



CIN No. : U22219GJ2010PLC063243  
E-mail : galaprintcity@gmail.com

**Register Office :**

B-1, Laxmi Com. Co. Op. Estate,  
Old Navneet Press Compound,  
Ajod Dairy Road, Sukhramnagar,  
Ahmedabad - 380 021 (Guj.)

October 03<sup>rd</sup>, 2016

To,  
Bombay Stock Exchange  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

**Sub: Submission of Annual Report 2015-16 under Regulation 34 of the  
SEBI(Listing Obligation and Disclosure Requirements) Regulations,2015.**

**Ref: Gala Print City Limited (BSE Scrip Code: 539228)**

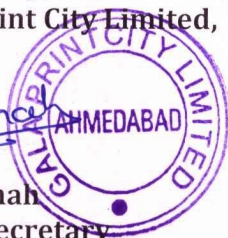
Dear Sir / Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the financial year 2015-16 duly approved and adopted by the members of the company as per the provisions of Companies Act, 2013 in the Annual General Meeting held on Friday, 30<sup>th</sup> September, 2016.

Please take the same on your records.

Yours faithfully,  
For Gala Print City Limited,

Khyati G. Shah  
Company Secretary



CIN NO. : L22219GJ2010PLC063243

**GALA PRINTCITY LIMITED**

Ankur Offset, Old Navneet Press, Ajod Dairy Road, Sukhramnagar, Ahmedabad-380 021.  
Ph. 079-22778955, 22772921, 98254 56600



6<sup>th</sup>  
*Annual Report*  
2015-16



GALA PRINT CITY LIMITED

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## **Corporate Information**

### **Board of Directors**

Vishal M. Gala(DIN: 00692090)	-Chairman & Managing Director
Alpa J. Pandya (DIN: 07013011)	-Non-Executive Independent Director
Maulik R. Vyas(DIN: 06921705)	-Non-Executive Independent Director
Rajan N. Mehta (DIN: 06923405)	- Non-Executive Independent Director
Anuj M. Shah (DIN: 07349001)	- Additional Director
Chandrakant Liladhar Shah	-Chief Financial Officer

### **Committees of Board of Directors**

#### **❖ Audit Committee**

Maulik R. Vyas	-Chairman
Rajan Mehta	-Member
Vishal Gala	-Member

#### **❖ Stakeholders Relationship Committee**

Maulik R. Vyas	-Chairman
Rajan Mehta	- Member
Anuj M. Shah	- Member

#### **❖ Nomination and Remuneration Committee**

Maulik R. Vyas	-Chairman
Rajan Mehta	-Member
Alpa J. Pandya	- Member

### **AuditorsBankers**

M/s PP Shah & Co.State Bank of India  
Chartered AccountantsAhmedabad  
1- Siddharth Appt., 17-B  
Suryoday Colony ,Sardar Patel Statue Road  
Naranpura, Ahmedabad-380013

### **Registrar & Transfer Agent**

Karvy Computershare Private Limited  
701, Hallmark Business Plaza,  
Sant Dyaneshwar Marg,  
Off BandraKurla Complex,  
Bandra (East),  
Mumbai – 400 051.

### **Registered Office**

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

CIN:L22219GJ2010PLC063243

ISIN: INE480S01018

## **NOTICE**

**NOTICE** is hereby given that 6th Annual General Meeting of the company will be held on 30<sup>th</sup> September, 2016 at 11:00 A.M. at the registered office of the company at B- 1, Laxmi Com. Co. Op. Estate, B/H Old Navneet Press, Sukharamnagar, Ahmedabad-380021 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on 31<sup>st</sup> March, 2016 including audited Balance Sheet as on 31<sup>st</sup> March, 2016 and statement of Profit and Loss account for the year ended on that date along with the Report of the Board of Directors and Auditors thereon; and
2. To re-appoint Mr. Vishal M. Gala (DIN: 00692090), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. PP Shah & Co., Chartered Accountants (Registration no. 131378W) as the Statutory Auditors of the Company and that they shall hold the said office till the conclusion of next Annual General Meeting at such remuneration (inclusive of the above period) as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in consultation with the Statutory Auditors."

### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution for Regularising Additional Director Mr. Anuj M. Shah:

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) Mr. ANUJ MAYURKUMAR SHAH (DIN-07349001), who was appointed as an Additional Director in the capacity of an Executive Director on November 26, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Executive Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution to Revise Remuneration of Mr. Vishal M. Gala, Managing Director:

**"RESOLVED THAT** in partial modification of the resolution passed at the General Meeting held on 22<sup>nd</sup> January, 2015 and pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to such consents, approvals or permissions as may be necessary, approval of the members be and is hereby accorded to the revision in the salary of Mr. Vishal M. Gala (DIN : 00692090), Whole-time Director, designated as Executive Director to take effect from 01<sup>st</sup> February 2016, for the unexpired period of his term, upon the terms and conditions set out in the explanatory statement annexed to the notice convening this Annual General Meeting.

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said appointment, to the extent the Board of Directors may consider appropriate, or as may be permitted or authorised in accordance with the provisions of the Act for the time being in force and within such limits, if any, as may be set out in the Act including the said Schedule V to the Act, in such manner as may be decided by the Board of Directors and, the terms shall be suitably modified to give effect to such alteration and/or variation."

**Date: 31.08.2016**

**For, Gala Print City Limited**

**Vishal Gala**  
**(Chairman & Managing Director)**

### Notes

- The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made there under is annexed here to and forms part of the notice.
- **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM SELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of member not exceeding 50[fifty] and holding in the aggregate not more than ten percent of the total share capital of the Company.
- The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is attached there with. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable. Proxy shall not vote, except on a poll.
- The Book Closure Date for Members of the Company will be on Friday, 23rd September, 2016 to Friday, 30th September, 2016(both days inclusive).
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
- Members/Proxies should bring the Attendance Slip duly completed and signed in accordance with the specimen signature registered with the Company for attending the Meeting. An Attendance Slip is annexed to this report.
- Corporate Members intending to send their authorized representatives are requested to send duly certified copy of Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting.
- Members holding shares in electronic form are requested to intimate any change in their registered address/E-mail address and/or bank mandates to their Depository Participants with whom they are maintaining their demat account simultaneously. Members holding shares in physical form are requested to advise any change in their registered address to M/s. Karvy Computershare Private Limited, the Registrar and Share Transfer Agent.
- Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, the fraud and mutilation of share certificate and will not attract any stamp duty.
- Members are requested to contact our Registrar and Transfer Agent for any query related to shares, and other inquiry at following address.

Karvy Computershare Private Limited  
701, Hallmark Business Plaza,  
Sant Dyaneshwar Marg,  
Off Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.

- Please quote folio no. /DPID & CL.ID for any Communication for their shareholding. Bring the copy of

Annual Report at the meeting.

- The Company's shares are listed at Mumbai Stock Exchange (BSE). The Company has paid listing fees to BSE for financial year **2016-2017**.

- **Green initiative matter**

The Ministry of Company Affairs (MCA) has taken the "Green Initiative in Corporate Governance" (Circular No.17/2011 dated April, 2011 and Circular No. 18/2011 dated April 20, 2011) along with paper less compliance by compliances by companies through electronic mode.

Keeping in view underlying theme and circular issued by MCA, we propose to send all documents to be sent to shareholders like General Meeting Notice including the AGM, Annual Report including Audited Financial Statements, Director Report, Auditor Report etc. to our shareholder in electronic form, to the email address provided by them and made available to us by the Depositories.

Please also note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company and all other documents required by law to be attached thereto, **upon receipt of a requisition from you, any time**, as a member of the Company such a requisition may be sent to the Registered Office of the Company at the address mentioned elsewhere in the report.

Date: 31.08.2016

For, Gala Print City Limited

Vishal Gala  
(Chairman & Managing Director)



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 3**

As per Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. PP Shah & Co., Chartered Accountants (Registration no. 131378W) as the Statutory Auditors of the Company and that they shall hold the said office till the conclusion of next Annual General Meeting.

As per the Companies Act, 2013, M/s. PP Shah & Co., Chartered Accountants have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 (1), 141(2) and 141(3) of the Act.

