	<b>FINANCE</b>								
	<b>Interest Income</b>								
	Galaxy Chemicals (Egypt) S.A.E.	1.02	0.07	-	-	-	-	-	-
	Tri-K Industries Inc.	0.28	0.15	-	-	-	-	-	-
<b>5</b>	<b>DIVIDENDS DISTRIBUTED</b>								
	Galaxy Chemicals	-	-	27.91	3.10	-	-	-	-
	Galaxy Emulsifiers Pvt. Ltd.	-	-	1.95	0.22	-	-	-	-
	U. Shekhar	-	-	-	-	15.22	1.69	-	-
	K. Natarajan	-	-	-	-	0.03	-*	-	-
	K. Ganesh Kamath (till 6 <sup>th</sup> October, 2022)	-	-	-	-	0.04	0.01	-	-
	Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021)	-	-	-	-	0.09	0.01	-	-
	Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022)	-	-	-	-	-*	-	-	-
	Lakshmy Shekhar	-	-	-	-	-	-	0.46	0.05
	Shridhar Unnathan	-	-	-	-	-	-	0.16	0.02
<b>6</b>	<b>OTHER TRANSACTIONS</b>								
	<b>Other Income</b>								
	Galaxy Chemicals (Egypt) S.A.E.	0.17	0.21	-	-	-	-	-	-
	Tri-K Industries Inc.	0.40	-	-	-	-	-	-	-
	<b>Other Expenses</b>								
	Galaxy Chemicals (Egypt) S.A.E.	0.06	0.11	-	-	-	-	-	-
	Tri-K Industries Inc.	0.03	0.15	-	-	-	-	-	-
	<b>Reimbursements received/ Receivable from parties</b>								
	Galaxy Chemicals (Egypt) S.A.E.	0.76	0.01	-	-	-	-	-	-
	Tri-K Industries Inc.	0.48	0.03	-	-	-	-	-	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ 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	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>7</b>	<b>OUTSTANDINGS</b>								
	<b>Payables</b>								
	Galaxy Chemicals (Egypt) S.A.E.	2.27	0.71	-	-	-	-	-	-
	Tri-K Industries Inc.	1.29	2.76	-	-	-	-	-	-
	<b>Receivables</b>								
	Galaxy Chemicals (Egypt) S.A.E.	51.10	42.45	-	-	-	-	-	-
	Tri-K Industries Inc.	6.79	39.57	-	-	-	-	-	-
	<b>Investments</b>								
	Galaxy Chemicals Inc. (Equity Share)	0.15	0.15	-	-	-	-	-	-
	Galaxy Holdings (Mauritius) Ltd (Equity Share)	2.37	2.37						
	Galaxy Holdings (Mauritius) Ltd (Preference Share at Fair value)	197.44	205.64	-	-	-	-	-	-
	<b>Loans and Advances</b>								
	Galaxy Chemicals (Egypt) S.A.E.	0.90	0.18	-	-	-	-	-	-
	Tri-K Industries Inc.	0.72	0.15	-	-	-	-	-	-
<b>8</b>	<b>GUARANTEES GIVEN ON BEHALF OF SUBSIDIARIES</b>								
	Galaxy Chemicals (Egypt) S.A.E.	18.26	25.26	-	-	-	-	-	-

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes:

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.

42.2 Includes commission on the basis of payments made during the year.

\*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 ₹ 6.62 Crores (2021-22 - ₹ 5.84 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 insurance companies.

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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 <sup>st</sup> March Funded Plan Gratuity	
	2023	2022
<b>I Expense recognised in the Statement of Profit and Loss for the year</b>		
1 Current service cost	1.88	1.80
2 Interest cost on benefit obligation (net)	0.41	0.52
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	<b>2.29</b>	<b>2.32</b>
<b>II Recognised in other comprehensive income for the year</b>		
1 Actuarial (gains)/ losses arising from changes in financial assumption	(0.64)	(0.87)
2 Actuarial (gains)/ losses arising from changes in experience adjustment	0.87	(0.45)
3 Actuarial (gains)/ losses arising from changes in demographic adjustment	(0.02)	0.01
4 Return on plan asset	(0.06)	(0.26)
5 Recognised in other comprehensive income	<b>0.15</b>	<b>(1.58)</b>
<b>III Change in the present value of defined benefit obligation</b>		
1 Present value of defined benefit obligation at the beginning of the year	29.20	27.93
2 Current service cost	1.88	1.80
3 Interest cost/(income)	2.11	1.91
4 Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	(0.02)	0.01
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(0.64)	(0.87)
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	0.87	(0.45)
5 Past Service cost	-	-
6 Benefits paid	(3.05)	(1.13)
7 Liabilities assumed/(settled)	-	-
8 Present value of defined benefit obligation at the end of the year	<b>30.35</b>	<b>29.20</b>
<b>IV Change in fair value of plan assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	23.55	20.32
2 Interest income	1.70	1.39
3 Contribution by employer	3.84	2.71
4 Benefits paid	(3.05)	(1.13)
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	0.06	0.26
7 Fair value of plan assets at the closing of the year	<b>26.10</b>	<b>23.55</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

₹ Crores

Particulars	As at 31 <sup>st</sup> March Funded Plan Gratuity	
	2023	2022
<b>V Net Asset/(Liability) recognised in the Balance Sheet as at</b>		
1 Present value of defined benefit obligation as at 31 <sup>st</sup> March	30.35	29.20
2 Fair value of plan assets as at 31 <sup>st</sup> March	26.10	23.55
3 Surplus/(Deficit)	(4.25)	(5.65)
4 Current portion of the above	4.20	3.82
5 Non current portion of the above	0.05	1.83
<b>VI Actuarial assumptions</b>		
1 Discount rate	7.50%	7.23%
2 Attrition rate	Between 12% 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 2012-14 (Urban)
<b>VII Major Category of Plan Assets as a % of the Total Plan Assets</b>		
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.		
<b>VIII The expected contributions to the plan for the next annual reporting period</b>	4.20	3.82
<b>IX Quantitative sensitivity analysis for significant assumption is as below</b>		
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%	28.19	27.12
2. Discount rate varied by -1%	32.86	31.61
3. Salary growth rate varied by +1%	32.84	31.58
4. Salary growth rate varied by -1%	28.17	27.11
5. Withdrawal rate (W.R.) varied by + 1%	30.33	29.13
6. Withdrawal rate (W.R.) varied by - 1%	30.38	29.28
<b>X Maturity profile of defined benefit obligation</b>		
1. Year 1	2.66	3.18
2. Year 2	3.39	1.97
3. Year 3	3.90	3.72
4. Year 4	2.15	2.18
5. Year 5	1.79	2.35
6. Years 6-10	11.75	12.50
7. 11 Years and above	40.28	34.90

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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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.

Particulars	₹ Crores	
	2023	2022
Short term debt	80.43	165.32
Long term debt	102.79	84.15
<b>Total</b>	<b>183.22</b>	<b>249.47</b>
Equity	1,223.95	1,137.69
Long term debt to equity	0.08	0.07
Total debt to equity	0.15	0.22

## 45 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	₹ Crores	
	2023	2022
<b>A) Financial Assets</b>		
<b>a) Measured at amortised cost</b>		
i) Cash and Cash Equivalents	21.69	8.15
ii) Bank Balances other than Cash and Cash Equivalents	15.57	5.80
iii) Investment in Equity Shares	2.52	2.52
iv) Loans	1.23	0.82
v) Trade Receivables	457.80	474.69
vi) Other Financial Assets	19.01	13.75
<b>Sub-Total</b>	<b>517.82</b>	<b>505.73</b>
<b>b) Measured at Fair value through Profit and Loss</b>		
i) Investment in Preference Shares	197.44	205.64
<b>Sub-Total</b>	<b>197.44</b>	<b>205.64</b>
<b>c) Derivatives measured at fair value through Profit and Loss</b>		
i) Derivative instruments not designated as hedging instruments	0.09	0.34
<b>Sub-Total</b>	<b>0.09</b>	<b>0.34</b>
<b>Total Financial Assets</b>	<b>715.35</b>	<b>711.71</b>
<b>B) Financial Liabilities</b>		
<b>a) Measured at amortised cost</b>		
i) Non-current Borrowings	79.93	62.75
ii) Current Borrowings	103.29	186.72
iii) Lease Liabilities	8.39	7.84
iv) Trade Payables	373.40	419.04
v) Other Financial Liabilities	6.77	4.56
<b>Total Financial liabilities</b>	<b>571.78</b>	<b>680.91</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 rate risk 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 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. 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 periods are as follows**

Particulars	In Crores					
	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
<b>As at 31<sup>st</sup> March, 2023</b>						
Borrowings	(0.20)	(16.53)	(0.16)	(14.06)	-	<b>(30.59)</b>
Trade Receivables & Other Financial Assets	2.31	189.77	0.15	13.67	0.02	<b>203.46</b>
Trade Payables & Other Financial Liabilities	(2.72)	(223.45)	-*	(0.27)	-	<b>(223.72)</b>
<b>Total</b>	<b>(0.61)</b>	<b>(50.21)</b>	<b>(0.01)</b>	<b>(0.66)</b>	<b>0.02</b>	<b>(50.85)</b>
<b>As at 31<sup>st</sup> March, 2022</b>						
Borrowings	(0.96)	(73.04)	(0.22)	(18.25)	-	<b>(91.29)</b>
Trade Receivables & Other Financial Assets	3.35	253.88	0.33	27.78	0.11	<b>281.77</b>
Trade Payables & Other Financial Liabilities	(2.55)	(192.97)	-*	(0.39)	(0.02)	<b>(193.38)</b>
<b>Total</b>	<b>(0.16)</b>	<b>(12.13)</b>	<b>0.11</b>	<b>9.14</b>	<b>0.09</b>	<b>(2.90)</b>

\*Figures less than 50,000

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting periods are as follows

Particulars	In Crores					
	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total (Rupees)
<b>As at 31<sup>st</sup> March, 2023</b>						
Borrowings	(0.20)	(16.53)	(0.16)	(14.06)	-	(30.59)
Trade Receivables & Other Financial Assets	2.07	170.35	0.02	1.60	0.02	171.97
Trade Payables & Other Financial Liabilities	(2.49)	(204.96)	-*	(0.27)	-	(205.23)
<b>Total</b>	<b>(0.62)</b>	<b>(51.14)</b>	<b>(0.14)</b>	<b>(12.73)</b>	<b>0.02</b>	<b>(63.85)</b>
<b>As at 31<sup>st</sup> March, 2022</b>						
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)
<b>Total</b>	<b>(0.89)</b>	<b>(67.07)</b>	<b>(0.03)</b>	<b>(2.65)</b>	<b>0.09</b>	<b>(69.63)</b>

\*Figures less than 50,000

## 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 <sup>st</sup> March	
	2023	2022
<b>Balance as at beginning of the year</b>	0.16	0.19
Additions during the year	0.05	-
Amounts reversed/written off during the year	(0.14)	(0.03)
<b>Balance at end of the year</b>	<b>0.07</b>	<b>0.16</b>

### b) Other Financial 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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.

