

9th

ANNUAL REPORT

2018-19



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. Smit Champaneri - Non-Executive Independent Director
Mr.Mahipalsinh B. Jhala- Non-Executive Independent Director

Company Secretary

CS Parth Joshi

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 Shah Karia & Associates
Chartered Accountants
405, Scarlet Business Hub, Opp. Ankur School,
Nr. Mahalaxmi Cross Road, Fatehpura, Paldi
Ahmedabad- 380007

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 Fintech Pvt. Ltd
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 9th Annual Report along with the Audited Financial Statements of your company for the financial year ended on 31st March, 2019.

1) FINANCIAL PERFORMANCE SUMMARY:

The summarised financial highlight is depicted below:

Financial Results		
Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Total Revenue	99,64,77,253	83,59,06,981
Profit (Loss) before tax	4,74,70,367	3,53,62,604
Less: Tax Expenses		
Current Tax	1,40,00,000	1,04,77,000
MAT Credit	-	-
Deferred Tax	(3,24,279)	(9,28,751)
Net Profit (Loss) After tax	3,37,94,646	2,58,14,355

2) PERFORMANCE:

The company has booked profit of Rs.337.95 Lacs which is increased as compared to last year.

The EPS was recorded at 0.62, 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.30,30,00,000/- divided into 3,03,00,000 equity shares of Rs.10 each. The paid up share capital of the company is Rs. 27,29,40,415/- divided into 5,45,88,083 equity shares of Rs. 5 each.

During the year under review, the Company has issued 25,99,433 as bonus shares as on 17.05.2018 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, 2019.

5) RESERVES

The Board proposes to transfer; current year profit of Rs.3,37,94,646/- to Reserve A/C for the Financial Year ended on 31st March, 2019.

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

No such material 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 M. Shah (DIN:06955550) and Mrs. Pragnaben S. Shah(DIN: 07817925) have resigned from the post of directorship vide their letters dated 21/06/2018 and to fill the vacancy created by resignation of above said directors, on recommendation of Nomination and remuneration committee, Mr. Smit Nileshbhai Champaneri (DIN:08163911) and Mr. Mahipalsinh B. Jhala (DIN: 08163914) were appointed as Non-Executive Independent Directors of the company.

Ms. Avani N. Shah was appointed as Additional Director of the Board. Board has proposed to regularise her as an Executive Director at the Annual General Meeting.

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 18th March, 2019 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 2018-2019 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) 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.

20) AUDITORS

A. STATUTORY AUDITORS

M/s. Shah Karia & Associates, Chartered Accountants, Ahmedabad (FRN:131546W) hold office as the Statutory Auditors of the company till the conclusion of the ensuing Annual General meeting. Your Directors recommend the re-appointment of M/s. Shah Karia & Associates, Chartered Accountants, Ahmedabad (FRN:131546W) as Statutory Auditors of the Company for a term of five consecutive years. The Company has received a consent from M/s. Shah Karia & Associates (FRN:131546W) and confirmation under section 139 of the Companies Act, 2013 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.

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.2018-19 is annexed herewith as Annexure 4.

There is no qualification, reservation or adverse remark in the report other than following:

Company has appointed Ms. Avni Shah as an Additional Director of the Company under section 161(1) of Companies Act, 2013 in the Board Meeting held on 9th January, 2018. As per the said section, the tenure of Additional Director is upto the upcoming AGM that was held on 25th September, 2018. Members of the company can regularize the said Additional Director after passing Ordinary Resolution in the Annual General Meeting (AGM) and subject to compliance of Section 160 of Companies Act, 2013. However, Ms. Avni Shah has continued as an Additional Director of the Company even after the completion of AGM without necessary Compliance of Section 160 of Companies Act, 2013 and without passing Ordinary Resolution in the AGM.

In this regard board hereby inform that board has already put this agenda item in notice of current annual general meeting for regularising appointment of Ms. Avani Shah.

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 2019-20 to undertake internal financial control and audit of the company.

21) INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK

The Directors of your company carry the ultimate responsibility that the group maintains a robust internal control framework to provide them with reasonable assurance that all information within the business and available for external publication is correct and adequate. The existing governance and policy framework implemented by your company provides reasonable assurance of the efficacy of the internal control operating within the Company. The company has well qualified Internal Audit Department. The internal audits are planned from risk perspective. In preparing the Annual Audit Plan reference is made to past audit experience, current economic and business environment, the groups risk matrix, directives from senior management and Audit committee members. Major observations are periodically highlighted to the Audit committee members and are also reviewed by the statutory auditors.

22) 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, an Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaint with allegations of sexual harassment was filed with the Company.

23) 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.

Further, in compliance with SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated 28.05.2018 company has appointed NSDL as designated Depository for the purpose of Systems Driven Disclosure and provided to both depositories the information about its directors and employees (CEO and up to two levels below CEO) in the manner prescribed by the depositories, within the time frame as mentioned in SEBI Circular.

24) 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.

25) 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.

26) GENERAL SHAREHOLDER INFORMATION

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

27) 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 31-03-2019 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.

28) 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: 04/09/2019

For and on behalf of the Board

**Sd/-
(Vishal M. Gala)
(Chairman)
(DIN 00692090)**

ANNEXURE 1 TO THE DIRECTORS REPORT

CONVERSATION 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.

ANNEXURE 2 TO THE DIRECTORS REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I) REGISTRATION AND OTHER DETAILS:

i)	CIN	L22219GJ2010PLC063243
ii)	Registration Date	14/12/2010
iii)	Name of the Company	Gala Global Products Limited
iv)	Category/Sub Category of the Company	Company Limited By Shares/Indian Nongovernment Company
v)	Address of the Registered office and Contact Details	B-1 Laxmi Co-op. Estate, Old Navneet Press Compound, Ajod Dairy Road, Sukhramnagar, Ahmedabad -360021 Gujarat Tele No.-079-22772921 Email Id-inf.galaglobal@gmail.com
vi)	Whether Listed Company: Yes/No	YES BSE Ltd
vii)	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	Karvy Fintech Private Limited 46, Avenue, 4 th Street, No.1 Banjara Hills, Hyderabad, Andhra Pradesh 50034

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	%to total turnover of the company
1	Business of offset printing and all types of binding, photo polymer printing, offset plate makers, letter press printing and all allied lines in offset printing and printing of packing materials, advertisement materials, carton printing and all allied lines in printing process.	1709	100