



GALAXY
AGRICO EXPORTS LTD.

ANNUAL REPORT 2012 - 2013

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

REGISTER 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, Navrangapura,
Ahmeabad-380009 (GUJARAT) INDIA
ahmedabad@linkintime.co.in

REGISTERED OFFICE

S.NO.236 Jaikishan Ind. Estate,
Behind Murlidhar Weigh Bridge,
Veraval (Shapar)
Dist. Rajkot-360024
(GUJARAT) INDIA



DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting the **NINETEENTH ANNUAL REPORT** and Audited Accounts of your company for the year ended **31st March, 2013**.

Financial Performance

[` In Lakhs]

Particulars	2012-13	2011-12
Revenue From Operations (Net)	546.24	583.59
Earnings before Interest, Depreciation and Tax	(9.28)	72.09
Less: Finance Costs	(41.46)	(32.86)
Depreciation	(36.30)	(36.80)
Add: Other Income	7.82	20.87
Profit / (Loss) Before Tax	(79.22)	23.31
Less: Tax Expense		
Net Current Tax	-	0.19
Deferred Tax	4.36	10.38
Short provision for tax of previous year	0.01	0.02
Profit / (Loss) After Tax	(83.59)	12.73
Add: Surplus brought forward from previous years	206.00	193.27
Surplus Carried Forward	122.39	206.00

Dividend

The directors do not recommend any dividend for the year ended 31st March, 2013.

Operations

Your Company recorded a Net Revenue of ` **546.24 Lakhs** as compared to ` 583.59 Lakhs in the previous year, thus showing a decrease of 6.4%. It made Loss after tax of ` **83.59 Lakhs** as compared to Profit of ` 12.73 Lakhs in the previous year.

Subsidiary

A wholly-owned subsidiary under the name "Accumax Rings Limited" has been incorporated in the month of April 2013. The subsidiary has been established to focus on the Forged Rings segment of your Company and thus your Company will transfer all its segmental assets and liabilities pertaining to the Forged Rings to the wholly-owned subsidiary. Your Company will thereafter focus on the Agriculture Equipments & Trading business.

Directors

Shri Shashikant Bhalodi and Shri Sanjay Patel retire by rotation and being eligible, offer themselves for re-appointment.



Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- the Annual Accounts for the year ended 31st March, 2013 have been prepared in accordance with all the applicable Accounting Standards except AS-15 "Employee Benefits" to the extent mentioned in Note-H of Statement on Significant Accounting Policies;
- 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 Loss 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, 2013 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. Manoj H. Shah
Mr. Bharat T. Shah
Mr. Ajay R. Patel

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

Auditor and Auditor's Report

Arun M. Kothari, Chartered Accountant, the Auditor of the Company will retire at the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment for F.Y. 2013-14. 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.

The observation made by the Auditor in his report with regards to Accounting Standard 15 "Employee Benefits" has been clarified in the relevant Note-H of Statement on Significant Accounting Policies forming part of the financial statements, which is self-explanatory.



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

	Particulars	2012-13	2011-12
(i)	Electricity		
	Units (Numbers)	14,20,630	15,00,398
	Total Amount (` in Lakhs)	123.29	108.45
	Rate/Unit (`)	8.68	7.23

B. Foreign Exchange Earnings and Outgo

[` in lakhs]

	Particulars	2012-13	2011-12
	Total foreign Exchange earned	23.02	170.11
	Total foreign Exchange used	2.44	--

C. Technology Absorption

The Company has not taken any new technology in particular or entered into any technology agreement during the period hence the information required is not applicable.

The technology used by the Company is indigenously developed and no technology has been imported.

Environment

Your company has taken due care so as not to disturb the ecological balance of the region. The company has also planted a number of trees in the surrounding area so as 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
Jayantilal D. Patel
Chairman & Managing Director

Manoj H. Shah
Manoj H. Shah
Director

Rajkot, 28th May, 2013



CORPORATE GOVERNANCE REPORT

"Governance" - This includes the Board of Director and senior Management setting a tone at the top and providing compliance and ethics programs with the necessary resources, independence, standing and authority to be effective

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is all about commitment to values and ethical business conduct. At our Company the Good Corporate Governance is intrinsic to the management of Company in a fair and transparent manner. As a responsible corporation, these values set the framework to maintain accountability in all our affairs and employ democratic and open process.

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

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)

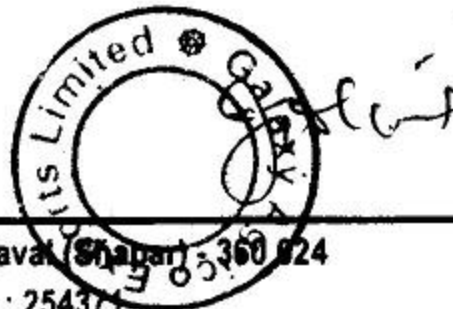
The Chairman of the company is Jayantilal Patel who is a Managing Director. Further board is comprised of Three Independent Director which is 50 % of total strength of the Board of Director.

