



ANNUAL REPORT 2011-12

COMPANY INFORMATION

BOARD OF DIRECTORS

JAYANTILAL PATEL
MANOJBHAI SHAH
SANJAYBHAI PATEL
BHARAT SHAH
AJAY PATEL
SHASHIKANT BHALODI

MANAGING DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR

COMPANY SECRETARY

MINAL D. SHAH

AUDITORS

ARUN M. KOTHARI
4- Jay Gujarat Society,
Opp: Police Comm. Office
Shahibaug, Ahmedabad (Gujarat) India

REGISTRAR AND SHARE TRANSFER AGENT

MAIN OFFICE

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound,
Lbs Road, Bhandup (West)
Mumbai 400078 (MAHARASHTRA) INDIA

AHMEDABAD BRANCH

Link Intime India Pvt Ltd
303, Shopper's Plaza, - V,
Opp Municipal Market ,
Off C G Road, Navrangpura ,
Ahmedabad – 380009 (GUJARAT) INDIA
Phone : 079 – 26465179,
ahmedabad@linkintime.co.in

REGISTERED OFFICE

S. NO. 236, Jai kishan Indusrial Estate,
Behind Murlidhar Weighbridge
Veraval (Shapar)
Dist: Rajkot 360024
(GUJARAT) INDIA

GALAXY AGRICO EXPORTS LIMITED

RAJKOT

ANNUAL REPORT

2011-2012

DIRECTORS' REPORT

To,
The Members,
GALAXY AGRICO EXPORTS LTD.,

Your Directors have pleasure in presenting the Eighteenth Annual Report along with the Audited Accounts of your company for the Financial Year ended on 31st March, 2012.

	[` In Lakhs]	
FINANCIAL RESULTS	2011-12	2010-11
Revenue From Operations (Net)	584.61	464.82
Other Income	19.87	17.01
Total Income	604.48	481.83
Profit Before Finance Costs and Depreciation	92.97	74.53
Less : Finance Costs	32.86	15.48
Depreciation	36.80	34.36
Profit Before Tax [PBT]	23.31	24.69
Less : Provision for Tax:		
Net Current Tax	0.19	4.60
Deferred Tax	10.38	12.72
Short provision for tax of previous year	0.02	--
Profit After Tax [PAT]	12.73	7.37
Add : Profit brought forward from previous years	193.27	185.90
Surplus Carried Forward	206.00	193.27

DIVIDEND:

Your directors do not recommend any dividend for the F.Y. 2011-12.

OPERATIONS:

The Company recorded a total income of ` 604.48 Lakhs as compared to ` 481.83 Lakhs in the previous year, thus showing an increase of 25%. It made Profit after tax of ` 12.73 Lakhs as compared to ` 7.37 Lakhs in the previous year.

The company continues to focus on manufacturing of forged rings and has sold off major portion of its Plant and Machinery pertaining to manufacturing of Agricultural implements. The company is in the process of expanding its capacities in the manufacturing of forged rings which would be completed in the upcoming financial year.

DIRECTORS:

Shri Ajay R. Patel and Shri Manoj H. Shah retire by rotation and being eligible, offer themselves for re-appointment.

Shri Jayantibhai Patel is re-appointed as a Managing Director w.e.f 01st April 2012 in Extra Ordinary General Meeting held on 31st March 2012.

DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the directors of your company confirm that:

- the Annual Accounts for the year ended 31st March 2012 have been prepared in accordance with the Revised Schedule VI applicable to the Company with all the applicable Accounting Standards;

- such Accounting Policies have been selected and applied consistently supported by management 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 and of the Profit of the Company for that period;
- proper and sufficient care had been taken for the maintenance of adequate Accounting Records, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Accounts for the year ended 31st March 2012 have been prepared on a “going concern” basis;

CORPORATE GOVERNANCE:

The Company has been pro-active in following the principles and practices of good Corporate Governance. The Company has taken adequate steps to ensure that the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges are complied within letter and spirit. A certificate regarding compliance of conditions of corporate governance is appended to this report.

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. Manoj H. Shah

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

AUDITORS:

ARUN M. KOTHARI, auditor of the Company will retire at the ensuing Annual General Meeting and is eligible for re-appointment for F.Y. 2012-13. ARUN M. KOTHARI has indicated his willingness to act as such and has confirmed that his re-appointment, if made, would be within the limits specified under Section 224(1-B) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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:

		2011-12	2010-11
(i)	Electricity		
	<u>Purchased:</u>		
	Units	15,00,398	16,06,224
	Total Amount `	1,08,45,447	99,26,213
	Rate/Unit `	7.23	6.18
(ii)	Fuel		
	Quantity (Liters)	--	4,886
	Total Cost `	--	1,10,627
	Average Cost (Per Liter) `	--	22.64

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 Earned & Used:

[` in lakhs]

	2011-12	2010-11
Foreign Exchange earned	170.11	121.48
Foreign Exchange used	--	0.23

ENVIRONMENT:

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

PARTICULARS OF EMPLOYEES:

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

ACKNOWLEDGEMENT:

Your directors wish to express their appreciation to all the 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 and on behalf of the Board,

JAYANTILAL D. PATEL
Chairman & Managing Director

MANOJ H. SHAH
Director

Rajkot, 4th August, 2012

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

a) Industry Structure & Developments

The largest user segment for bearings is automobiles. Other users fall in industrial segment. Though the output is positive in long run, industry faces challenges in near future due to high inflation and uncertainty in global economic situation.