₹ Crores

Particulars	Carrying amount in Balance sheet	Less than 1 Year	2 <sup>nd</sup> and 3 <sup>rd</sup> Year	4 <sup>th</sup> and 5 <sup>th</sup> Year	Above 5 years
<b>As at 31<sup>st</sup> March, 2023</b>					
Short Term Borrowings	80.43	80.43	-	-	-
Long Term Borrowings	102.79	22.86	57.07	22.86	-
Lease Liabilities	8.39	4.25	3.06	1.08	-
Trade Payables	373.40	373.40	-	-	-
Other Financial Liabilities	6.77	6.44	-	-	0.33
<b>Total</b>	<b>571.78</b>	<b>487.38</b>	<b>60.13</b>	<b>23.94</b>	<b>0.33</b>
<b>As at 31<sup>st</sup> March, 2022</b>					
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	419.04	419.04	-	-	-
Other Financial Liabilities	4.56	4.23	-	-	0.33
<b>Total</b>	<b>680.91</b>	<b>613.01</b>	<b>48.97</b>	<b>18.60</b>	<b>0.33</b>

## 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.

₹ Crores

Particulars	Currency	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
<b>Year ended 31<sup>st</sup> March, 2023</b>	USD	+1%	(0.51)	-
	EUR	+1%	(0.13)	-
Year ended 31 <sup>st</sup> March, 2022	USD	+1%	(0.67)	-
	EUR	+1%	(0.03)	-

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:

₹ Crores

Particulars	Currency	Increase in basis points	Effect on profit before tax	Effect on pre-tax equity
<b>Year ended 31<sup>st</sup> March, 2023</b>	INR	+25 bps	(0.52)	-
Year ended 31 <sup>st</sup> March, 2022	INR	+25 bps	(0.35)	-

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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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		2023	2022	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							
1) Derivatives - foreign exchange forward contracts	Financial assets	Financial instruments measured at FVTPL	0.09	0.34	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.	-	-
2) Investment in Preference shares- unquoted	Financial Assets	Financial instruments mandatorily required to be measured at FVTPL	197.44	205.64	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 ~2.2% 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 STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 51 RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Particulars	₹ Crores
	<b>Investment in Preference shares- unquoted</b>
<b>Opening balance as on 1<sup>st</sup> April, 2021</b>	<b>213.88</b>
Total gains(losses) recognised in profit and loss under other income	(8.24)
<b>Closing balance as on 31<sup>st</sup> March, 2022</b>	<b>205.64</b>
Total gains(losses) recognised in profit and loss under other income	(8.20)
<b>Closing balance as on 31<sup>st</sup> March, 2023</b>	<b>197.44</b>

## 52 RATIOS

The following are the ratios for the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022

Ratio	Numerator	Denominator	Unit	2023	2022	% change
Current Ratio	Current Assets	Current Liabilities	Times	1.75	1.52	15.13%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	Times	0.15	0.22	-31.82%
Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	Times	6.91	4.23	63.36%
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	%	18.12%	12.43%	45.78%
Inventory Turnover Ratio	Sale of Products	Average Inventory	Times	8.41	7.70	9.22%
Trade Receivables Turnover Ratio	Net credit Sales	Average Accounts Receivable	Times	6.78	6.46	4.95%
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	Times	5.67	5.74	-1.22%
Net Capital Turnover Ratio	Net Sales	Working Capital	Times	8.12	7.95	2.14%
Net Profit Ratio	Profit After Tax	Sales of Products	%	6.80%	5.12%	32.81%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	%	21.02%	14.38%	46.18%
Return on investment	Income earned on investments	Average Investment for the period	%	4.55%	4.28%	6.31%

### Explanatory notes:

- (i) Cost of materials consumed for the purpose of Inventory turnover ratio includes Purchases of stock-in-trade and Changes in inventories of finished goods, stock-in-trade and work-in-progress.
- (ii) Investments includes current and non-current investments including Fixed deposits excluding investments in Equity/ Preference instruments.

### Explanation for change in the ratios by more than 25%:

- (i) **Debt-Equity Ratio (Times):** The debt-equity ratio is healthier at 0.15 in current year as against 0.22 in previous year primarily due to repayment of borrowings during the year.
- (ii) **Debt Service Coverage Ratio (Times):** The debt service coverage ratio is healthier at 6.91 in current year as against 4.23 in previous year primarily due to increase in earnings available for Debt Service during the year.
- (iii) **Return on Equity Ratio (%):** Return on Equity is at 18.12% in current year against 12.43% in previous year due to higher profit for the year.
- (iv) **Net Profit Ratio (%):** The net profit improved to 6.80% in current year as against 5.12% in the previous year due to higher profit for the year.
- (v) **Return on Capital Employed (%):** Return on capital employed has improved to 21.02% in current year from 14.38% in previous year due to higher profit for the year.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 53 TRANSACTIONS WITH STRUCK OFF COMPANIES

As at 31<sup>st</sup> March, 2023

₹ Crores

Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2023	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2022	Relationship with struck off company
JPS Clean Care Services Pvt. Ltd.	Other Advances	-*	(0.01)	Vendor
Jijau Garments Pvt Ltd	Trade Payables	-	-	Vendor
TBC by Nature Private Limited	Trade Receivables	-	-	Customer

\*Figures less than ₹ 50,000

As at 31<sup>st</sup> 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 <sup>st</sup> March, 2022	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2021	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Trade Payables	0.09	0.19	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	(0.01)	-	Vendor

## 54 OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceedings have been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which are yet to be registered with the ROC beyond the statutory period.
- (iii) The Company has 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 has 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).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 55 IND-AS YET TO BE NOTIFIED

Ministry of Corporate Affairs (MCA), vide notification dated 31<sup>st</sup> March, 2023, has made the following amendments to Ind AS which are effective 1<sup>st</sup> April, 2023:

- (i) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- (ii) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

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

**ABHIJIT DAMLE**

Chief Financial Officer

Place: Navi Mumbai

Date: 23<sup>rd</sup> May, 2023

**K. NATARAJAN**

Executive Director & COO

DIN: 07626680

**NIRANJAN KETKAR**

Company Secretary

# 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 and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 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 31 March 2023, 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 (SAs) specified under section 143 (10) of the Act. 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 the other auditors in terms of their reports referred to in the sub-paragraph (a) 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.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent'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 as aforesaid.

In preparing the consolidated financial statements, the respective Management 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 has adequate internal financial controls with reference to consolidated financial statements 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 or business activities 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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 (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 consolidated financial statements.

We communicate with those charged with governance of the Parent 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

(a) We did not audit the financial statements / financial information of 4 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 942.81 crores as at March 31, 2023, total revenues of ₹ 1,240.62 crores and net cash inflows amounting to ₹ 113 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 as on March 31, 2023 taken on record by the Board of Directors of the Company none of the directors of the Parent Company incorporated in India is disqualified as on March 31, 2023 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements of 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 to 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 - Refer Note 40 to the consolidated financial statements.
- ii) The Group 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 to us that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated 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 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 to us that, to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds 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 performed that have 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 which is company incorporated in India, whose financial statements have been audited under the Act during the year is in accordance with section 123 of the Act, as applicable.
- The interim dividend declared and paid by the Parent, during the year and until the date of this report is in compliance with section 123 of the Act.
- As stated in note 1 (under Statement of Changes in Equity) to the consolidated 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 of the Parent at the ensuing respective Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "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 CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Kedar Raju**

(Partner)

Place: Mumbai

(Membership No. 102637)

Date: May 23, 2023

(UDIN: 23102637BGXUSV8110)

## 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 to the Members of Galaxy Surfactants Limited of even date)

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS 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, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Galaxy Surfactants Limited (hereinafter referred to as "Parent").

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria 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 (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 respective 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements of the Parent.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on

the criteria for internal financial control with reference to consolidated financial statements 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 Raje**

(Partner)

Place: Mumbai

(Membership No. 102637)

Date: May 23, 2023

(UDIN: 23102637BGXUSV8110)

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2023

₹ Crores

Particulars	Note	2023	2022
<b>I. Assets</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	773.39	609.19
(b) Right of use Asset	3	141.94	143.04
(c) Capital Work-in-Progress	4	139.21	205.46
(d) Goodwill		2.98	2.75
(e) Other Intangible Assets	5	5.17	5.43
(f) Financial Assets			
(i) Loans	6	0.80	0.43
(ii) Other Financial Assets	7	13.56	11.11
(g) Deferred Tax Assets (Net)	8	6.74	3.88
(h) Income Tax Assets (Net)		9.98	8.54
(i) Other Non-Current Assets	9	38.75	40.53
<b>Total Non-Current Assets</b>		<b>1,132.52</b>	<b>1,030.36</b>
<b>Current Assets</b>			
(a) Inventories	10	645.82	711.78
(b) Financial Assets			
(i) Investments	11	-	0.47
(ii) Trade Receivables	12	614.80	638.04
(iii) Cash and Cash Equivalents	13	231.87	63.76
(iv) Bank Balances other than Cash and Cash Equivalents	13	15.70	7.35
(v) Loans	6	0.51	0.45
(vi) Other Financial Assets	7	8.91	7.16
(c) Other Current Assets	9	84.32	141.18
<b>Total Current Assets</b>		<b>1,601.93</b>	<b>1,570.19</b>
<b>Total Assets</b>		<b>2,734.45</b>	<b>2,600.55</b>
<b>II. Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	35.45	35.45
(b) Other Equity	15	1,847.10	1,538.90
<b>Total Equity</b>		<b>1,882.55</b>	<b>1,574.35</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	89.06	79.59
(ii) Lease Liabilities	17	47.15	48.35
(iii) Other Financial Liabilities	18	0.33	0.33
(b) Provisions	19	6.07	7.61
(c) Deferred Tax Liabilities (Net)	20	28.34	24.90
(d) Other Non-Current Liabilities	21	0.99	-
<b>Total Non-Current Liabilities</b>		<b>171.94</b>	<b>160.78</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	182.74	286.39
(ii) Lease Liabilities	17	8.42	6.35
(iii) Trade Payables			
(a) Total outstanding dues of Micro and Small Enterprises	23	37.96	13.02
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	23	392.23	505.90
(iv) Other Financial Liabilities	18	7.36	5.54
(b) Provisions	19	6.16	7.71
(c) Current Tax Liabilities (Net)		5.52	7.78
(d) Other Current Liabilities	21	39.57	32.73
<b>Total Current Liabilities</b>		<b>679.96</b>	<b>865.42</b>
<b>Total Equity And Liabilities</b>		<b>2,734.45</b>	<b>2,600.55</b>

The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN : 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place : Navi Mumbai  
Date : 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN : 07626680

**NIRANJAN KETKAR**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2023

			₹ Crores	
Particulars	Note	2022-23	2021-22	
Revenue from operations	24	4,445.24	3,685.71	
Other Income	25	9.85	12.51	
<b>Total Income</b>		<b>4,455.09</b>	<b>3,698.22</b>	
<b>Expenses</b>				
Cost of materials consumed	26	2,971.41	2,670.33	
Purchases of Stock-in-trade	27	73.78	63.56	
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	54.89	(145.37)	
Employee benefits expenses	29	248.05	211.81	
Finance costs	30	21.70	12.85	
Depreciation, amortisation and impairment expenses	31	83.48	71.06	
Other expenses	32	528.83	484.67	
<b>Total Expenses</b>		<b>3,982.14</b>	<b>3,368.91</b>	
<b>Profit before exceptional items and tax</b>		<b>472.95</b>	<b>329.31</b>	
Exceptional Items		-	-	
<b>Profit before tax</b>		<b>472.95</b>	<b>329.31</b>	
<b>Tax Expenses</b>				
Current Tax	33	91.26	68.56	
Deferred Tax charge / (credit)	33	0.71	(2.03)	
<b>Total Tax Expenses</b>		<b>91.97</b>	<b>66.53</b>	
<b>Profit for the year</b>		<b>380.98</b>	<b>262.78</b>	
<b>Other Comprehensive Income</b>				
A. (i) Items that will not be reclassified to profit or loss :				
Remeasurements of the defined benefit plans		(0.15)	1.58	
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	0.04	(0.40)	
B. (i) Items that will be reclassified to profit or loss :				
Exchange differences in translating the financial statements of foreign operations		54.97	23.16	
<b>Total Other Comprehensive Income</b>		<b>54.86</b>	<b>24.34</b>	
<b>Total Comprehensive Income for the year</b>		<b>435.84</b>	<b>287.12</b>	
<b>Earnings per equity share :</b>				
(Face value ₹10 per share)				
Basic (₹)	35	107.46	74.12	
Diluted (₹)	35	107.46	74.12	

