

***GALAXY AGRICO EXPORTS LIMITED***

***RAJKOT***



***ANNUAL REPORT***

***2008-2009***



# DIRECTORS' REPORT AGRICO EXPORTS LTD.

To,  
The Members,  
**GALAXY AGRICO EXPORTS LTD.,**

The Directors have pleasure in presenting their FIFTEENTH ANNUAL REPORT and the Audited Statement of Accounts of your company for the year ended **31<sup>st</sup> MARCH, 2009**

## 01) FINANCIAL RESULTS:

[Rs. in Lacs]

Particulars	31.03.09	31.03.08
Total Income	672.19	1,456.08
Total Expenditure excluding Interest & Depreciation	584.69	1330.33
Profit before Interest & Depreciation	87.50	125.75
Less : Interest & Financial charges	32.70	51.60
Depreciation & Miscellaneous Expenditure Written Off	42.34	41.75
Profit before tax	12.46	32.40
Less : Provision for Tax:		
Current Tax	0.80	3.53
Deferred Tax	4.01	7.06
Fringe Benefit Tax	0.46	0.75
Profit after tax	7.19	21.06
Balance of P&L A/c. Brought Forward from Previous Year	226.45	204.69
Add : Excess/(Short) Provision of Tax of earlier year	0.22	(0.71)
Less : Prior Period Expenses	(4.69)	
Balance of P&L A/c. Carried Forward to Balance Sheet	229.17	226.46

## 02) DIVIDEND:

Your directors do not recommend any dividend for the year ended on 31<sup>st</sup> March, 2009.

## 03) OPERATIONS:

The Company recorded a lower net turnover of **Rs. 694.10** Lac as compared to Rs. 1450.20 Lac in the previous year and Profit after tax of **Rs. 7.19** Lac as compared to Rs.21.06 Lac in the previous year.

## 04) RESPONSIBILITY STATEMENT:

Your Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st MARCH, 2009 and of the Profit of the Company for that year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

Regd. Off. : 302, Diwali Chambers, Opp. Mehta Petrol Pump, Dhebar Road, Rajkot - 360 002. Gujarat. (India)

Ph. : 91-281-2234139, 2233091, Fax : 2224888, Website : <http://www.galaxyagrico.com>

E-mail : [info@galaxyagrico.com](mailto:info@galaxyagrico.com) / [galaxy\\_ad1@sancharnet.in](mailto:galaxy_ad1@sancharnet.in)

Factory : 236, Jai Kishan Ind. Estate, Behind Murlidhar Weigh Bridge, Veraval (Shapar) Dist. : (Rajkot). Guj. (India)

Ph. : 91-2827-252676, 252990 Fax : 254371 E-mail : [works@galaxyagrico.com](mailto:works@galaxyagrico.com)




**05) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Your Company has given utmost priority for conservation of energy and shall continue to do the same in future.

**A. Power & Fuel Consumption:**

(i)	Electricity	2008-2009	2007-2008
a)	Purchased:		
	Units	4,87,272	11,70,560
	Total Amount Rs.	37,99,983	68,35,693
	Rate/Unit Rs.	7.80	5.84
b)	Own Generation	Nil	Nil
(ii)	Fuel		
	Quantity (Ltrs.)	1,13,246	3,63,268
	Total Cost Rs.	21,53,288	67,64,392
	Average Cost (Per Ltr.) Rs.	19.01	18.62

**B. Consumption per unit of Production:**

Your company manufactures variety of products. The products, before reaching the finishing stage, passes through various operations. It is, therefore, not feasible to furnish the information in respect of consumption of power and fuel per unit of production.

**C. Foreign Exchange Earning & Outgo:**

		[Amt. in lacs]	
		2008-09	2007-08
Foreign Exchange earned	Rs.	610.35	1,305.53
Foreign Exchange used	US \$	0.10	0.68
	Euro	---	0.76
	GBP	---	0.11
	Pound	---	0.16

**06) Environment:**

Your company has taken due care not to disturb the ecological balance of the region. The company also planted number of trees in the surrounding area to keep the environment pollution free.

**07) DIRECTORS:**

Shri Ajay Patel and Shri Jayantilal Patel retire by rotation and being eligible offer themselves for re-appointment.

**08) PARTICULARS OF EMPLOYEES:**

There are no employees whose details are required to be mentioned as per Section 217(2A) of the Companies Act, 1956.

Regd. Off. : 302, Diwali Chambers, Opp. Mehta Petrol Pump, Dhebar Road, Rajkot - 360 002, Gujarat. (India)

Ph. : 91-281-2234139, 2233091, Fax : 2224888, Website : <http://www.galaxyagrico.com>

E-mail : [info@galaxyagrico.com](mailto:info@galaxyagrico.com) / [galaxy\\_ad1@sancharnet.in](mailto:galaxy_ad1@sancharnet.in)

Factory : 236, Jai Kishan Ind. Estate, Behind Murlidhar Weigh Bridge, Veraval (Shapar) Dist. : (Rajkot), Guj. (India)

Ph. : 91-2827-252675, 252990 Fax : 254371 E-mail : [works@galaxyagrico.com](mailto:works@galaxyagrico.com)





[[ 3 ]]

**09) AUDIT COMMITTEE:**

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement the Audit Committee comprises of the following Directors:

Mr. Bharat T. Shah  
Mr. Ajay R. Patel  
Mr. Shashikant Bhalodi

The Audit Committee of the Board of Directors reviews, acts and reports to the Board with respect to various auditing and accounting matters.