b) Opportunities & Threats

The demand for automobile products in India is growing at furious speed and with consideration of that Company is increasing its focus in manufacturing of Bearing Rings. The Company has got excellent opportunities for growth, both in domestic and export markets. The Company faces stiff competition with new companies being established and with the players in the un-organised market.

c) Segment / Product wise performance

Your company has a single business segments namely manufacturing of Bearing Rings while it only trades in Agriculture and Gardening tools and equipments.

d) Outlook

The Indian economy is on track and is expected grow even higher. Your company will continue to focus on expanding the domestic market as well as look for new pastures in the export market developing new products for Original Equipment Manufacturers.

e) Risk & Concerns

As in all business, ours is also grown to external and internal risks. However, to counter as many risks as possible, your company has written risk policy and the same is reviewed at a regular intervals and effective measures are put in place from time to time for minimizing these risks.

f) Internal control systems & their adequacy

The Company has in place an effective and independent internal control system covering all areas of operations. A regular review is done in respect of the financial and operating controls at various locations of the company. The audit committee at it's periodic meetings, reviews observations and recommendations contained in internal audit reports, where both statutory as well as internal auditors participate. Independent opinions are expressed on issues of concern and the consequential corrective actions are reviewed by the audit committee.

g) Discussion on financial performance with respect to operational performance

The financial performance of the Company has been given separately in the Directors Report.

h) Material development in human resources / industrial relation front, including number of people employed.

The Company continued its efforts towards strengthening of human resources by providing employees with better working atmosphere, by giving proper training at all the levels.

Industrial relations during the year continued to be cordial and peaceful.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the company supported the broad principles of corporate governance. Given below is a report on corporate governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance is provisional rules and guideline of managing the company. It minimizes the use of company to acquire self interest and minimize the occurrence of mistake and fraud in the company. Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Corporate Governance philosophy emerges from the belief that the business strategy and plans should be consistent with the welfare of all stakeholders and should be in line with National Economic policies of the Government of India.

The Company made conscious efforts to institutionalize Corporate Governance practices and further believe that it shall go beyond adherence to the regulatory framework. Corporate structure, business and disclosure practices have been aligned to Company's Corporate Governance Philosophy. The Company will continuously endeavour to take forward the best practices to enhance stakeholders' value.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

2. BOARD OF DIRECTORS

49 A (i)

The Board of Directors of the Company has an optimum combination of executive and non executive Directors. The present board comprises of three executive director and three non-executive directors.

49 A (ii)

The Chairman of the company is Jayantilal Patel who is a Managing Director. Further board is comprised of Three Independent Director which is 50 % of total strength of the Board of Director.

49 A (iv)

Any nominee Director has been not appointed by any Financial or other institution.

49 B

No fees/compensation, sitting fees paid to non-executive directors, including independent Directors so there is no any previous approval of shareholders in general meeting

49 C (i) (ii)

The Board of Director has duly met as per compliance of Section 49C. The details of which is given as under

During the year ended March 2011 - 12 meeting was held on the following dates:

28/04/2011
30/07/2011
20/12/2011

30/04/2011
13/09/2011
27/01/2012

08/06/2011
05/10/2011
01/03/2012

28/06/2011
01/11/2011
31/03/2012

Name	Category Of Directorship	Total No. of Direct- orship	Membership/ Chairmanship of any other Committee		Board Meeting		Last AGM attended or not
			Chairman	Member	Held	Attended	
Shri Jayantilal Devjibhai Patel	Managing director Executive	1	2	0	12	11	Yes
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive	2	0	2	12	12	Yes
Shri Manoj Harsukhlal Shah	Whole Time Director- Executive	1	0	3	12	12	Yes
Shri Bharat Trambaklal Shah	Independent –Non Executive	1	1	1	12	10	Yes
Shri Ajay Ramjibhai patel	Independent - Non Executive	1	1	1	12	11	Yes
Shri Shashikant Jadavbhai Bhalodi	Independent - Non Executive	1	0	1	12	8	Yes

The information as required under annexure IA to the clause 49 of the listing agreement is made available to the Board of Director

It is clarified by all the director that they are not a member in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a director

49 C (iv)

No Independent director of the Company is removed or resigned from the Company so no compliance required under the clause.

COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors has constituted Four Committee

- :→ Audit Committee
- :→ Investor Grievance Committee
- :→ Share Transfer Committee
- :→ Remuneration Committee

3. AUDIT COMMITTEE

The Committee comprises with combination of independent and executive Directors having financial background and knowledge in the business of the Company. The Committee comprises of following director

Sr. No.	Name of Director	Status
01	Shri Bharat Trambaklal Shah	Chariman- Independent –Non Executive
03	Shri Manoj Harsukhlal Shah	Whole time Director (Executive Director)
01	Shri Ajay Ramjibhai Patel	Independent- Non Executive

The Committee is engaging with reviewing with management, Quarterly, Half Yearly and annual financial statements before submission to the Board and overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

The meeting of the Audit committee was held seven times during the financial year and not more than four months has been elapsed between two meetings. Independent Director was present in all the meeting of committee.

Main Scope of Audit Committee in existing year

- :→ Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
- :→ Review of the half-yearly and annual financial statements before submission to the Board.
- :→ Review and take on record the un-audited quarterly results of the Company before publication.
- :→ Supervision of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.