The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN : 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place : Navi Mumbai  
Date : 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN : 07626680

**NIRANJAN KETKAR**  
Company Secretary



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2023

## A) EQUITY SHARE CAPITAL

Particulars	₹ Crores	
	2023	2022
<b>Issued and Subscribed :</b>		
Balance at the beginning of the current reporting period	35.45	35.45
Changes in Equity Share Capital during the current year	-	-
<b>Balance at the end of the current reporting period</b>	<b>35.45</b>	<b>35.45</b>

## B) OTHER EQUITY

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	
<b>Balance as at 1<sup>st</sup> April, 2021</b>	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
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>263.96</b>	<b>23.16</b>	<b>287.12</b>
Dividend on Equity Shares	-	-	-	(14.18)	-	(14.18)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	3.11	0.20	26.38	1,454.48	54.73	1,538.90
Profit for the year	-	-	-	380.98	-	380.98
Other Comprehensive Income / (Loss) (Net of tax expenses)	-	-	-	(0.11)	54.97	54.86
<b>Total Comprehensive Income for the year</b>	-	-	-	<b>380.87</b>	<b>54.97</b>	<b>435.84</b>
Final Dividend paid during the year	-	-	-	(63.82)	-	(63.82)
Interim Dividend paid during the year	-	-	-	(63.82)	-	(63.82)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	3.11	0.20	26.38	1,707.71	109.70	1,847.10

Note:

### B.1 Details of Dividend proposed:

Particulars	₹ Crores	
	2023	2022
Dividend per share (In ₹)	4.00	18.00
Dividend proposed on Equity Shares	14.18	63.82
<b>Total Dividend proposed</b>	<b>14.18</b>	<b>63.82</b>

The Board of Directors of the parent company at its meeting held on 23<sup>rd</sup> May, 2023 has approved final dividend of ₹ 4 per share (40% of the face value of the equity share of face value of ₹ 10 each) amounting to ₹ 14.18 crores for the year ended 31<sup>st</sup> March, 2023. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Parent Company to be held on 10<sup>th</sup> August, 2023.

The accompanying notes 1 to 54 are an integral part of the Consolidated Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN : 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place : Navi Mumbai  
Date : 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN : 07626680

**NIRANJAN KETKAR**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31<sup>st</sup> March, 2023

Particulars	₹ Crores	
	2022-23	2021-22
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
<b>Profit After Tax</b>	380.98	262.78
<b>Adjustments for :</b>		
Income tax expenses	91.97	66.53
Finance costs	21.70	12.85
Interest subvention income	(1.52)	(1.67)
Interest income	(2.18)	(3.07)
Deferred income from Export Promotion Capital Goods Scheme (EPCG)	0.10	-
Net foreign exchange loss/(gain)	(1.06)	1.69
Loss/(Gain) on sale/retirement of Property, Plant and Equipment (Net)	0.94	1.09
Impairment reversal in Property, Plant and Equipment	(0.22)	-
Gain on early termination of leases	(0.34)	-
Depreciation, amortisation and impairment expenses	83.48	71.06
Bad Debts and allowance for Doubtful Debts/advances (Net)	5.98	0.83
Liabilities no longer required written back	(1.97)	(2.73)
	<b>196.88</b>	<b>146.58</b>
<b>Operating Profit before Working Capital changes</b>	<b>577.86</b>	<b>409.36</b>
<b>Changes in :</b>		
Trade receivables & Other Assets	97.28	(206.93)
Inventories	92.39	(275.43)
Trade payables & Other Liabilities	(99.33)	137.32
	<b>90.34</b>	<b>(345.04)</b>
<b>Cash generated from operations</b>	<b>668.20</b>	<b>64.32</b>
Income Taxes Paid (net of refunds)	(95.25)	(59.39)
<b>NET CASHFLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>572.95</b>	<b>4.93</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Interest received	3.05	3.91
Payments for Property, Plant & Equipment (including Capital Work-in-Progress) and Intangible Assets	(146.08)	(155.17)
Proceeds from disposal of Property, Plant & Equipment	2.22	0.45
Sale of Current Investments	0.50	43.82
(Increase)/ Decrease in Earmarked balances with banks (net)	1.28	(1.29)
(Increase)/ Decrease in bank deposits not considered as Cash & Cash Equivalents (net)	(9.53)	24.16
<b>NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(148.56)</b>	<b>(84.12)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings	40.00	40.00
Repayment of long term borrowings	(30.34)	(39.50)
Proceeds from/(Repayment of) short term borrowings (net)	(113.57)	93.63
Dividend paid on equity shares	(127.51)	(14.24)
Interest paid	(24.09)	(13.07)
Payment of Lease Liabilities	(8.75)	(7.67)
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(264.26)</b>	<b>59.15</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>160.13</b>	<b>(20.04)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>63.76</b>	<b>81.51</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	7.98	2.29
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>231.87</b>	<b>63.76</b>

**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 Consolidated Financial Statements.

In terms of our report attached

**Deloitte Haskins & Sells LLP**  
Chartered Accountants

**KEDAR RAJE**  
Partner

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2023

For and on behalf of the Board

**U. SHEKHAR**  
Managing Director  
DIN : 00265017

**ABHIJIT DAMLE**  
Chief Financial Officer

Place : Navi Mumbai  
Date : 23<sup>rd</sup> May, 2023

**K. NATARAJAN**  
Executive Director & COO  
DIN : 07626680

**NIRANJAN KETKAR**  
Company Secretary

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 31<sup>st</sup> March, 2023.

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 31<sup>st</sup> March, 2023 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 23<sup>rd</sup> May, 2023.

### 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 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 contracts with customers is recognised when the Company satisfies performance obligations 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 the transaction price, stated net of discounts, returns & Goods and Service Tax. The transaction price is recognised based on the price specified in the contract, net of the estimated

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 dividends 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 the 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 the 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 the 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 the 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.

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 (1<sup>st</sup> 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 asset's economic benefits are consumed. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

effect of any changes in estimate being accounted for on a prospective basis. The amortisation of intangible assets is included in the 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 have 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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

- 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 a 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.

## 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 an 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 the 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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.

## 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

- 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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 2 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>(I) Cost</b>								
Balance as at 1 <sup>st</sup> April, 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 <sup>st</sup> March, 2022	2.99	0.78	287.45	848.45	25.20	6.80	38.07	1,209.74
Add : Additions during the year	-	-	31.11	174.77	3.47	2.99	7.74	220.08
Less : Disposals/Adjustments during the year	-	-	(0.07)	(7.26)	(0.37)	(0.89)	(2.41)	(11.00)
Add/(Less) : Foreign exchange translation differences	0.25	0.07	10.68	25.61	0.51	0.05	1.19	38.36
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>3.24</b>	<b>0.85</b>	<b>329.17</b>	<b>1,041.57</b>	<b>28.81</b>	<b>8.95</b>	<b>44.59</b>	<b>1,457.18</b>
<b>(II) Accumulated depreciation</b>								
Balance as at 1 <sup>st</sup> April, 2021	-	0.67	92.32	399.14	20.49	3.51	24.67	540.80
Add : Depreciation expense 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 <sup>st</sup> March, 2022	-	0.44	104.61	445.51	19.79	3.17	27.03	600.55
Add : Depreciation expense for the year	-	0.08	11.41	54.30	1.16	0.86	4.26	72.07
Add : Impairment expenses/reversals for the year (Refer Note 2.5)	-	-	-	(0.09)	-	-	-	(0.09)
Less : Disposals/Adjustments during the year	-	-	(0.03)	(6.14)	(0.35)	(0.67)	(1.50)	(8.69)
Add/(Less) : Foreign exchange translation differences	-	0.04	3.76	14.85	0.42	0.03	0.85	19.95
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>-</b>	<b>0.56</b>	<b>119.75</b>	<b>508.43</b>	<b>21.02</b>	<b>3.39</b>	<b>30.64</b>	<b>683.79</b>
<b>Net Carrying Amount (I-II)</b>								
Balance as at 31 <sup>st</sup> March, 2022	2.99	0.34	182.84	402.94	5.41	3.63	11.04	609.19
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>3.24</b>	<b>0.29</b>	<b>209.42</b>	<b>533.14</b>	<b>7.79</b>	<b>5.56</b>	<b>13.95</b>	<b>773.39</b>

Notes:

- 2.1 Buildings include shares being the value of shares in Co-operative housing Society of ₹ -\* (2021-22 : ₹ -\*)
- 2.2 The amount of borrowing costs capitalised is ₹ 6.38 Crores (2021-22 : ₹ 1.38 Crores)

₹ Crores

Particulars	2023	2022
Buildings	0.93	0.07
Plant & Equipment	5.45	1.31

- 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 ₹ 10.40 Crores (2021-22 : ₹ 2.85 Crores) out of which ₹ 2.89 Crores (2021-22 : ₹ 1.25 Crores) is incurred in current year.
- 2.4 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.
- 2.5 The Impairment expenses have been included under 'Depreciation, amortisation and impairment expenses' and Impairment reversals have been included under 'Other Income' in the Statement of Profit and Loss.

\*Figures less than ₹ 50,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 3 RIGHT OF USE ASSET

Particulars	₹ Crores		
	Building	Land	Total
<b>(I) Cost</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>28.21</b>	<b>97.16</b>	<b>125.37</b>
Add : Additions during the year (Refer Note 3.2)	3.19	35.71	38.90
Less : Deductions/Adjustments during the year	-	-	-
Add/(Less) : Foreign exchange translation differences	0.60	-	0.60
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>32.00</b>	<b>132.87</b>	<b>164.87</b>
Add : Additions during the year (Refer Note 3.2)	7.06	-	7.06
Less : Deductions/Adjustments during the year	(6.44)	-	(6.44)
Add/(Less) : Foreign exchange translation differences	1.43	3.01	4.44
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>34.05</b>	<b>135.88</b>	<b>169.93</b>
<b>(II) Accumulated depreciation</b>			
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>8.97</b>	<b>4.54</b>	<b>13.51</b>
Add : Amortisation expense for the year	4.45	3.66	8.11
Less : Deductions/Adjustments during the year	-	-	-
Add/(Less) : Foreign exchange translation differences	0.17	0.04	0.21
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>13.59</b>	<b>8.24</b>	<b>21.83</b>
Add : Amortisation expense for the year	5.26	3.87	9.13
Less : Deductions/Adjustments during the year	(3.77)	-	(3.77)
Add/(Less) : Foreign exchange translation differences	0.51	0.29	0.80
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>15.59</b>	<b>12.40</b>	<b>27.99</b>
<b>Net Carrying amount (I-II)</b>			
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>18.41</b>	<b>124.63</b>	<b>143.04</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>18.46</b>	<b>123.48</b>	<b>141.94</b>

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 ₹ 0.01 Crores (2021-22 : ₹ 0.59 Crores).

