

12th
ANNUAL REPORT
2021-22



GALA GLOBAL PRODUCTS LIMITED

Registered Office Address:

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

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01 COMPANY INFORMATION

Board of Directors:

Ms, Neha Vishal Gala- (Managing Director and CFO)

(w.e.f. 19th July, 2022)

Vyomesh Yagnesh bhai Vaishnav –(Non-Executive Independent Director)

(w.e.f 25th July,2022)

Upto 29th July, 2022)

Mr. Umang Selani – (Additional Non-Executive Independent Director)

(w.e.f 03rd September, 2022)

Mr. Vipul Maru – (Additional Non-Executive Independent Director)

(W.e.f 03rd September, 2022)

Ms. Avani N. Shah-(Chairman & Managing Director & CFO)

(Upto 18th July, 2022)

Mr. Vishal M. Gala- Executive Director

Mr. Maulik R. Vyas

(Upto 31st May, 2021)

Ms. Stuti Kinariwala- Non-Executive Independent Director

(App. W.e.f. 01st June, 2021) (Upto 29th July, 2022)

Mr. Smit Champaneri - Non-Executive Independent Director

(Upto 15th August, 2022)

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

(Upto 15th August, 2022)

Mrs. Yesha Bhatt - Non-Executive Independent Director

(Upto 29th July, 2022)

Company Secretary:

CS Parth Joshi

(Upto 19th August, 2022)

Committees of Board of Directors:

Audit Committee

Maulikkumar Rajulkumar Vyas – Chairman – (Upto 31st, May, 2021)

Stuti Kinariwala - Chairman (App. W.e.f. 01st June,2021) (Upto 29th July, 2022)

Vishal Gala - Member

Smit Champaneri - Member (Upto 15th August, 2022)

Stakeholders Relationship Committee

Maulikkumar Rajulkumar Vyas – Chairman – (Upto 31st, May, 2021)

Stuti Kinariwala - Chairman (App. W.e.f. 01st June,2021) (Upto 29th July, 2022)

Smit Champaneri - Member (Upto 15th August, 2022)

Mahipalsinh B. Jhala - Member (Upto 15th August, 2022)

Nomination and Remuneration Committee

Maulikkumar Rajulkumar Vyas – Chairman – (Upto 31st, May, 2021)

StutiKinariwala - Chairman (App. W.e.f. 01st June,2021) (Upto 29th July, 2022)
Smit Champaneri - Member (Upto 15th August, 2022)
Mahipalsinh B. Jhala - Member (Upto 15th August, 2022)

Auditors:

Statutory Auditors

H. K. Shah & Co.,
Chartered Accountants,
404, 'SARAP',
Opp. Navjivan Press,
Income Tax, AHMEDABAD – 380014
(w.e.f 30th July,2022)

M/s Shah Karia& Associates
Chartered Accountants
405, Scarlet Business Hub,Opp. Ankur School,
Nr. Mahalaxmi Cross Road, Fatehpura,Paldi
Ahmedabad- 380007
(Upto 29th July, 2022)

Secretarial Auditor:

M/s KGS AND COMPANY
Company Secretary
309, Aabhushan Complex,Opp. Bharat Krishna Bakery,
Nr.Stadium Golden Triangle,
Navrangpura, Ahmedabad-380014

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
CIN: L22219GJ2010PLC063243

Registrar & Transfer Agent

KFin Technologies Pvt. Ltd.
Selenium, Tower B, Plot No. 31-32, Financial District,
Nanakramguda,Serilingampally, Hyderabad,Rangareddi TG-500032

REPORT OF BOARD OF DIRECTORS

Dear Shareholders,

Your Directors have pleasure in presenting the 12th Annual report of your Company along with the audited financial statements, for the financial year ended March 31, 2022.

Financial Results:**(Amount in Rs.)**

Particulars	Standalone	
	F.Y. 2021-22	F.Y. 2020-21
Revenue from operations	1033860807	1048228359
Other Income	3697503	2122687
Total Income	1037558310	1050351046
Operating expenditure before Finance cost, depreciation and amortization	1005864600	1001657938
Earnings before Finance cost, depreciation and amortization (EBITDA)	31693710	48693108
Less: Finance costs	11303291	9150644
Depreciation and amortization expense	3027091	6751871
Profit before tax	17363327	32790593
Less: Tax expense	4253518	9576640
Profit for the year (PAT)	13109809	23213953

YEAR AT A GLANCE:**Financial Performance:**

The total income of the Company for the year ended March 31, 2022 was Rs. 1037558310 as against the total income of Rs. 1050351046 for the previous year ended March 31, 2021.

The Company has earned a Net Profit after Tax of Rs. 13109809 for the year under review as compared to Net Profit of Rs. 23213953 in the previous year.

Dividend:

With a view to conserve the resources of company for future growth, the Board of Directors do not recommend any Dividend for the Financial Year 2021-22 (Previous Year Nil).

Pursuant to the provisions of Sections 124 and 125 of the Act, there is no amount of Dividend remaining unclaimed/unpaid for a period of 7 (seven) years and/or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF).

Amount transferred to Reserve:

During the year, the Company has not apportioned any amount to other reserve. The profit earned during the year has been carried to the balance sheet of the Company.