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



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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 2012- 13 meeting was held on the following dates:

28/04/2012	25/05/2012	18/06/2012	28/07/2012
04/08/2012	30/09/2012	27/10/2012	15/12/2012
28/01/2013	30/03/2013		

Name	Category Of Directorship	Total No. of Directorship	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	10	7	Yes
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive	2	0	2	10	10	Yes
Shri Manoj Harsukhlal Shah	Whole Time Director- Executive	1	0	3	10	10	Yes
Shri Bharat Trambaklal Shah	Independent -Non Executive	1	1	1	10	8	Yes
Shri Ajay Ramjibhai patel	Independent-Non Executive	1	1	1	10	8	Yes
Shri Shashikant Jadavbhai Bhalodi	Independent-Non Executive	1	0	1	10	7	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	Chairman- Independent –Non Executive
02	Shri Manoj Harsukhlal Shah	Whole time Director (Executive Director)
03	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 six 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.
- Reviewing with management the annual financial statements before submission to the Board.
- Urgent implementation of any change in Accounting standard of policy by any Act, Rules, Regulation, Listing Agreement, Accounting Standard.

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- Compliance with accounting standards.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Review and compliance of Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

Sr. No.	Name of Director	Status
01	Shri Ajay Ramjibhai Patel	Chairman - Independent- Non Executive
02	Shri Shashikant Jadavbhai Bhalodi	Independent - Non Executive
03	Shri Bharat Trambaklal Shah	Independent - Non Executive

- Reviewing the company's financial and risk management policies.

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee. The remuneration committee comprises of three non executive independent directors and Chairman of the Committee is an Independent Director. The reference of the remuneration committee are to recommend the Company's Policy on remuneration packages for the Managing Director/ Executive Directors reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

The Committee consisting of following Director

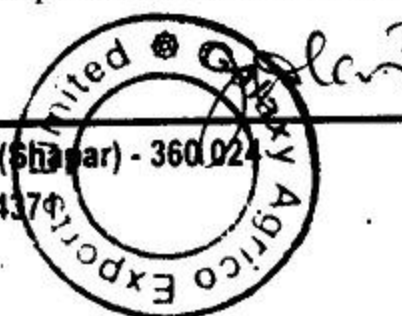
Remuneration and sitting fees of the Director

Name	Salary Perquisite and Allowance
Shri Jayantilal Patel	Nil
Shri Sanjay Jayntilal Patel	20000/ Month
Shri Manoj Harsukhlal Shah	20000/ Month
Shri Shashikant Bhalodi	Nil
Shri Bharat Shah	Nil
Shri Ajay Patel	Nil

5. INVESTORS GRIEVANCE COMMITTEE

The Committee meets as and when required, to deal with the matters relating to transfer/transmission of share, and monitors redressal of complaints from shareholders relating to transfer, non receipt of balance sheet, dividend declared etc., Mr. Jayantilal Devjibhai Patel executive directors is handling the committee.

The Committee mainly engaged with Redressing of Shareholders and Investors complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc.





Composition of Investor Grievance Committee:

Name	Designation
Shri Jayantilal Devjibhai Patel	Chairman, Executive Director
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive
Shri Manoj Harsukhlal Shah	Whole Time Director-Executive

Status of Complaints

Complaint Received	Complained Solved	Complaint pending
NIL	NIL	NIL

The meeting of committee was held Eight times on

28/04/2012	16/06/2012	31/07/2012	06/08/2012
01/11/2012	17/12/2012	01/01/2013	01/03/2013

6. SHARE TRANSFER COMMITTEE

The Share transfer committee is empowered to consider and approve the physical transfer, transmissions, transposition, issue of duplicate Share Certificate, Consolidation-Split-Renewal of Share Certificate etc.

Composition of Share Transfer Committee:

Name	Designation
Shri Jayantilal Devjibhai Patel	Chairman – Executive Director
Shri Sanjay Jayntilal Patel	Whole Time Director - Executive
Shri Manoj Harsukhlal Shah	Whole Time Director-Executive

The meeting of committee was held Twenty four times on

15.04.2012	30.04.2012	15.05.2012	31.05.2012	15.06.2012	30.06.2012
15.07.2012	30.07.2012	16.08.2012	30.08.2012	15.09.2012	30.09.2012
15.10.2012	30.10.2012	15.11.2012	30.11.2012	15.12.2012	30.12.2012
15.01.2013	31.01.2013	15.02.2013	28.02.2013	15.03.2013	30.03.2013





7. GENERAL BODY MEETING

Location, time and date where last three Annual General Meeting were held given below:

Financial Year	Date And Time	Location of the Meeting
2009-2010	31/08/2010	Registered office of the Company
2010-2011	09/09/2011	Registered office of the Company
2011-2012	20/09/2012	Registered office of the Company

* There was no Extra Ordinary General Meeting held during the year.

DISCLOSURE

a) Related Party Transaction

Related party transactions are defined as transactions of the Company of material nature, with promoters, Directors or the management, their subsidiaries or relatives etc. That may not have potential conflict with the interest of the Company at large.

A statement/ Summary of transaction with related party in the ordinary course of business are regularly place before the Audit committee.

As per opinion of the board all the transaction entered by the company are in the normal course of business and all are on the arm's length.

b) Disclosure on accounting treatment

In preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has not been followed

c) Proceed from Public Issue, Right Issue or Preferential Issue

No Public issue, Right Issue or any Preferential Issue has been made during the financial year

d) Compliance by the company

During the last three years, there were no penalties, strictures imposed by either SEBI or any statutory authority for non-compliance of any matter related to the capital market. The Company has duly paid penalty for late filing of various forms to Registrar of Companies, if any.

e) CEO/CFO Certification

Mr. Jayantilal Devjibhai Patel issued a certificate to the board as prescribed under sub-clause V of Clause 49 of the listing agreement. The said certificate is attached with the Corporate Governance Report.