## 4 CAPITAL WORK-IN-PROGRESS

Particulars	₹ Crores	
	2023	2022
Capital Work-in-Progress (Refer Note 4.1)	139.21	205.46
<b>Total</b>	<b>139.21</b>	<b>205.46</b>

Notes:

- 4.1 Capital work-in-progress (CWIP) Ageing Schedule

### As at 31<sup>st</sup> March, 2023

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	90.60	31.68	16.71	0.22	139.21
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>90.60</b>	<b>31.68</b>	<b>16.71</b>	<b>0.22</b>	<b>139.21</b>

### As at 31<sup>st</sup> March, 2022

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	-	-	-	-	-
<b>Total</b>	<b>119.16</b>	<b>47.07</b>	<b>24.16</b>	<b>15.07</b>	<b>205.46</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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 31<sup>st</sup> March, 2023

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	18.01	17.00	-	-	35.01
<b>Total</b>	<b>18.01</b>	<b>17.00</b>	<b>-</b>	<b>-</b>	<b>35.01</b>

₹ Crores

## As at 31<sup>st</sup> 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
<b>Total</b>	<b>145.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145.09</b>

₹ Crores

4.3 There are no projects where activity has been suspended permanently in both the years.

## 5 OTHER INTANGIBLE ASSETS

Particulars	Computer Software	Technical Know How	Trademarks	Customer Relationships	Total
					₹ Crores
<b>(I) Cost</b>					
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>18.32</b>	<b>0.30</b>	<b>1.77</b>	<b>8.10</b>	<b>28.49</b>
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
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>20.22</b>	<b>0.30</b>	<b>1.83</b>	<b>8.40</b>	<b>30.75</b>
Add : Additions during the year	1.88	-	-	-	1.88
Less : Deductions/Adjustments during the year	-*	-	-	-	-
Add/(Less) : Foreign exchange translation differences	0.41	-	0.15	0.71	1.27
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>22.51</b>	<b>0.30</b>	<b>1.98</b>	<b>9.11</b>	<b>33.90</b>
<b>(II) Accumulated amortisation</b>					
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>12.73</b>	<b>0.19</b>	<b>1.77</b>	<b>8.10</b>	<b>22.79</b>
Add : Amortisation expense 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
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>14.87</b>	<b>0.22</b>	<b>1.83</b>	<b>8.40</b>	<b>25.32</b>
Add : Amortisation expense for the year	2.12	0.03	-	-	2.15
Less : Deductions/Adjustments during the year	-*	-	-	-	-
Add/(Less) : Foreign exchange translation differences	0.40	-	0.15	0.71	1.26
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>17.39</b>	<b>0.25</b>	<b>1.98</b>	<b>9.11</b>	<b>28.73</b>
<b>Net Carrying Amount (I-II)</b>					
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>5.35</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>5.43</b>
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>5.12</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>5.17</b>

Note :

5.1 The amortisation expense of other intangible assets have been included under 'Depreciation, amortisation and impairment expenses' in the Statement of Profit and Loss.

\*Figures less than ₹ 50,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 6 LOANS

₹ Crores

Particulars	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Financial assets at amortised cost</b>				
<b>Other Loans (Employees)</b>				
- Unsecured, considered good	0.51	0.80	0.45	0.43
<b>Total</b>	<b>0.51</b>	<b>0.80</b>	<b>0.45</b>	<b>0.43</b>

## 7 OTHER FINANCIAL ASSETS

₹ Crores

Particulars	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Financial assets at amortised cost: (Considered Good, unless otherwise stated)</b>				
Security Deposit				
- Unsecured, considered good	0.27	11.36	0.14	9.20
Advances				
- Considered Good	8.17	-	6.55	-
Bank Deposit with original maturity above 12 months	-	2.08	-	1.80
Interest accrued	0.37	-	0.13	-
Other financial assets	0.01	0.12	-	0.11
	<b>8.82</b>	<b>13.56</b>	<b>6.82</b>	<b>11.11</b>
<b>Derivatives financial instruments not designated as hedging instruments carried at fair value through Profit &amp; Loss</b>				
- Derivative financial instruments	0.09	-	0.34	-
<b>Total</b>	<b>8.91</b>	<b>13.56</b>	<b>7.16</b>	<b>11.11</b>

## 8 DEFERRED TAX ASSETS (NET)

₹ Crores

Particulars	2023	2022
Deferred tax assets (Refer Note 8.1)	6.74	3.88
<b>Total</b>	<b>6.74</b>	<b>3.88</b>

Note:

### 8.1 Movement In Deferred tax assets

₹ Crores

Particulars	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others*	Total
<b>Deferred tax (liabilities)/ assets as at 1<sup>st</sup> April, 2021</b>	<b>(3.43)</b>	<b>1.16</b>	<b>2.92</b>	<b>0.65</b>
(Charge) / credit to Statement of Profit and Loss	-	0.20	3.03	<b>3.23</b>
Foreign currency translation differences	(0.13)	0.04	0.09	-
<b>Deferred tax (liabilities)/ assets as at 31<sup>st</sup> March, 2022</b>	<b>(3.56)</b>	<b>1.40</b>	<b>6.04</b>	<b>3.88</b>
(Charge) / credit to Statement of Profit and Loss	3.14	0.59	(0.96)	<b>2.77</b>
Foreign currency translation differences	(0.23)	0.13	0.19	<b>0.09</b>
<b>Deferred tax (liabilities)/ assets as at 31<sup>st</sup> March, 2023</b>	<b>(0.65)</b>	<b>2.12</b>	<b>5.27</b>	<b>6.74</b>

\*Others mainly includes deferred tax on inventory reserve.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 9 OTHER ASSETS

Particulars	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Advances</b>				
Capital Advances	-	21.98	-	24.80
Export Incentives receivable	4.07	1.19	6.20	-
Balance with government authorities	33.14	15.56	44.57	15.47
Prepaid Expenses	9.57	0.62	9.98	0.28
Other Advance (Refer Note 9.1)				
- Considered Good	37.56	-	80.43	-
- Considered Doubtful	0.02	-	-	-
	<b>84.36</b>	<b>39.35</b>	<b>141.18</b>	<b>40.55</b>
Less: Allowance for Doubtful Advances	(0.04)	(0.60)	-	(0.02)
<b>Total</b>	<b>84.32</b>	<b>38.75</b>	<b>141.18</b>	<b>40.53</b>

Note:

9.1 Other advances mainly include Advances to suppliers, etc.

## 10 INVENTORIES

Particulars	2023		2022	
Raw Materials [Including in transit of ₹ 54.47 Crores (2021-22 : ₹ 78.11 Crores)]	230.84		266.34	
Packing Material	13.66		10.47	
Work-in-Progress	91.77		121.11	
Finished Goods	154.98		164.74	
Stock-in-Trade [Including in transit of ₹ 2.29 Crores (2021-22 : ₹ 5.34 Crores)]	114.95		114.33	
Consumables, Stores and Spares [Including in transit of ₹ 0.01 Crores (2021-22 : ₹ -*)]	39.62		34.79	
<b>Total</b>	<b>645.82</b>		<b>711.78</b>	

Notes :

10.1 The cost of Inventories recognised as an expense during the year was ₹ 3507.62 Crores (2021-22 : ₹ 2924.39 Crores).

10.2 The cost of Inventories recognised as an expense includes ₹ 9.06 Crores (2021-22: ₹ 2.41 Crores) in respect of write downs of inventory to net realisable value, and has been reduced by ₹ 1.96 Crores (2021-22 : ₹ 0.60 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 working capital facilities from banks which are secured interalia 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

## 11 CURRENT INVESTMENTS

Particulars	2023		2022	
<b>Investments carried at amortised cost</b>				
Quoted				
Treasury bills	-		-	0.47
<b>Total</b>			<b>-</b>	<b>0.47</b>
<b>Other Disclosures</b>				
Aggregate carrying value of quoted investments			-	0.47

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 12 TRADE RECEIVABLES

₹ Crores

Particulars	2023	2022
<b>Undisputed:</b>		
Unsecured, considered good	614.80	638.04
Unsecured, credit impaired (Refer Note 12.1)	1.89	0.35
	<b>616.69</b>	<b>638.39</b>
Less : Allowance for expected credit loss (Refer Note 12.1)	(1.89)	(0.35)
<b>Total</b>	<b>614.80</b>	<b>638.04</b>

Notes:

12.1 Also refer note no. 45(B) for disclosure related to Credit risk, Impairment of trade receivables 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 31<sup>st</sup> March, 2023

₹ 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	494.73	115.52	3.57	0.95	0.01	0.02	614.80
Undisputed Trade receivable – credit impaired	-	-	1.65	0.20	-	0.04	1.89
<b>Total Trade Receivables</b>	<b>494.73</b>	<b>115.52</b>	<b>5.22</b>	<b>1.15</b>	<b>0.01</b>	<b>0.06</b>	<b>616.69</b>
Less: Allowance for Expected Credit Loss							(1.89)
<b>Net Trade Receivables</b>							<b>614.80</b>

### As at 31<sup>st</sup> 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 receivable – credit impaired	-	0.15	0.19	-*	0.01	-*	0.35
<b>Total Trade Receivables</b>	<b>525.84</b>	<b>109.21</b>	<b>1.34</b>	<b>1.60</b>	<b>0.03</b>	<b>0.37</b>	<b>638.39</b>
Less: Allowance for Expected Credit Loss							(0.35)
<b>Net Trade Receivables</b>							<b>638.04</b>

\*Figures less than ₹ 50,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 13 CASH AND BANK BALANCES

Particulars	₹ Crores	
	2023	2022
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
- Current Accounts	71.66	25.49
- Savings Accounts	32.95	37.89
- Fixed Deposits with original maturity 3 months or less than 3 months	126.93	-
	<b>231.54</b>	<b>63.38</b>
Cash on hand	0.33	0.38
<b>Total Cash and cash equivalents</b>	<b>231.87</b>	<b>63.76</b>
<b>Bank balances other than cash and cash equivalents</b>		
Earmarked balances with banks (Refer Note 13.1)	0.93	0.80
Fixed deposit account with original maturity more than 3 months but less than 12 months	14.64	5.01
Margin Account Balance (Refer Note 13.2)	0.13	1.54
<b>Total Bank balances other than cash and cash equivalents</b>	<b>15.70</b>	<b>7.35</b>

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.

## 14 EQUITY SHARE CAPITAL

Particulars	₹ Crores	
	2023	2022
<b>Authorised</b>		
5,00,00,000 Equity Shares of ₹ 10 each	50.00	50.00
(Previous Year: 5,00,00,000 Equity Shares of ₹ 10 each)		
<b>Total</b>	<b>50.00</b>	<b>50.00</b>
<b>Issued, Subscribed and Paid Up</b>		
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)		
<b>Total</b>	<b>35.45</b>	<b>35.45</b>

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

Particulars	2023		2022	
	No. of Shares	₹ Crores	No. of Shares	₹ Crores
<b>Issued and Subscribed</b>				
Balance as at the beginning of the year	3,54,54,752	35.45	3,54,54,752	35.45
<b>Balance as at the end of the year</b>	<b>3,54,54,752</b>	<b>35.45</b>	<b>3,54,54,752</b>	<b>35.45</b>

### 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 parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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

Name of the Shareholder	2023		2022	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Unnathan Shekhar, Gopalkrishnan Ramakrishnan, Shashikant R. Shanbhag & Late Sandhya Patil <sup>#</sup> 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 <sup>#</sup>	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
Axis Mutual Fund	27,19,364	7.67	17,10,760	4.83
	<b>2,71,08,433</b>	<b>76.46</b>	<b>2,60,99,829</b>	<b>73.61</b>

## D. Details of shares held by promoters and promoters group at the end of the year

Particulars	2023		2022		% Change during the year
	No. of Shares	% Shareholding	No. of Shares	% Shareholding	
<b>Promoters</b>					
Unnathan Shekhar	42,26,740	11.92	42,26,740	11.92	-
Late Sandhya Patil <sup>#</sup>	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	-
<b>Promoters Group</b>					
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 <sup>#</sup>	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	42,905	0.12	44,811	0.13	(4.25)
Anuradha Dayanand Prabhu	12,000	0.03	12,000	0.03	-
Vandana Shashikant Shanbhag	10,000	0.03	10,000	0.03	-
K. S. Natarajan	7,204	0.02	6,704	0.02	7.46
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	-
<b>Total</b>	<b>2,51,46,978</b>	<b>70.93</b>	<b>2,51,48,384</b>	<b>70.93</b>	<b>(0.01)</b>

<sup>#</sup> Mrs. Sandhya Patil expired on 25<sup>th</sup> 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 15 OTHER EQUITY

Particulars	₹ Crores	
	2023	2022
Securities Premium Reserve	0.20	0.20
General Reserve	26.38	26.38
Capital Reserve on consolidation	3.11	3.11
Retained Earnings	1,707.71	1,454.48
<b>Item of Other Comprehensive Income</b>		
Foreign currency translation reserve	109.70	54.73
<b>Total</b>	<b>1,847.10</b>	<b>1,538.90</b>

### 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.

## 16 NON-CURRENT BORROWINGS

Particulars	₹ Crores	
	2023	2022
<b>Carried at amortised cost</b>		
<b>Secured</b>		
Term Loan From Banks (Refer note 16.1 & 16.2)	89.06	79.59
<b>Total</b>	<b>89.06</b>	<b>79.59</b>

**Current maturities in respect of long term borrowings have been included in Note 22 are as under**

Particulars	₹ Crores	
	2023	2022
Term Loan From Banks	31.99	29.82
<b>Total</b>	<b>31.99</b>	<b>29.82</b>

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.