The Directors recommend the passing of the resolution as an Ordinary Resolution as proposed under Item No. 3 of the Notice for the ratification and appointment of M/s. PP Shah & Co., Chartered Accountants, as the Statutory Auditors until the conclusion of the next AGM.

None of the other Directors/key managerial personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions at item no. 3 of the Notice.

All the documents referred to in the Notice and Explanatory Statements are available for inspection between 11 a.m. and 1 p.m. till the date of this Annual General Meeting.

**ITEM NO. 4**

As per Companies Act, 2013 pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with the Listing Regulations, MR. ANUJ MAYURKUMAR SHAH (DIN-07349001), who was appointed as an Additional Director, now Regularize as a Director of the company.

**ITEM NO. 5**

The Board of Directors at their board meeting held on 03.02.2016 has approved increase in remuneration of Mr. Vishal M. Gala, Managing Director of the company from Rs. 6,00,000 p.a. to Rs. 10,00,000 p.a. for the remaining period of his tenure i.e. upto 21.01.2020, considering his experience, expertise, knowledge and his endless efforts for growth of the company.

Pursuant to provisions of Sections 196, 197, Schedule V of the Companies Act, 2013 approval of shareholders is required for payment of remuneration to Director in excess of prescribed limit.

None of the other Directors/key managerial personnel of the Company or their relatives except Mr. Vishal Gala are, in any way, concerned or interested, financially or otherwise, in these resolutions at item No. 5 of the Notice.

All the documents referred to in the Notice and Explanatory Statements are available for inspection between 11 a.m. and 1 p.m. till the date of this Annual General Meeting.

**Details of Directors seeking reappointment/ change in designation:**

Name	Vishal Mulchandbhai Gala	Anuj Mayurkumar Shah
DIN	00692090	07349001
Appointed on	14.12.2010	26.11.2015
Qualification	B.Com.	B.Com, MCA
Brief Profile	He is graduate in commerce and handling marketing, finance, and administration of the Company. He has experience of 12 years in the field of paper printing and stationery manufacturing and as managing director of the Company from more than 5 years. He has vast experience in management, administration and effective policy formulations for efficient and smooth running of the Company.	He is a commerce graduate with Masters of Computer Applications. He has vast experience in the field of I.T. He is handling administration and I.T. Department of the company.
Directorship held in other companies	2	Nil
Membership/chairmanship of committee in other companies	Nil	Nil
No. of Shares held in the company	15,05,263	Nil

## Directors' Report

Dear Members,

The Directors takes pleasure in presenting the 6<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Financial Statements for the financial year ended on 31<sup>st</sup> March, 2016.

### 1) FINANCIAL SUMMARY/HIGHLIGHTS OF PERFORMANCE OF THE COMPANY:

Financial Results (Rupees in Lacs)		
Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Total Revenue	2169.26	1390.13
Profit (Loss) before tax	19.37	13.44
Less: Tax Expenses		
Current Tax	(4.20)	(2.56)
MAT Credit	-	2.56
Deferred Tax	(1.91)	2.69
Net Profit (Loss) After tax	13.26	10.75

### 2) PERFORMANCE:

Despite acute competition, performance of your Company for the year under review has remained encouraging. The company has booked profit of Rs. 13.26 lacs which is increased by 23.35% as compared to last year.

The EPS was recorded at 0.30, which was lower compared to that of last year. The same is lowered in view of the 12, 66,000 Eq. Shares being added to the pool throw an IPO during the year under review.

### 3) INITIAL PUBLIC OFFERING& SHARE CAPITAL

During the year under review, your company came up with an IPO of 12, 66,000 Equity shares of Rs.10/- each at a premium of Rs. 14/- per share with Total Issue size of Rs. 303.84 Lacs. Your Board is really thankful for the trust posed in the Company. Subsequently the shares of the company have been listed on SME Platform of BSE since July 16, 2015.

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 is Rs. 6,50,00,000/- divided into 65,00,000 equity shares of Rs. 10 each. The paid up share capital of the company is Rs. 4,75,65,000 /- divided into 47,56,500 equity shares of Rs. 10 each.

During the year under review, the 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, 2016.

#### **5) RESERVES**

The Board proposes to transfer current year profit of Rs.13.26 Lacs to General Reserve A/C for the Financial Year ended on 31<sup>st</sup> March, 2016.

