

8th

ANNUAL REPORT

2017-2018



GALA GLOBAL PRODUCTS LIMITED

Registered Office Address

B-1, Laxmi Co.Op Estate, B/h Old Navneet Press, Ajod dairy Road,
Sukhram nagar, Ahmedabad, Gujarat (India)-380021



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COMPANY INFORMATION

Board of Directors

Mr. Vishal M. Gala - Chairman & Managing Director
Ms. Avani N. Shah - Executive Director & CFO
Mr. Maulikkumar R. Vyas - Non-Executive Independent Director
Mr. Mihir M. Shah - Non-Executive Independent Director (Upto 21.06.2018)
Mrs. Pragnaben S. Shah - Non-Executive Independent Director (Upto 21.06.2018)
Mr. Smit Champaneri - Non-Executive Independent Director (w.e.f. 22.06.2018)
Mr. Mahipalsinh B. Jhala - Non-Executive Independent Director (w.e.f. 22.06.2018)

Company Secretary

Ms. Neelam M. Gurbaxani

Committees of Board of Directors

Audit Committee

Maulik R. Vyas - Chairman
Vishal Gala - Member
Smit Champaneri - Member

Stakeholders Relationship Committee

Maulik R. Vyas - Chairman
Smit Champaneri - Member
Mahipalsinh B. Jhala - Member
Vishal Gala - Member

Nomination and Remuneration Committee

Maulik R. Vyas - Chairman
Smit Champaneri - Member
Mahipalsinh B. Jhala - Member

Auditors

Statutory Auditors

M/s PP Shah & Co.
Chartered Accountants
1- Siddharth Appt., 17-B Suryoday Colony,
Naranpura, Ahmedabad-380013

Secretarial Auditor

M/s Sachin Thakkar & Associates
Company Secretary
A-202, Smita Tower, Opp. Amul Auda Garden,
Gurukul Road,
Ahmedabad-380052

Bankers

Kotak Mahindra Bank

Registered Office

Gala Global Products Limited
B-1 Laxmi Com. Co. Op. Estate,
B/H Old Navneet Press,
Sukhramnagar,
Ahmedabad-380021

Registrar & Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli,
Financial District, Nanakramguda,
Andhra Pradesh, Hyderabad,-500032



Directors' Report

Dear Members,

Your directors are pleased to present the 8th Annual Report along with the Audited Financial Statements of your company for the financial year ended on 31st March, 2018.

1) FINANCIAL PERFORMANCE SUMMARY:

The summarised financial highlight is depicted below:

Financial Results		
Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Total Revenue	83,59,06,981	61,60,50,114
Profit (Loss) before tax	3,53,62,604	85,25,976
Less: Tax Expenses		
Current Tax	1,04,77,000	22,63,755
MAT Credit	-	
Deferred Tax	(9,28,751)	4,07,081
Net Profit (Loss) After tax	2,58,14,355	58,55,140

2) PERFORMANCE:

The company has booked profit of Rs. 2,58,14,355 which is increased by around 4.40 times as compared to last year.

The EPS was recorded at 0.49, which was higher compared to that of last year.

3) SHARE CAPITAL

At present, the Company has only one class of share – Equity shares of par value Rs. 10 each. The authorized share capital of the company at the end of the Financial year is Rs. 26,50,00,000/- divided into 2,65,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 25,99,43,250/- divided into 2,59,94,325 equity shares of Rs. 10 each.

During the year under review, the Company has issued 2,00,00,000 no of shares as a consideration to the shareholders of Gala products Ltd. as per NCLT order dated 17.05.2017 for Amalgamation of Gala print City Ltd. and Gala products Ltd. Further, 12,37,825 shares have been issued as bonus shares as on 14.11.2017 to existing shareholders of the company in the ration of 1:20. Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

4) DIVIDEND

In view of Conserving Resources, your Directors do not recommend any Dividend on equity shares for the year ended 31st March, 2018.



5) RESERVES

The Board proposes to transfer current year profit of Rs.2,58,14,355 to Reserve A/C for the Financial Year ended on 31st March, 2018.

6) DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the companies Act, 2013 and under the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

7) ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

In accordance with the provisions of Clause (m) of Sub Section (3) of Section 134 the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in ANNEXURE - 1 and forms part of this report.

8) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no such other material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the Company.

9) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

With reference to company application no. 372/2016 and company petition no.525/2016 of Gujarat High Court and T.P. No.39/NCLT/AHM/2017 Hon'ble National Company Law Tribunal, Ahmedabad Bench has passed final Order on 17.05.2017 approving scheme of Amalgamation of Gala Products Limited with Gala Print City Limited with effective date from 01.04.2016.

As a result all assets and liabilities of Transferee Company i.e. Gala Products Limited are transferred to Gala Print City Limited and shareholders of Gala Products Limited have been allotted 2 shares of Gala Print City Limited against 1 share held in Gala Products Limited.

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

10) DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company has no any Subsidiary/Joint Ventures/Associate Companies. Hence, details relating to Subsidiary/Joint Ventures/Associate Companies are not provided for.

11) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

12) EXTRACTS OF ANNUAL RETURN

An extract of Annual Return in Form MGT_9 is attached herewith. (ANNEXURE-2)

13) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may



have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required. The Board has formulated Policy on Related Party Transactions.

14) DIRECTORATE AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your company has various executive and non-executive directors including Independent Directors who have wide experience in different disciplines of corporate functioning.

During the year Mr. Mihir Shah and Mrs. Pragnaben Shah were appointed as Non Executive Independent Director of the Board with effect from 12th June, 2017 and Mrs. Alpa Pandya resigned from the post of Director and CFO with effect from 09th January, 2018. The board takes on record the assistance and guidance provided by Mrs. Alpa Pandya during her tenure as Director and CFO of the Company.

Further, Ms. Khyati Shah has resigned from the post of Company Secretary and Compliance officer of the company as on 08th May, 2017 and Ms. Neelam Gurbaxani (ACS No. 46682) have been appointed as Company Secretary and Compliance officer of the company with effect from 12th June, 2017.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vishal Mulchandbhai Gala (DIN: 00692090) retires by rotation at the ensuing Annual General Meeting and offers himself for re-appointment as Director of the Company.

There were no other changes in the constitution of Board of Directors during the year.

Remuneration to Key Managerial Personnel, Senior Management and other employees involve a balance between fixed and incentive pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals.

The brief particular of all directors, for which approval of member for their appointment or reappointment is sought, is furnished with the notice.

15) EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of Listing Regulation and Companies Act, 2013, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Further as required under Regulation 25(3) of Independent Directors at a separate meeting held on 14th March, 2018, evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

16) POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for Determining, Qualifications, Positive Attributes and Independence of a Director and also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

17) VIGIL MECHANISM AND WHISTLE BLOWER POLICY

In accordance with Section 177 of the Companies Act, 2013 and Listing Regulation, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The detail of the Whistle Blower Policy is explained in the Corporate Governance Report.

18) MANAGERIAL REMUNERATION

Details of remuneration paid / payable to the Directors for Financial Year 2017-2018 is disclosed in Extracts to Annual Return i.e. Annexure 2 of the Board's Report



The statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure - 3.

19) INDEPENDENT DIRECTORS' MEETING

Independent Directors of the Company had met during the year under the view details of which are given in the Corporate Governance Report.

20) COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board has re-constituted its Committees with changes in the board members.

There are currently three Committees of the Board, as follows:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

Details of all the Committees along with their composition and meetings held during the year are provided in the "Report on Corporate Governance", a part of this Annual Report.