16.2 The borrowings carry varying rates of interest upto 8.90% p.a. and have maturities starting from 2025 and ending with 2027

## 17 LEASE LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
Lease Liabilities (Refer Note 17.2)	8.42	47.15	6.35	48.35
<b>Total</b>	<b>8.42</b>	<b>47.15</b>	<b>6.35</b>	<b>48.35</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

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:

Particulars	₹ Crores	
	2023	2022
<b>Opening Balance</b>	<b>54.70</b>	<b>21.22</b>
Add : Additions (Refer Note 3.2)	7.06	38.90
Add : Finance cost accrued during the period	1.72	1.81
Less : Deletions	(3.01)	-
Less : Payment of lease liabilities	(8.75)	(7.67)
Add/(Less) : Foreign Exchange Translation Difference	3.85	0.44
<b>Closing Balance</b>	<b>55.57</b>	<b>54.70</b>

## 18 OTHER FINANCIAL LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Carried at amortised cost</b>				
Interest accrued on borrowings	0.57	-	0.57	-
Unclaimed dividends (Refer Note 18.1)	0.93	-	0.80	-
Unclaimed matured deposits and interest accrued thereon (Refer Note 18.2)	-	-	-	-
Security Deposits	3.03	0.33	0.04	0.33
Other liabilities (Refer Note 18.3)	2.83	-	4.13	-
<b>Total</b>	<b>7.36</b>	<b>0.33</b>	<b>5.54</b>	<b>0.33</b>

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 as on 31<sup>st</sup> March 2022.

18.3 Other liabilities mainly include creditors for capital goods, etc.

## 19 PROVISIONS

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
Compensated Absences	1.44	6.02	1.62	5.78
Gratuity	4.20	0.05	3.82	1.83
Claims Payable (Refer Note 19.1)	0.52	-	2.27	-
<b>Total</b>	<b>6.16</b>	<b>6.07</b>	<b>7.71</b>	<b>7.61</b>

Note:

19.1 Movement of Claims Payable is as below:

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Opening Balance</b>	<b>2.27</b>	<b>-</b>	<b>3.17</b>	<b>-</b>
Add - Addition during the year	-	-	1.75	-
Less - Deduction during the year	(1.75)	-	(2.65)	-
<b>Closing Balance</b>	<b>0.52</b>	<b>-</b>	<b>2.27</b>	<b>-</b>

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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 20 DEFERRED TAX LIABILITIES (NET)

Particulars	₹ Crores	
	2023	2022
Deferred tax liabilities (Refer Note 20.1)	28.34	24.90
<b>Total</b>	<b>28.34</b>	<b>24.90</b>

Note:

### 20.1 Movement In Deferred tax Liabilities

Particulars	₹ Crores			
	On Fiscal allowances on fixed assets	On Provision for employee benefits	On Others	Total
Deferred tax liabilities/ (assets) as at 1 <sup>st</sup> April, 2021	28.24	(3.73)	(1.21)	23.30
Charge/ (credit) to Statement of Profit and Loss	1.04	0.19	(0.03)	1.21
Charge/ (credit) to Other comprehensive income	-	0.40	-	0.40
<b>Deferred tax liabilities/ (assets) as at 31<sup>st</sup> March, 2022</b>	<b>29.28</b>	<b>(3.14)</b>	<b>(1.24)</b>	<b>24.90</b>
Charge/ (credit) to Statement of Profit and Loss	4.30	0.35	(1.17)	3.48
Charge/ (credit) to Other comprehensive income	-	(0.04)	-	(0.04)
<b>Deferred tax liabilities/ (assets) as at 31<sup>st</sup> March, 2023</b>	<b>33.58</b>	<b>(2.83)</b>	<b>(2.41)</b>	<b>28.34</b>

## 21 OTHER LIABILITIES

Particulars	₹ Crores			
	2023		2022	
	Current	Non-Current	Current	Non-Current
Advances received from customers	26.80	-	24.17	-
Deferred revenue income under EPCG scheme	0.10	0.99	-	-
Others (Refer note no 21.1)	12.67	-	8.56	-
<b>Total</b>	<b>39.57</b>	<b>0.99</b>	<b>32.73</b>	<b>-</b>

Note:

21.1 Others mainly include government dues & taxes payable, salary deductions payable, etc.

## 22 CURRENT BORROWINGS

Particulars	₹ Crores	
	2023	2022
<b>Secured (Carried at amortised cost) :</b>		
<b>Working Capital Loan</b>		
Packing credit loan from banks (Refer Notes 22.1)	80.43	165.32
Bank Overdraft (Refer Notes 22.2)	70.32	91.25
Current maturities of long-term borrowings (Refer Note 16.1 & 16.2)	31.99	29.82
<b>Total</b>	<b>182.74</b>	<b>286.39</b>

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 are upto 8.90% p.a.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 23 TRADE PAYABLES

Particulars	₹ Crores	
	2023	2022
<b>Carried at amortised cost</b>		
Total outstanding dues of Micro and Small Enterprises (Refer Note 23.1)	37.96	13.02
Total outstanding dues of creditors other than Micro and Small Enterprises	392.23	505.90
<b>Total</b>	<b>430.19</b>	<b>518.92</b>

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 31<sup>st</sup> March, 2023.

### 23.2 Trade payables Ageing Schedule

**As at 31<sup>st</sup> March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed outstanding dues of micro enterprises and small enterprises	36.70	1.26	-	-	-	37.96
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises	381.97	9.47	0.51	0.03	0.25	392.23
<b>Total</b>	<b>418.67</b>	<b>10.73</b>	<b>0.51</b>	<b>0.03</b>	<b>0.25</b>	<b>430.19</b>

**As at 31<sup>st</sup> March, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed outstanding dues of micro enterprises and small enterprises	11.88	1.09	0.05	-	-	13.02
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises	477.60	27.86	0.14	0.13	0.17	505.90
<b>Total</b>	<b>489.48</b>	<b>28.95</b>	<b>0.19</b>	<b>0.13</b>	<b>0.17</b>	<b>518.92</b>

## 24 REVENUE FROM OPERATIONS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Revenue from contracts with customers</b>		
Sale of products	4,410.21	3,652.72
<b>Other operating revenue</b>		
Scrap Sales	4.38	2.71
Government Grant and Incentives (including export benefits)	30.65	30.28
<b>Total</b>	<b>4,445.24</b>	<b>3,685.71</b>

Note:

24.1 Refer note 38 for geography wise revenue from contracts with customers.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 25 OTHER INCOME

Particulars	₹ Crores	
	2022-23	2021-22
<b>Interest Income</b>		
On Financial Assets at amortised cost	2.00	3.03
On Non Financial assets	0.18	0.04
<b>Other Non - Operating Income</b>		
Gain/(Loss) on sale/retirement of Property, Plant and Equipment (Net)	(0.94)	(1.09)
Impairment Reversal in Property, Plant and Equipment	0.22	-
Liabilities/Provision no longer required written back	1.97	2.73
Foreign exchange differences (Net)	3.42	0.67
Commission received	0.01	0.01
Others (Refer Note 25.1)	2.99	7.12
<b>Total</b>	<b>9.85</b>	<b>12.51</b>

Note:

25.1 Other income includes insurance claim received, interest subvention, etc.

## 26 COST OF MATERIALS CONSUMED

Particulars	₹ Crores	
	2022-23	2021-22
Raw materials	2,884.65	2,593.98
Packing materials	86.76	76.35
<b>Total</b>	<b>2,971.41</b>	<b>2,670.33</b>

## 27 PURCHASES OF STOCK-IN-TRADE

Particulars	₹ Crores	
	2022-23	2021-22
Purchases of Stock-in-trade	73.78	63.56
<b>Total</b>	<b>73.78</b>	<b>63.56</b>

## 28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Opening Stock</b>		
Finished goods	164.74	121.20
Work-in-progress	121.11	75.27
Stock-in-trade	114.33	52.95
	<b>400.18</b>	<b>249.42</b>
<b>Less: Closing Stock</b>		
Finished goods	(154.98)	(164.74)
Work-in-progress	(91.77)	(121.11)
Stock-in-trade	(114.95)	(114.33)
	<b>(361.70)</b>	<b>(400.18)</b>
Foreign currency translation difference	16.41	5.39
<b>Net (increase) / decrease in inventory</b>	<b>54.89</b>	<b>(145.37)</b>

## 29 EMPLOYEE BENEFIT EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Salaries and wages, including bonus	210.99	181.25
Contribution to provident and other funds	15.02	13.25
Workmen and staff welfare expenses	22.04	17.31
<b>Total</b>	<b>248.05</b>	<b>211.81</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 30 FINANCE COSTS

Particulars	₹ Crores	
	2022-23	2021-22
Interest expense	18.35	10.48
Other borrowing cost (Refer Note 30.2)	3.35	2.37
<b>Total</b>	<b>21.70</b>	<b>12.85</b>

Notes:

30.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 7.78% (2021-22 : 6.39%).

30.2 Finance Cost during current year includes interest on lease liabilities amounting to ₹ 1.72 Crores ( 2021-22: ₹ 1.81 Crores).

## 31 DEPRECIATION, AMORTISATION AND IMPAIRMENT EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Depreciation on Property, Plant and Equipment	72.07	60.94
Amortisation of Other Intangible Assets	2.15	2.01
Amortisation of Right to Use Asset	9.13	8.11
Impairment of Property, Plant and Equipment (Refer Note 2.5)	0.13	-
<b>Total</b>	<b>83.48</b>	<b>71.06</b>

## 32 OTHER EXPENSES

Particulars	₹ Crores	
	2022-23	2021-22
Power and fuel	72.23	62.99
Water charges	1.98	1.81
Repairs and maintenance	29.13	20.02
Consumption of stores, spares & consumables	24.82	19.19
Rates and taxes	14.04	10.13
Insurance	17.96	13.67
Freight and forwarding	228.20	250.51
Travelling and conveyance	19.54	11.94
Discount and commission on sales	2.07	1.50
Bad Debts and allowance for Doubtful Debts	1.93	0.83
Royalty	0.14	0.16
"REACH" registration expenses (Net)	(0.01)	0.88
CSR expenditure	4.45	4.69
Donations	0.02	0.07
Directors' sitting fees	0.52	0.59
Commission to non-executive directors	0.72	0.80
Rent (including storage charges)	19.38	11.80
Legal and professional fees	26.62	24.41
Allowance for doubtful advances	4.05	-
Miscellaneous expenses	61.04	48.68
<b>Total</b>	<b>528.83</b>	<b>484.67</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 33 INCOME TAX RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

Particulars	₹ Crores	
	2022-23	2021-22
<b>Current Tax</b>		
In respect of current year	93.48	68.93
In respect of prior years	(2.22)	(0.37)
	<b>91.26</b>	<b>68.56</b>
<b>Deferred Tax</b>		
In respect of current year origination and reversal of temporary differences	1.05	(1.99)
In respect of prior years	(0.34)	(0.04)
	<b>0.71</b>	<b>(2.03)</b>
<b>Total tax expenses</b>	<b>91.97</b>	<b>66.53</b>