#### **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) FUTURE OUTLOOK**

The company look forward to diversify its product base and emphasizing focus on paper waste being the major raw material required by paper manufacturers.

#### **8) 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.

#### **9) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

The Board of Directors of the Company has approved the proposal of Amalgamation of M/s. Gala Products Ltd. with M/s. Gala Print City Ltd. on the board meeting held on 26<sup>th</sup> March, 2016 and the company has prepared and approved scheme of Amalgamation.

The company has filled application for Amalgamation of M/s. Gala Products Ltd. with M/s. Gala Print City Ltd. to the BSE- Designated Stock Exchange and to the High Court of Gujarat also.

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.

#### **10) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS**

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.

## **11) 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.

## **12) 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.

## **13) EXTRACTS OF ANNUAL RETURN**

An extract of Annual Return in Form MGT\_9 is attached herewith.(ANNEXURE-2)

## **14) 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.

## **15) 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.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vishal M. Gala (DIN: 00692090) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

The Company had, pursuant to the provisions of regulation 17 of the Listing Regulation, appointed Mr. Maulik R. Vyas (DIN: 06921705), Mr. Rajan N. Mehta (DIN: 06923405), Mrs. Alpa J. Pandya (DIN: 07013011), as an Independent Directors of the Company.

Mr. Sanket Rajeshbhai Sheth, Executive Director of the company has resigned with effect from 25.12.2015 due to his other pre-occupations. The board has accepted his resignation in the meeting held on 26.12.2015 & appointed Mr. Anuj M. Shah as additional director.

The Board of Directors record its sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Sanket Sheth during their association with company.

All Independent Directors have given declarations under section 149(7) that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Board recommends re-appointment/ re-designation of Mr. Anuj M. Shah from Additional Director to Executive Director of the company, at the ensuing 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 will 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.

## **16) EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to the provisions of the Listing Regulation and Companies Act, 2013, the Board had carried out performance evaluation of its own, the Board Committees and of the Independent directors. Independent Directors at a separate meeting 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.

## **17) 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.

## **18) 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.

## **19) MANAGERIAL REMUNERATION**

Details of remuneration paid / payable to the Directors for Financial Year 2015-2016 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.

## **20) 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.

## **21) COMMITTEES OF THE BOARD**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

There are currently four 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.

## **22) AUDITORS**

### **A. STATUTORY AUDITORS**

M/s. PP Shah & Co. Chartered Accountants, Ahmedabad who hold office until the conclusion of the ensuing Annual General Meeting are recommended for re-appointment to audit the accounts of the Company for the financial year 2016-2017. The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. PP Shah & Co. 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 notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

M/s. PP Shah & Co. Chartered Accountants, Ahmedabad (FRN:131378W) were appointed as Statutory Auditors of your Company at the previous Annual General Meeting held on 30<sup>th</sup> September, 2015 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The Company has obtained a written confirmation under section 139 of the Companies Act, 2013 from M/s. PP Shah & Co, Chartered Accountants, Ahmedabad that their appointment, if made, would be in conformity with the limits specified under the Act.

It is proposed to ratify the appointment M/s. PP Shah & Co, Chartered Accountants, Ahmedabad to audit the accounts of the Company for the financial year 2016-2017.

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. Mehul Thakkar & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure 4.

There is no qualification, reservation or adverse remark in the report.

## **23) INTERNAL CONTROL SYSTEM AND COMPLIANCE FRAMEWORK**

The Company has an Internal Control System, commensurate with size, scale and complexity of its 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 formulates 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 have expressed that the internal control system in the Company is robust and effective. 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.

## **24) 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 thereunder, your Company has assigned the responsibilities to Audit Committee. During the year, no complaint with allegations of sexual harassment was filed with the Company.

## **25) 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.

## **26) 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.

## **27) 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.

## **28) GENERAL SHAREHOLDER INFORMATION**

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

## **29) 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 31-03-2016 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.