21) AUDITORS

A. STATUTORY AUDITORS

In place of M/s. PP Shah & Co. Chartered Accountants, Ahmedabad who hold office until the conclusion of the ensuing Annual General Meeting, it is recommended to appoint M/s Shah Karia & Associates, are recommended for appointment to audit the accounts of the Company for the financial year 2018-2019. The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. Shah Karia & Associates (FRN:131546W), that their appointment, if made, would be in conformity with the limits specified under the said section. You are requested to appoint the Auditors and fix their remuneration.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report except following:

a. Details of Audit Qualification:

The management have adopted policy of amortizing Intangible Assets from the next financial year, resulting into departures from complying with requirements of applicable accounting standards. Such policy adoption has an effect of overstatement of profit of Financial Year 2017-18.

b. Type of Audit Qualification: Qualified Opinion

c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

The Company has adopted Policy of reviewing the intangible in the year of recognition for possible returns. In case of the returns are not sustainable the intangible assets could be written off with in a period of 2-3 years. Moreover, if sustainable the same would be written off as provided under the applicable standard. Since the Company is required to adopt Ind-As compulsory with effect from 01st April 2018 and it has specifically defined in these forthcoming standards that any such Intangible Assets needs to be reviewed at each balance sheet date for any impairment (if any) whereas existing accounting standards require to amortize such intangibles compulsory within maximum of 5/10 years. Further the management foresee that



there would not be any impairment requirement comparing to its carrying value as on 31 march 2018 (even in near future as well) and hence no amortization of intangible asset has been made in the period under report.

B. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sachin Thakkar & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for F.Y.2017-18 is annexed herewith as Annexure 4.

There is no qualification, reservation or adverse remark in the report except non compliance with Regulation 95(1) of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 regarding Completion of Bonus Issue within time frame. The delay was inadvertently and on receipt of notice from BSE charging penalty for the same, company has duly paid the penalty amount as directed by BSE on 15th May, 2018.

C. INTERNAL AUDITOR

Pursuant to section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014 the company has appointed M/s Nehal Shah & Co. (FRN:133808W), Chartered accountants, as internal auditor of the company for the financial year 2018-19 to undertake internal financial control and audit of the company.

22) INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Company has put in place strong internal control systems and best in class processes commensurate with its size, scale and complexity of operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Audit Committee has formulated the scope, functioning, periodicity and methodology for conducting the internal audit. The committee carry out audit, covering inter alia, monitoring and evaluating the efficiency & adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

23) PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, your Company has assigned the responsibilities to Audit Committee.

During the year, no complaint with allegations of sexual harassment was filed with the Company.

24) PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

25) CORPORATE GOVERNANCE

As required by the existing Regulation 34 (3) of the Listing Regulation, a detailed report on Corporate Governance is given as a part of the Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in



this regard. The Auditors' Certificate of the compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance. Report on Corporate Governance is given elsewhere in this Annual Report.

26) CORPORATE GOVERNANCE CERTIFICATE

The Compliance certificate from the auditors regarding compliance of conditions of Corporate Governance as stipulated Listing Regulation is appended to the report on Corporate Governance.

27) GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given in Report on Corporate Governance forming part of the Annual Report.

28) DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, Your Directors state that—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31-03-2018 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care 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;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) 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.

29) ACKNOWLEDGEMENT

Your Directors take this opportunity to express their gratitude for the co-operation and support from its customers, vendors, bankers and business associates and look forward to their continued support.

The Directors are also grateful to the shareholders for the confidence reposed in the Company. Your Directors also wish to place on record their sincere appreciation of the valuable contribution and efforts made by all the employees to achieve in these trying times.

Place : Ahmedabad

Date : 21/08/2018

For and on behalf of the Board

**Sd/-
(Vishal M. Gala)
Chairman**



ANNEXURE 1 TO THE DIRECTORS REPORT

CONSERVATION OF ENERGY / ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

Care is taken for economic consumption of energy at workshop of the company. Company has consumed electricity and the cost of power fuel is reasonable. The company has successfully worked out effective and efficient design of the lighting and energy devices in the office and site working areas.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a. Efforts Made:-

The Company deploys indigenous technology and continues its efforts to increase its yield, production, and scale of operations and up gradation of technology.

b. Benefits derived as a result of above efforts:-

Product improved through high efficiency and energy saving has improved an overall working of the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no Foreign Exchange earnings and outgo during the year under review.