## 34 INCOME TAX (RECOGNISED)/CREDITED IN OTHER COMPREHENSIVE INCOME

Particulars	₹ Crores	
	2022-23	2021-22
<b>Deferred tax related to items (recognised)/credited in Other Comprehensive Income during the year</b>		
Remeasurement of defined benefit obligations	0.04	(0.40)
	<b>0.04</b>	<b>(0.40)</b>
<b>Classification of income tax (recognised)/credited in Other Comprehensive Income</b>		
Income taxes related to items that will not be reclassified to profit or loss	0.04	(0.40)
	<b>0.04</b>	<b>(0.40)</b>

## 35 EARNINGS PER SHARE (EPS)

Particulars	₹ Crores	
	2022-23	2021-22
Profit for the year (₹ In Crores)	380.98	262.78
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)	107.46	74.12

## 36 THE RECONCILIATION OF ESTIMATED INCOME TAX EXPENSES AT TAX RATE TO INCOME TAX EXPENSES REPORTED IN THE STATEMENT OF PROFIT AND LOSS IS AS FOLLOWS

Particulars	₹ Crores	
	2022-23	2021-22
Profit before tax	472.95	329.31
Applicable Income tax rate	25.17%	25.17%
Expected income tax expenses	119.04	82.89
<b>Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses</b>		
- Difference in tax rates of subsidiary companies	(22.75)	(16.16)
- Effect of concessions and allowances	(3.03)	(1.37)
- Effect of expenses/provision not deductible in determining taxable profit	1.13	1.19
- Impact on account of Prior Years Taxation	(2.45)	(0.41)
- Others	0.03	0.39
<b>Reported income tax expenses</b>	<b>91.97</b>	<b>66.53</b>

## 37 THE AMOUNT AND EXPIRY DATE OF UNUSED CAPITAL LOSSES FOR WHICH NO DEFERRED TAX ASSET IS RECOGNISED IN THE BALANCE SHEET

Assessment Year	₹ Crores		
	2022-23	2021-22	Available Upto A.Y.
2016-17	3.99	3.99	2024-25
2020-21	12.32	12.32	2028-29

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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

Particulars	2023			2022		
	India	Overseas	Total	India	Overseas	Total
Revenue From External Customers	1,715.44	2,694.77	4,410.21	1,314.12	2,338.60	3,652.72
Non Current Assets*	747.55	363.87	1,111.42	696.61	318.33	1,014.94

₹ Crores

\*includes property plant and equipment, right of use asset, capital work-in-progress, goodwill, other intangible assets, Income Tax Assets (net) and other non-current assets.

### Information about major customers

During the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 respectively, Revenue from transaction with a single external customer did not amount to 10% or more of the companies revenue from external customers.

## 39 DETAILS OF RESEARCH & DEVELOPMENT

Research and Development expenses for the year amount to ₹ 27.47 Crores (2021-22 : ₹ 29.31 Crores) debited to the statement of profit and loss.

## 40 CONTINGENT LIABILITY AND COMMITMENTS

### (A) Contingent liability

Particulars	₹ Crores	
	2023	2022
Claims against the Group not acknowledged as debts comprise of claims disputed by the group relating to issues of applicability, classification, deductibility, etc.		
- Excise duty & Service tax	7.27	7.27
- Income tax	0.97	0.97
- Sales tax & GST	3.77	5.09
- Custom duty	42.11	42.11

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 & Equipments (net of advances) and not provided for ₹ 60.08 Crores ( 2021-22: ₹ 54.78 Crores).

Estimated amount of contracts remaining to be executed of Other Intangible assets (net of advances) and not provided for ₹ 0.75 Crores ( 2021-22: ₹ 0.48 Crores).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 41 RELATED PARTY DISCLOSURES

### (a) Key Management Personnel (KMP)

Sr. No.	Name of the Person	Relation	Relative Name
1	Mr. U. Shekhar Managing Director	Wife	Mrs. Lakshmy 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 (till 6 <sup>th</sup> October, 2022) Executive Director (Finance) & Chief Financial Officer		
4	Mr. Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021) Whole time Director	Wife	Mrs. Bhagyashree Kulkarni
		Son	Mr. Shaunak Kulkarni
		Son	Mr. Chinmay Kulkarni
5	Mr. Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022) Chief Financial Officer	Wife	Mrs. Shilpa Damle
		Daughter	Ms. Anushka Damle

### (b) 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]		

### (c) The related party transactions are as under

Sr. No.	Nature of Transactions	₹ Crores					
		Entities where Key Management Personnel can exercise significant influence		Key Management Personnel		Relatives of Key Management Personnel	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	<b>MANAGERIAL REMUNERATION (Refer Note 41.1 &amp; 41.2)</b>						
	U. Shekhar						
	Short-term employee benefits	-	-	2.00	1.75	-	-
	K. Natarajan						
	Short-term employee benefits	-	-	2.00	1.75	-	-
	K. Ganesh Kamath (till 6 <sup>th</sup> October, 2022)						
	Short-term employee benefits	-	-	1.16	2.89	-	-
	Other Long-term employee benefits	-	-	0.21	-	-	-
	Post-employment employee benefits	-	-	0.91	-	-	-
	Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021)						
	Short-term employee benefits	-	-	1.96	0.76	-	-
	Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022)						
	Short-term employee benefits	-	-	0.63	-	-	-
2	<b>DIVIDENDS DISTRIBUTED</b>						
	Galaxy Chemicals	27.91	3.10	-	-	-	-
	Galaxy Emulsifiers Pvt. Ltd.	1.95	0.22	-	-	-	-
	U. Shekhar	-	-	15.22	1.69	-	-
	K. Natarajan	-	-	0.03	-*	-	-
	K. Ganesh Kamath (till 6 <sup>th</sup> October, 2022)	-	-	0.04	0.01	-	-
	Vaijanath Kulkarni (w.e.f. 16 <sup>th</sup> October, 2021)	-	-	0.09	0.01	-	-
	Abhijit Damle (w.e.f. 1 <sup>st</sup> July, 2022)	-	-	-*	-	-	-
	Lakshmy Shekhar	-	-	-	-	0.46	0.05
	Shridhar Unnathan	-	-	-	-	0.16	0.02

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Notes:

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.

41.2 Includes commission on the basis of payments made during the year.

\*Figures less than ₹ 50,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 ₹ 6.62 Crores (2021-22 : ₹ 5.84 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 ₹ 6.52 Crores (2021-22 : ₹ 5.73 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 insurance companies.

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.

#### 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.

#### 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

Particulars	₹ Crores	
	As at 31st March	
	Funded Plan	
	Gratuity	
	2023	2022
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
1 Current service cost	1.88	1.80
2 Interest cost on benefit obligation (net)	0.41	0.52
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 expense	<b>2.29</b>	<b>2.32</b>
<b>II Recognised in other comprehensive income for the year</b>		
1 Actuarial (gains)/ losses arising from changes in financial assumption	(0.64)	(0.87)
2 Actuarial (gains)/ losses arising from changes in experience adjustment	0.87	(0.45)
3 Actuarial (gains)/ losses arising from changes in demographic adjustment	(0.02)	0.01
4 Return on plan asset	(0.06)	(0.26)
5 Recognised in other comprehensive income	<b>0.15</b>	<b>(1.58)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Particulars	₹ Crores	
	As at 31st March	
	Funded Plan	
	Gratuity	
	2023	2022
<b>III Change in the present value of defined benefit obligation</b>		
1 Present value of defined benefit obligation at the beginning of the year	29.20	27.93
2 Current service cost	1.88	1.80
3 Interest cost/(income)	2.11	1.91
4 Remeasurements (gains)/ losses		
(I) Actuarial (gains)/ losses arising from changes in demographic assumption	(0.02)	0.01
(II) Actuarial (gains)/ losses arising from changes in financial assumption	(0.64)	(0.87)
(III) Actuarial (gains)/ losses arising from changes in experience adjustment	0.87	(0.45)
5 Past Service cost	-	-
6 Benefits paid	(3.05)	(1.13)
7 Liabilities assumed/(settled)	-	-
8 Present value of defined benefit obligation at the end of the year	<b>30.35</b>	<b>29.20</b>
<b>IV Change in fair value of plan assets during the year</b>		
1 Fair value of plan assets at the beginning of the year	23.55	20.32
2 Interest income	1.70	1.39
3 Contribution by employer	3.84	2.71
4 Benefits paid	(3.05)	(1.13)
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	0.06	0.26
7 Fair value of plan assets at the closing of the year	<b>26.10</b>	<b>23.55</b>
<b>V Net Asset/(Liability) recognised in the Balance Sheet as at</b>		
1 Present value of defined benefit obligation as at 31 <sup>st</sup> March	30.35	29.20
2 Fair value of plan assets as at 31 <sup>st</sup> March	26.10	23.55
3 Surplus/(Deficit)	(4.25)	(5.65)
4 Current portion of the above	4.20	3.82
5 Non current portion of the above	0.05	1.83
<b>VI Actuarial assumptions</b>		
1 Discount rate	7.50%	7.23%
2 Attrition rate	Between 12% 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 2012-14 (Urban)
<b>VII Major Category of Plan Assets as a % of the Total Plan Assets</b>		
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.		
<b>VIII The expected contributions to the plan for the next annual reporting period</b>	4.20	3.82

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

Particulars	₹ Crores	
	As at 31st March	
	Funded Plan	
	Gratuity	
	2023	2022
<b>IX Quantitative sensitivity analysis for significant assumption is as below</b>		
<p>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.</p>		
1 Discount rate varied by +1%	28.19	27.12
2 Discount rate varied by -1%	32.86	31.61
3 Salary growth rate varied by +1%	32.84	31.58
4 Salary growth rate varied by -1%	28.17	27.11
5 Withdrawal rate (W.R.) varied by + 1%	30.33	29.13
6 Withdrawal rate (W.R.) varied by - 1%	30.38	29.28
<b>X Maturity profile of defined benefit obligation</b>		
1 Year 1	2.66	3.18
2 Year 2	3.39	1.97
3 Year 3	3.90	3.72
4 Year 4	2.15	2.18
5 Year 5	1.79	2.35
6 Years 6-10	11.75	12.50
7 11 Years and above	40.28	34.90

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.

## 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.

Particulars	₹ Crores	
	2023	2022
Short term debt	150.75	256.57
Long term debt	121.05	109.41
<b>Total</b>	<b>271.80</b>	<b>365.98</b>
Equity	1,882.55	1,574.35
Long term debt to equity	0.06	0.07
Total debt to equity	0.14	0.23

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 44 CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	₹ Crores	
	2023	2022
<b>A) Financial assets</b>		
<b>a) Measured at amortised cost</b>		
i) Cash and Cash equivalents	231.87	63.76
ii) Bank Balances other than Cash and Cash Equivalents	15.70	7.35
iii) Loans	1.31	0.88
iv) Trade Receivables	614.80	638.04
v) Current Investment	-	0.47
vi) Other Financial Assets	22.38	17.93
<b>Sub-Total</b>	<b>886.06</b>	<b>728.43</b>
<b>b) Measured at fair value through Profit and Loss</b>		
i) Derivative instruments not designated as hedging instruments	0.09	0.34
<b>Sub-Total</b>	<b>0.09</b>	<b>0.34</b>
<b>Total Financial Assets</b>	<b>886.15</b>	<b>728.77</b>
<b>B) Financial liabilities</b>		
<b>a) Measured at amortised cost</b>		
i) Non-current Borrowings	89.06	79.59
ii) Current Borrowings	182.74	286.39
iii) Lease Liabilities	55.57	54.70
iv) Trade Payables	430.19	518.92
v) Other Financial Liabilities	7.69	5.87
<b>Total Financial Liabilities</b>	<b>765.25</b>	<b>945.47</b>

## 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 risk 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 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. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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.