### 30) 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.

**For and on behalf of the Board**

**Place :Ahmedabad**

**Date :31.08.2016**

**(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, 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 31/03/2016  
[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 PRINT CITY 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- galaprintcity@gmail.com
vi)	Whether Listed Company: Yes/No	YES BSE SME Segment
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited 701, Hallmark Business Plaza, Sant Dyaneshwar Marg, Off Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

## (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.	2109	100

## (III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

## (IV) SHAREHOLDING PATTERN.

(Equity Share Capital Breakup as Percentage of total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of shares at the beginning of the year				No. of Shares at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	22,75,300	22,75,300	65.19	22,75,300	0	22,75,300	47.83	(17.35)
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State	0	0	0	0	0	0	0	0	0

Govt(s).									
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):-	0	22,75,300	22,75,300	65.19	22,75,300	0	22,75,300	47.84	(17.35)
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	0	22,75,300	22,75,300	65.19	22,75,300	0	22,75,300	47.84	(17.35)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s).	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others:	0	0	0	0	0	0	0	0	0

Sub Total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	1,48,057	0	1,48,057	3.11	3.11
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1.00 Lacs	0	10,100	10,100	0.29	3,80,043	15,000	3,95,043	8.31	8.02
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	0	9,00,000	9,00,000	25.78	14,38,100	5,00,000	19,38,100	40.75	14.97
c) Others (Specify)	0	3,05,400	3,05,400	8.75	0	0	0	0	(08.75)
Sub Total (B)(2):-	0	12,15,500	12,15,500	34.82	19,66,200	5,15,000	23,33,143	52.17	17.35
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	12,15,500	12,15,500	34.82	19,66,200	5,15,000	23,33,143	52.17	17.35
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	34,90,500	34,90,500	100	42,41,200	5,15,000	47,56,500	100	0

**ii) Shareholding of Promoters**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of Shares at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Vishal Gala	15,05,263	43.13	0	15,05,263	31.65	0	(11.48)
2	Avani N. Shah	100	0.002	0	100	0.002	0	0
3	Pinal D. Trivedi	100	0.002	0	100	0.002	0	0
4	Neha V. Gala	7,69,737	22.05	0	7,69,737	16.18	0	(5.87)
5	Parul A. Chheda	100	0.002	0	100	0.002	0	0

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

There is no change in number of shares held by promoter. Change in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr.No.	Name of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>KHEEMJI JAIN</b>				
	At the Beginning of the year	0	0	0	0
	Changes during the year	2,58,000	5.4242	2,58,000	5.4242
	At the End of the year	2,58,000	5.4242	2,58,000	5.4242
2	<b>Shah Akash Shrenik</b>				
	At the Beginning of the year	100	0.003	100	0.003
	Changes during the year	216000	4.53	216100	4.54
	At the End of the year	216100	4.54	216100	4.54
3	<b>Hardik D Patwa</b>				

	At the Beginning of the year	0	0	0	0
	Changes during the year	1,44,000	3.0274	1,44,000	3.0274
	At the End of the year	1,44,000	3.0274	1,44,000	3.0274
<b>4</b>	<b>Ambuja Credit &amp; Lease Finance Ltd</b>				
	At the Beginning of the year	0	0	0	0
	Changes during the year	78,000	1.6399	78,000	1.6399
	At the End of the year	78,000	1.6399	78,000	1.6399
<b>5</b>	<b>Guiness Securities Limited</b>				
	At the Beginning of the year	0	0	0	0
	Changes during the year	66,000	1.3876	66,000	1.3876
	At the End of the year	66,000	1.3876	66,000	1.3876
<b>6</b>	<b>Jitendra Navinchandra Nagda</b>				
	At the Beginning of the year	50,000	1.4324	0	0
	Changes during the year	There is no change in number of shares held by shareholder. Change in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.			
	At the End of the year	50,000	1.0512	50,000	1.0512
<b>7</b>	<b>Jayesh Vasant Nagda</b>				
	At the Beginning of the year	50,000	1.4324	0	0
	Changes during the year	There is no change in number of shares held by shareholder. Change in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.			
	At the End of the year	50,000	1.0512	50,000	1.0512
<b>8</b>	<b>Jayaben Jayantilal Nagda</b>				
	At the Beginning of the year	50,000	1.4324	0	0
	Changes during the year	There is no change in number of shares held by shareholder. Change in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.			
	At the End of the year	50,000	1.0512	50,000	1.0512
<b>9</b>	<b>Mayank Vasant Nagda</b>				
	At the Beginning of the year	50,000	1.4324	0	0
	Changes during the year	There is no change in number of shares held by shareholder. Change in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.			
	At the End of the year	50,000	1.0512	50,000	1.0512
<b>10</b>	<b>Vipul Shantilal Nagda</b>				
	At the Beginning of the year	50,000	1.4324	0	0
	Changes during the year	There is no change in number of shares held by shareholder. Change			