**10) AUDITORS:**

M/s. Mistry & Associates, Chartered Accountants, auditors of the company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. M/s. Mistry & Associates have indicated their willingness to act as such and have confirmed that their re-appointment, if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956.


**11) CORPORATE GOVERNANCE:**

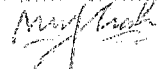
A separate report on Corporate Governance along with Auditor's Certificate on its compliance is attached as a part of the Annual Report.

**12) ACKNOWLEDGEMENT:**

Your directors wish to express their appreciation to all employees of the Company for their excellent support and co-operation in achieving the Organizational Goals during the period under review. The Board wishes to thank the Government, Company's Bankers and all other Institutions connected with the company who have extended their support to the company during its operations.

FOR &amp; ON BEHALF OF THE BOARD OF DIRECTORS,

  
Sanjay J. Patel  
Director

  
Manoj H. Shah  
Director

Rajkot, 25<sup>th</sup> August, 2009

Regd. Off. : 302, Diwali Chambers, Opp. Mehta Petrol Pump, Dhebar Road, Rajkot - 360 002. Gujarat. (India)

Ph. : 91-281-2234139, 2233091, Fax : 2224888, Website : <http://www.galaxyagrico.com>E-mail : [info@galaxyagrico.com](mailto:info@galaxyagrico.com) / [galaxy\\_ad1@sancharnet.in](mailto:galaxy_ad1@sancharnet.in)

Factory : 236, Jai Kishan Ind. Estate, Behind Murlidhar Weigh Bridge, Veraval (Shapar) Dist. : (Rajkot): Guj. (India)

Ph. : 91-2827-252676, 252990; Fax : 254371 E-mail : [works@galaxyagrico.com](mailto:works@galaxyagrico.com)

**MISTRY & ASSOCIATES**  
Chartered Accountants

C/o. G. S. Panchal,  
Railway Station Road,  
Idar, Dist.: Ahmedabad

### **AUDITORS' REPORT**

To,  
The Members of  
**GALAXY AGRICO EXPORTS LTD.,**

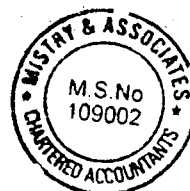
We have audited the attached Balance Sheet of GALAXY AGRICO EXPORTS LIMITED, as at **31<sup>st</sup> March, 2009**, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and as amended by Companies (Auditor's Report) (Amendment) Order, 2005 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2009, and taken on records by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



**MISTRY & ASSOCIATES**  
Chartered Accountants

C/o. G. S. Panchal,  
Railway Station Road,  
Idar, Dist.: Ahmedabad

### **AUDITORS' REPORT**

[[ 2 ]]

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at *31<sup>st</sup> March, 2009*;
  - (b) in the case of the Profit & Loss Account, of the *Profit* for the year ended on that date; and
  - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.



For Mistry & Associates,  
Chartered Accountant

Suresh Mistry  
Proprietor

Ahmedabad, Dated 25<sup>th</sup> August, 2009

**MISTRY & ASSOCIATES**  
Chartered Accountants

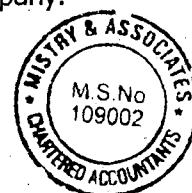
C/o. G. S. Panchal,  
Railway Station Road,  
Idar, Dist. : Ahmedabad.

### Statement on the Companies (Auditor's Report) Order, 2003

To,  
The Members,  
**Galaxy Agrico Exports Limited**

Referred to in paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off substantial part of fixed assets and the going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. As explained to us, there was no material discrepancy noticed on physical verification of inventory as compared to the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms, or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956;
  - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 do not exceed Rs. 5,00,000/- (Rupees Five lacs only) or more in respect of each party. Accordingly Clause (v) (b) of the Order is not applicable to the Company.



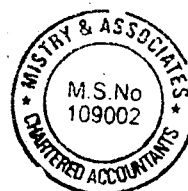


**MISTRY & ASSOCIATES**  
Chartered Accountants

C/o. G. S. Panchal,  
Railway Station Road,  
Idar, Dist. : Ahmedabad.

[[ 2 ]]

- (vi) The Company has not accepted any deposits from the Public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of goods manufactured by the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
- (ix) In respect of Statutory dues;
  - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.
  - (d) According to the information and explanations given to us, there are no dues outstanding of income tax, wealth tax, service tax, sales tax, value added tax, customs duty, excise duty and cess on account of any dispute.
- (x) In our opinion, the Company does not have any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) In our opinion and according to the information & explanations given to us, no loans and advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a *nidhi* mutual benefit fund/ society. Accordingly, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, in our opinion, the Company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.





**MISTRY & ASSOCIATES**  
Chartered Accountants

**C/o. G. S. Panchal,**  
**Railway Station Road,**  
**Idar, Dist. : Ahmedabad.**

[[ 3 ]]

- (xvi) In our opinion the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that short term funds amounting to Rs.51.39 Lacs were used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4 (xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Mistry & Associates,  
Chartered Accountants

Suresh Mistry  
Proprietor

Ahmedabad, Dated 25<sup>th</sup> August, 2009