The carrying amount of the Group's foreign currency exposure at the end of the reporting periods are as follows

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total
<b>As at 31<sup>st</sup> March, 2023</b>						
Borrowings	(0.20)	(16.53)	(0.16)	(14.06)	(20.35)	<b>(50.94)</b>
Trade Receivables & Other financial assets	1.59	130.25	0.32	28.98	15.26	<b>174.49</b>
Trade Payables & Other financial liabilities	(2.68)	(219.88)	-*	(0.27)	(13.70)	<b>(233.85)</b>
<b>Total</b>	<b>(1.29)</b>	<b>(106.16)</b>	<b>0.16</b>	<b>14.65</b>	<b>(18.79)</b>	<b>(110.30)</b>
<b>As at 31<sup>st</sup> March, 2022</b>						
Borrowings	(0.96)	(73.04)	(0.45)	(37.74)	(30.44)	<b>(141.22)</b>
Trade Receivables & Other financial assets	2.26	171.53	0.45	38.19	14.33	<b>224.05</b>
Trade Payables & Other financial liabilities	(2.50)	(189.50)	-*	(0.39)	(10.90)	<b>(200.79)</b>
<b>Total</b>	<b>(1.20)</b>	<b>(91.01)</b>	<b>-*</b>	<b>0.06</b>	<b>(27.01)</b>	<b>(117.96)</b>

Of the above foreign currency exposures, the unhedged exposures as at the end of the reporting periods are as follows

In Crores

Particulars	US Dollar	Indian Rupees	Euro	Indian Rupees	Others (Rupees)	Total
<b>As at 31<sup>st</sup> March, 2023</b>						
Borrowings	(0.20)	(16.53)	(0.16)	(14.06)	(20.35)	<b>(50.94)</b>
Trade Receivables & Other financial assets	1.35	110.83	0.19	16.91	15.26	<b>143.00</b>
Trade Payables & Other financial liabilities	(2.45)	(201.40)	-*	(0.27)	(13.70)	<b>(215.37)</b>
<b>Total</b>	<b>(1.30)</b>	<b>(107.10)</b>	<b>0.03</b>	<b>2.58</b>	<b>(18.79)</b>	<b>(123.31)</b>
<b>As at 31<sup>st</sup> March, 2022</b>						
Borrowings	(0.96)	(73.04)	(0.45)	(37.74)	(30.44)	<b>(141.22)</b>
Trade Receivables & Other financial assets	1.49	112.79	0.31	26.40	14.33	<b>153.52</b>
Trade Payables & Other financial liabilities	(2.45)	(185.71)	-*	(0.39)	(10.90)	<b>(197.00)</b>
<b>Total</b>	<b>(1.92)</b>	<b>(145.96)</b>	<b>(0.14)</b>	<b>(11.73)</b>	<b>(27.01)</b>	<b>(184.70)</b>

\*Figures less than 50,000

## 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## Reconciliation of expected credit loss allowance for Trade Receivables

₹ Crores

Particulars	Year Ended 31st March	
	2023	2022
<b>Balance as at beginning of the year</b>	<b>0.35</b>	<b>0.32</b>
Additions during the year	1.82	0.19
Amounts reversed/written off during the year	(0.34)	(0.16)
Foreign currency translation difference	0.06	-
<b>Balance at end of the year</b>	<b>1.89</b>	<b>0.35</b>

## b) Other Financial 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.

₹ Crores

Particulars	Carrying amount in Balance Sheet	Less than 1 Year	2 <sup>nd</sup> and 3 <sup>rd</sup> Year	4 <sup>th</sup> and 5 <sup>th</sup> Year	Above 5 years
<b>As at 31<sup>st</sup> March, 2023</b>					
Short term borrowings	150.75	150.75	-	-	-
Long term borrowings	121.05	37.32	60.87	22.86	-
Lease Liabilities	55.57	8.41	12.59	11.30	23.27
Trade payables	430.19	430.19	-	-	-
Other Financial Liabilities	7.69	7.36	-	-	0.33
<b>Total</b>	<b>765.25</b>	<b>634.03</b>	<b>73.46</b>	<b>34.16</b>	<b>23.60</b>
<b>As at 31<sup>st</sup> March, 2022</b>					
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	518.92	518.92	-	-	-
Other Financial Liabilities	5.87	5.54	-	-	0.33
<b>Total</b>	<b>945.47</b>	<b>817.14</b>	<b>73.86</b>	<b>27.57</b>	<b>26.90</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 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 31 <sup>st</sup> March, 2023	USD	+1%	(0.13)	-
	EUR	+1%	0.02	-
Year ended 31 <sup>st</sup> March, 2022	USD	+1%	(0.24)	-
	EUR	+1%	(0.12)	-

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 Effect.

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	Change in rate	Effect on Profit Before Tax	Effect on pre-tax equity
Year ended 31 <sup>st</sup> March, 2023	INR	+25 bps	(0.84)	-
Year ended 31 <sup>st</sup> March, 2022	INR	+25 bps	(0.79)	-

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 Effect.

## 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

**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

Particulars	Financial Instruments regularly measured using Fair Value- recurring Items				Applicable for Level 2 and Level 3 hierarchy		
	Financial assets/ financial liabilities	Category	Fair Value		Fair value hierarchy	Valuation technique(s)	Key inputs
			2023	2022			
1) Derivatives - foreign exchange forward contracts	Financial assets	Financial instruments measured at FVTPL	0.09	0.34	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.

## 50 TRANSACTIONS WITH STRUCK OFF COMPANIES

As at 31<sup>st</sup> March, 2023

₹ Crores

Name of struck off company	Nature of transaction with struck off company	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2023	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2022	Relationship with struck off company
JPS Clean Care Services Pvt. Ltd.	Other Advances	-*	(0.01)	Vendor
Jijau Garments Pvt Ltd	Trade Payables	-	-	Vendor
TBC by Nature Private Limited	Trade Receivables	-	-	Customer

\* Figures less than ₹ 50,000

As at 31<sup>st</sup> 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 <sup>st</sup> March, 2022	Balance outstanding at the end of the year as at 31 <sup>st</sup> March, 2021	Relationship with struck off company
Dewas Techno Products Pvt. Ltd.	Trade Payables	0.09	0.19	Vendor
JPS Clean Care Services Pvt. Ltd.	Other Advances	(0.01)	-	Vendor

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> March, 2023

## 51 OTHER STATUTORY INFORMATION

- (i) The Group does not have any Benami property, where any proceedings have 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 has 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), vide notification dated 31<sup>st</sup> March, 2023, has made the following amendments to Ind AS which are effective 1<sup>st</sup> April, 2023:

- (i) Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- (ii) Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

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 31<sup>st</sup> March 2023

## 54 ADDITIONAL DISCLOSURE

₹ Crores

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									
	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								
									2023		2022					
Galaxy Surfactants Limited	65.02%	1,223.97	56.17%	214.01	-0.20%	(0.11)	49.08%	213.90	72.26%	1,137.70	50.93%	133.87	4.86%	1.18	47.05%	135.05
<b>Foreign Subsidiaries</b>																
Galaxy Chemicals Inc.	0.01%	0.14	-0.01%	(0.02)	0.02%	0.01	0.00%	(0.01)	0.01%	0.15	0.00%	(0.01)	0.04%	0.01	0.00%	-
Galaxy Holdings (Mauritius) Ltd.	1.12%	21.11	-0.07%	(0.25)	4.78%	2.62	0.54%	2.37	1.19%	18.74	-0.88%	(2.31)	4.72%	1.15	-0.40%	(1.16)
Rainbow Holdings GmbH	-1.15%	(21.72)	-0.17%	(0.63)	-2.95%	(1.62)	-0.52%	(2.25)	-1.24%	(19.48)	0.05%	0.12	1.93%	0.47	0.21%	0.59
Galaxy Chemicals (Egypt) S.A.E.	25.84%	486.37	21.95%	83.63	60.15%	33.00	26.76%	116.63	23.49%	369.74	24.66%	64.81	48.73%	11.86	26.70%	76.67
Tri-K Industries, Inc.	20.01%	376.63	18.89%	71.95	45.83%	25.14	22.28%	97.09	17.76%	279.53	26.90%	70.70	35.17%	8.56	27.61%	79.26
Eliminations	-10.85%	(203.95)	3.24%	12.29	-7.63%	(4.18)	1.86%	8.11	-13.47%	(212.03)	-1.67%	(4.40)	4.56%	1.11	-1.15%	(3.29)
<b>Total</b>	<b>100.00%</b>	<b>1,882.55</b>	<b>100.00%</b>	<b>380.98</b>	<b>100.00%</b>	<b>54.86</b>	<b>100.00%</b>	<b>435.84</b>	<b>100.00%</b>	<b>1,574.35</b>	<b>100.00%</b>	<b>262.78</b>	<b>100.00%</b>	<b>24.34</b>	<b>100.00%</b>	<b>287.12</b>

For and on behalf of the Board

**U. SHEKHAR**

Managing Director

DIN : 00265017

**ABHIJIT DAMLE**

Chief Financial Officer

Place : Navi Mumbai

Date : 23<sup>rd</sup> May, 2023

**K. NATARAJAN**

Executive Director & COO

DIN : 07626680

**NIRANJAN KETKAR**

Company Secretary

Statement pursuant to first provision 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	₹ Crores
1	Galaxy Chemicals Inc	USD	82.17	-*	0.14	0.32	0.18	-	-	(0.02)	-	(0.02)	-	100%	USA	
2	Galaxy Holdings (Mauritius) Ltd.	USD	82.17	2.37	18.74	210.25	189.14	-	-	(0.24)	0.01	(0.25)	-	100%	Mauritius	
3	Rainbow Holdings GmbH	EUR	89.42	0.17	(21.89)	6.19	27.92	-	-	(0.63)	-	(0.63)	-	100%	Germany	
4	Galaxy Chemicals (Egypt) S.A.E.	USD	82.17	163.67	322.70	726.05	239.68	-	1,219.00	83.63	-	83.63	27.39	100%	Egypt	
5	Tri-K Industries Inc.	USD	82.17	-*	376.62	422.74	46.12	-	666.40	87.87	15.92	71.95	-	100%	USA	

\* Figure less than ₹ 50,000



# NOTICE TO MEMBERS

NOTICE is hereby given that THIRTY SEVENTH ANNUAL GENERAL MEETING of the Members of **GALAXY SURFACTANTS LIMITED** will be held on Thursday, August 10, 2023 through video conferencing / other audio-visual means at 2:30 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, 2023 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, 2023 together with the Report of the Auditors thereon.
3. To confirm payment of Interim Dividend of ₹ 18/- per equity share declared on February 11, 2023 and approve the final dividend of ₹ 4/- per equity share for the financial year 2022-23.
4. To appoint a Director in place of Mr. K. Natarajan (DIN: 07626680), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

5. 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 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, 2024, amounting to ₹ 4,50,000/- plus applicable taxes and reimbursement of out-of-pocket expenses, if any be and is hereby ratified;

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.”

6. To approve payment of Commission to Non-Executive directors of the Company:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of the Section 197, 198 and other applicable provisions 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 from time to time being in force) and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and also subject to such approvals as may be necessary, the approval of the Members be and is hereby accorded to the payment of such commission to the Non-Executive Directors of the Company as may be decided by the Board of Directors of the Company provided, however, that the aggregate commission so payable to all the Non-Executive Directors (i.e. directors other than the Managing Director and/ or the Wholetime Directors) of the Company per annum shall not exceed 1% of the net profits of the Company calculated in accordance with the provisions of Section 198 and any other applicable provisions of the Act or any modifications or re-enactment thereof from time to time;

RESOLVED FURTHER THAT the commission amount and the structure of payment shall be determined and reviewed by the Board of Directors of the Company (including the Nomination and Remuneration Committee) from time to time commensurate with the prevalent best practices in terms of remunerating Non-Executive Directors adequately for the time and contribution made by them;

RESOLVED FURTHER THAT the commission as stated above is payable in addition to the sitting fees payable to the Non-Executive Directors for attending the meetings of the Board or its Committees or the meetings of Subsidiaries and shall be payable for a period of five consecutive years starting from April 1, 2024 to March 31, 2029 and will also cover new appointments in such capacity on the Board of the Company during the above period;

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 or expedient to give effect to this resolution.”