Change in Nature of Business:

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

SHARE CAPITAL:**Authorized Capital**

The authorized share capital of the company at the end of the financial year is Rs.30,30,00,000/- divided into 6,06,00,000 equity shares of Rs.5 each.

Issued, Subscribed & Paid-up Capital

The present Issue, Subscribed & Paid-up Capital of the Company is Rs. 27,29,40,415/- divided into 5,45,88,083 equity shares of Rs. 5 each.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**Constitution of Board:**

The Constitution of the Board of Directors and other disclosure related to the Board of Directors are given in the Report on Corporate Governance.

Board Meeting

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, Board of Directors of the Company met 9(Nine) times, viz 28th May, 2021, 24th June, 2021, 14th August, 2021, 7th September, 2021, 11th November, 2021, 23rd November, 2021, 30th November, 2021, 14th February, 2022, and 31st March, 2022. The details of attendance of each Director at the Board Meetings and Annual General Meeting are given in the Report on Corporate Governance.

Independent Directors

In terms of Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations, the Company has three Non-Promoter Non-Executive Independent Directors. In the opinion of the Board of Directors, all three Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations and they are Independent of Management.

A separate meeting of Independent Directors was held on 1ST March, 2022 to review the performance of Non-Independent Directors and Board as whole and performance of

Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board that is necessary for the board of directors to effectively and reasonably perform their duties.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at <http://galaglobalhub.com/>.

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 and 16(1) (b) of Listing Regulations confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013 for financial year 2021-22. The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and are independent of the Management.

None of Independent Directors have resigned during the year.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standards-2 issued by ICSI, of the person seeking re-appointment as Director and revision in Remuneration is annexed to the Notice convening the annual general meeting.

Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Company has Ms. Avniben Nirav Shah who is acting as Chairman and Managing Director, Chief Financial Officer of the Company. (Resigned on 18th July, 2022).

The Company has appointed Mrs. Neha Vishal Gala as a Managing Director and chief Financial Officer of the Company. (W.e.f.19th July, 2022).

The Board of Directors has appointed Mr. Parth Ajit Joshi as Company Secretary and Compliance officer of the Company (w.e .f. April 01, 2019.) (Resigned w.e.f. August 19, 2022).

Performance Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. During the year under review, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its committees. The exercise was led by the Chairman of the NRC along with the Chairman of Board.

The NRC has defined the evaluation criteria, procedure and time schedule for the

Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, inter alia, the following:

Board Evaluation	Evaluation of Individual Directors	Committee Evaluation
<ul style="list-style-type: none"> • Board Structure - qualifications, experience and competencies • Board Diversity • Meetings – regularity, frequency, agenda, discussion and recording of minutes • Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest • Independence of management from the Board, access of Board and management to each other 	<ul style="list-style-type: none"> • Professional qualifications and experience • Knowledge, skills and competencies • Fulfillment of functions, ability to function as a team • Attendance • Commitment, contribution, integrity and independence • In addition to the above, the Chairman of the Board Meetings is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer Meetings, impartiality and ability to keep shareholders' interests in mind 	<ul style="list-style-type: none"> • Mandate and composition • Effectiveness of the Committee • Structure of the Committee • Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes • Independence of the Committee from the Board and contribution to decisions of the Board

Directors' Responsibility Statement:

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- In preparation of annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and that no material departures have been made from the same;
- 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 and of the profit or loss of the Company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) The Directors had prepared the annual accounts for the year ended March 31, 2021 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- 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.

COMMITTEES OF BOARD:

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

1. Audit Committee
2. Nomination and Remuneration Committee
- 3 Stakeholder's Relationship 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.

Audit Committee

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As at March 31, 2022, the Audit Committee comprised Mr. Maulik kumar Rajulkumar Vyas (Non-Executive - Independent Director) as Chairman (Resigned w.e.f. 31st May, 2021) Stutiben Kinariwala (Non-Executive - Independent Director) as Chairman (Appointed W.e.f 01st June, 2021, Resigned w,e,f 29th July, 2022) and Smit N Champaneri (Non-Executive - Independent Director, Resigned w.e.f 15th August, 2022) and Vishal Mulchandbhai Gala (Executive Director), as Members.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board of Directors.

Vigil Mechanism

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethic policy. The said mechanism also provides for adequate safeguards against victimization of director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of such mechanism have been disclosed in the Board's Report. Further, the Policy on Vigil Mechanism is available on the website of the Company at <http://galaglobalhub.com/>.

Nomination and Remuneration Policy

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary to its Executive Directors and Key Managerial Personnel.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at <http://galaglobalhub.com/>.

Remuneration of Directors

The details of remuneration/sitting fees paid during the financial year 2021-22 to Executive Directors/Directors of the Company is provided in Form MGT-7 and Report on Corporate Governance which are the part of this report.

PARTICULARS OF EMPLOYEES

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 - A.

The statement containing employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to members excluding this annexure. In terms of Section 136 of the Act, the said annexure will be for inspection. Any shareholder interested in obtaining a copy of the same may write to Company Secretary.

INFORMATION ON SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company have no any Subsidiary/Joint Ventures/Associate Companies. Hence provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC 1 is not required to be annexed to this Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. There were no deposits, which were claimed and remained unpaid by the Company as on March 31, 2021.