7. To approve appointment of Mr. Madhavan Hariharan (DIN: 07217072) as an Independent Director:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time

being in force) and the Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and the provisions of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors the Company Mr. Madhavan Hariharan (DIN: 07217072), who was appointed as an Additional Independent Director with effect from May 23, 2023 and who holds office as such upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be appointed as an Independent Director of the Company, for a period of 5 years from May 23, 2023 not subject to liable to retire by rotation;

RESOLVED FURTHER THAT any of the Executive Directors, the Chief Financial Officer 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."

By Order of the Board of Directors

Navi Mumbai  
May 23, 2023

**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. 5 to 7 as set out in the Notice is annexed hereto.
2. The Ministry of Corporate Affairs (MCA), vide its General Circular No. 10/2022 dated December 28, 2022 read with previous general circulars viz. 2/2022 dated May 5, 2022, 19/2021 dated December 8, 2021, 20/2020 dated May 5, 2020, 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and 02/2021 dated 13<sup>th</sup> 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) up to September 30, 2023. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 37<sup>th</sup> 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](mailto:ss.and.co.cs@gmail.com) with copies marked to the Company at [investorservices@galaxysurfactants.com](mailto:investorservices@galaxysurfactants.com) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).
5. In accordance with, above referred circulars, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website [www.galaxysurfactants.com](http://www.galaxysurfactants.com) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://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](mailto: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, 2023, 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 28, 2023; 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 28 2023.

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 2023-24 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 2023-24 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 2023-24;
  - 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 2023-24.

Note : Please ensure that the above mentioned documents pertain to financial year 2023-24.

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 28, 2023 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 28, 2023 ,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](mailto: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 from the Financial year 2015-2016 , 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](mailto: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>>> & Click on "**login**". 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) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - 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" (You are now registered for InstaMeet and your attendance is marked for the meeting).
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](mailto: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](mailto:investorservices@galaxysurfactants.com) from Tuesday, August 01, 2023 from 9.00 a.m. to Thursday, August 03, 2023 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 shareholders 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 Thursday, August 03, 2023 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](http://www.galaxysurfactants.com), and on website of Link Intime India Pvt. Ltd. [www.linkintime.co.in](http://www.linkintime.co.in)
- (ii) The remote e-voting period commences on Monday, August 07, 2023 at 9:00 a.m. and will end on Wednesday, August 09, 2023 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 Thursday, August 03, 2023 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 Thursday, August 03, 2023.
- (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](http://www.galaxysurfactants.com) and shall also be submitted to stock exchanges.

### Remote e-voting instructions for Shareholders:

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 e-voting service providers directly from their demat accounts.

### Login method for Individual shareholders holding securities in demat mode is given below:

#### 1. Individual Shareholders holding securities in demat mode with NSDL

- a. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsd.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.
- b. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select «Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
- c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.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.

#### 2. Individual Shareholders holding securities in demat mode with CDSL

- a. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication.

The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

- b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
  - c. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
  - d. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. 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. After Successful login, you will be able to see e-Voting option. Once you 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider 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:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -



**A. 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.

**B. 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.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. 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).

3. Click on 'Login' under 'SHARE HOLDER' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. 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).
4. 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](mailto: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
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**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.*

**EXPLANATORY STATEMENT PURSUANT SECTION 102(1) OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE 37<sup>TH</sup> ANNUAL GENERAL MEETING OF GALAXY SURFACTANTS LIMITED TO BE HELD THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS ON THURSDAY, AUGUST 10, 2023 AT 2:30 PM (IST).**

**Item no. 5**

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, 2024 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, 2024.

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. 5 as an Ordinary Resolution for the approval of the members.

**Item no. 6**

In the 32<sup>nd</sup> Annual General Meeting held on Thursday, August 9, 2018, the members have approved the payment of commission to Non-Executive Directors of the Company as may be decided by the Board under the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the period of 5 years commencing from April 1, 2019 to March 31, 2024.

The Board is of the opinion that Non-Executive Directors should be fairly remunerated for their time and contribution in performance of the Company. Your Company benefits from their professional expertise as independent professionals/ business executives and through their invaluable experience in corporate excellence.

Your Board, therefore, recommends that the Company continue to pay commission to the Non-Executive Directors on the Board of the Company subject to the provisions of the Section 197, 198 and other applicable provisions 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 from time to time being in force)

and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations) as amended from time to time for a further period of five years commencing from April 1, 2024 to March 31, 2029.

Your Board proposes to pay to the Non-Executive Directors such commission as the Board of Directors may deem appropriate within the overall limit of 1% of the Net Profits of the Company, calculated in accordance with the provisions of Section 197, 198 and other related provisions of the Companies Act, 2013.

Your Board is of the opinion that within the maximum permissible limits prescribed under the law, it should be able to structure, review and determine the commission payable to Non-Executive Directors in line with their respective contributions and prevalent best corporate practices. None of the Directors or Key Managerial Personnel and/ or their relatives is deemed to be interested to be concerned or interested in the Resolution at Item no. 6 of the accompanying notice except the Non-Executive Directors.

Your Board recommends the Resolution at Item no. 6 as an ordinary resolution for the approval of the Members.

**Item no. 7**

The Board on the recommendation of the Nomination and Remuneration Committee in its meeting held on May 23, 2023 has approved the appointment of Mr. Madhavan Hariharan (DIN: 07217072) as an Additional Director, and as an Independent Director for a period of 5 years effective from May 23, 2023 subject to the approval of the Members. The Company has, received a notice in writing from a Member, in terms of Section 160(1) of the Act, proposing his candidature for the office of Director.

The Company has received a declaration from Mr. Madhavan Hariharan confirming that he meets the criteria of independence under the Act and SEBI Regulations. Further the Company has also received consent to act as a director in terms of the section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In opinion of the Board, Mr. Madhavan Hariharan fulfils the conditions specified in the Act and Rules made thereunder and SEBI Regulations for his appointment as an Independent Director of the Company and is independent of the management.

In accordance with the provisions of Section 149 read with Schedule IV of the Act, appointment of Independent Directors requires approval of the Members of the Company. Further in terms of SEBI Regulations effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three

months from the date of the appointment, whichever is earlier. Accordingly, the appointment of Mr. Madhavan Hariharan as an Independent Director would require the approval of the Members by passing a special resolution.

Mr. Madhavan Hariharan is a Chartered Accountant (ACA), Company Secretary (ACS) and CISA. He has also done multiple leadership programs at Harvard, Wharton and IIM.

Mr. Madhavan is currently working as the Group CFO and Head of Strategy at the CK Birla Group and has been with them for the past five years. The CK Birla Group is a \$3B group and has presence in India, Europe, USA, across five Listed and five unlisted companies. In this role he is responsible for Group Strategy, Finance, Governance & Risk Management and actively supports Leadership hiring and capability building.

Prior to joining CK Birla Group, he has worked with Royal Philips, Netherlands (1998-2017) in various capacities as CFO, Emerging Markets, Healthcare, CFO Automotive Lighting, CFO India and group roles including global Finance Transformation, Go to Market, Restructuring and M&A.

He has also worked with Ashok Leyland, PepsiCo, TATA SIA, Telecom Startup between (June 1989 to December 1997) in the many functions such as Internal Audit, Treasury, Financial Planning and Analysis.

NRC has identified amongst others, leadership capabilities, finance & risk management, global experience/international exposure as the skills required for this role.

The Board and NRC is of the view that with his vast experience in leading large corporates in senior roles in diverse jurisdictions, Mr. Madhavan can bring his experience and skills in finance and administration, project management, legal and secretarial, business acumen. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. Madhavan as an Independent Director, for the approval by the shareholders of the Company.

Draft letter of appointment of Mr. Madhavan Hariharan setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode. Disclosures as required under secretarial standards 2 on General Meetings and Regulation 36(3) of SEBI Regulations are provided as an Annexure to this notice.

Except Mr. Madhavan Hariharan, being the appointee, none of the Directors, Key Managerial Personnel (KMP) or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out in Item no. 7.

By Order of the Board of Directors

Navi Mumbai  
May 23, 2023

**Niranjan Ketkar**  
Company Secretary

**Registered Office:**  
C-49/2, TTC Industrial Area, Pawne,  
Navi Mumbai – 400 703, India,  
Phone: +91-22-27616666

**DETAILS OF DIRECTOR SEEKING APPOINTMENT AT 37TH ANNUAL GENERAL MEETING PURSUANT TO SECRETARIAL STANDARDS OF GENERAL MEETINGS (SS-II) AND REGULATION 36(3) OF THE SEBI REGULATIONS:**

**Annexure-1**

<b>Name of the Director</b>	<b>Mr. K. Natarajan</b>	<b>Mr. Madhavan Hariharan</b>
<b>Director Identification Number</b>	07626680	07217072
<b>Age (years)</b>	58	57
<b>Qualifications</b>	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.	Chartered Accountant (ACA), Company Secretary (ACS) and CISA. He has also done multiple leadership programs at Harvard, Wharton and IIM.
<b>Date of First Appointment on the Board</b>	October 1, 2016	May 23, 2023
<b>Expertise in specific general functional area</b>	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. Madhavan is currently working as the Group CFO and Head of Strategy at the CK Birla Group and has been with them for the past five years. The CK Birla Group is a \$3B group and has presence in India, Europe, USA, across five Listed and five unlisted companies. In this role he is responsible for Group Strategy, Finance, Governance & Risk Management and actively supports Leadership hiring and capability building.  Prior to joining CK Birla Group, he has worked with Royal Philips, Netherlands (1998-2017) in various capacities as CFO, Emerging Markets, Healthcare, CFO Automotive Lighting, CFO India and group roles including global Finance Transformation, Go to Market, Restructuring and M&A.  He has also worked with Ashok Leyland, PepsiCo, TATA SIA, Telecom Startup between (June 1989 to December 1997) in the many functions such as Internal Audit, Treasury, Financial Planning and Analysis.
<b>Shareholding in the Company</b>	9600 equity shares of ₹ 10 each jointly held with Mrs. Parvathy Natarajan.	NIL
<b>Relationship with other Directors/ KMP</b>	NIL	NIL
<b>Terms and conditions of appointment</b>	Not Applicable	As per resolution no. 7 of the notice read with the explanatory statement
<b>Remuneration last drawn including sitting fees</b>	Salary & Allowances ₹ 2.00 Cr	Not applicable
<b>Remuneration proposed to be paid</b>	Not Applicable	Sitting fee and commission as paid to other Non-Executive Directors
<b>No of Board Meetings attending during the financial year (2022-23)</b>	5 Board Meetings	Not applicable
<b>Directorships of the other Boards as on March 31, 2023</b>	Galaxy Chemicals (Egypt) S.A.E	NIL
<b>Membership/ Chairmanship of Committees in other Boards as on March 31, 2023 alongwith listed entities from which the person has resigned in the past three years</b>	NIL	NIL

# Water Stewardship & Inclusive Growth



**Zero** Liquid Discharge  
(at all manufacturing units in India)



**1.4X** Water Positive



Committed to develop science-based targets with the **SBTi**



**Supplier Engagement Leader 2021**  
awarded by CDP



**5 lakh+** people impacted through our social initiatives



*Global Supplier to Global Brands*

## Galaxy Surfactants Ltd.

CIN: L39877MH1986PLC039877

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