		in % holding is because of increase in paid up capital by Further allotment of shares i.e. IPO dated 14.07.2015.			
	At the End of the year	50,000	1.0512	50,000	1.0512

**(V) Shareholding of Directors and Key Managerial Personnel:**

Sr.No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Vishal Mulchandbhai Gala</b>				
	At the beginning of the year	15,05,263	43.13	15,05,263	31.65
	Change during the year	Though there was no change in the number of shares held by promoter, % of shareholding decreased due to allotment of shares during the year 2015-16.		15,05,263	31.65
	At the End of the year	15,05,263	31.65	15,05,263	31.65
<b>2</b>	<b>Maulik kumar Rajulkumar Shah</b>				
	At the beginning of the year	--	--	--	--
	Change during the year	--	--	--	--
	At the End of the year	--	--	--	--
<b>3.</b>	<b>Rajan Navnitbhai Mehta</b>				
	At the Beginning of the year	--	--	--	--
	Change during the year	--	--	--	--
	At the End of the year	--	--	--	--
<b>4</b>	<b>Alpa Jignesh Pandya</b>				
	At the Beginning of the year	--	--	--	--
	Change during the year	--	--	--	--
	At the End of the year	--	--	--	--
<b>5</b>	<b>Anuj Mayur kumar Shah (Appointed as Additional Director w.e.f. 26.11.2015)</b>				
	At the beginning of the year	--	--	--	--

	Change during the year	--		--	--
	At the End of the year	--	--	--	--
<b>6</b>	<b>Chandrakant Liladhar Shah</b>				
	At the beginning of the year	--	--	--	--
	Change during the year	--		--	--
	At the End of the year	--	--	--	--
<b>7</b>	<b>Sanket Sheth (Resigned from the post of Director w.e.f. 25.11.2015)</b>				
	At the beginning of the year	100	0.002	100	0.002
	Change during the year	--		100	0.002
	At the End of the year	--	--	100	0.002

**V. INDEBTEDNESS : Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	92,69,593	0	0	92,69,593
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	92,69,593	0	0	92,69,593
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	(30,36,876)	0	0	(30,36,876)
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	62,32,717	0	0	62,32,717
ii) Interest due but not paid	0	0	0	0

iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	62,32,717	0	0	62,32,717

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total
		Vishal M. Gala	
1.	Gross Salary		
	(a) Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	6,60,000	6,60,000
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	-Others, Specify	-	-
5.	Others, Please Specify	-	-
	Total (A)	6,60,000	6,60,000

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
<b>1.</b>	<b>Independent Directors</b>		
	Fee for attending board committee meetings	Nil	-
	• Commission		-
	• Others, please specify		-
	• Salary to Remuneration		-
	Total (1)		-
<b>2.</b>	<b>Other Non-Executive Directors</b>		
	Fee for attending board committee meetings	Nil	-
	Commission		-
	Salary to Remuneration		-
	Total(2)		-
	Total (B)= (1)+(2)		-
	Total Managerial Remuneration		-
	Overall Ceiling as per the Act		-

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total
<b>1.</b>	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,02,427	2,02,427
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-

2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of Profit		
	- Others, Specify		
5.	Others, Please Specify	-	-
	Total	2,02,427	2,02,427

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ending March 31, 2015

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees Imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (Give Details)
A. COMPANY					
Penalty	N.A.				
Punishment					
Compounding					
B. DIRECTORS					
	N.A.				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.				
Punishment					
Compounding					

### ANNEXURE 3 TO THE DIRECTORS REPORT

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and designation	Remuneration to the Director/KMP for the F.Y. 2015-16	Percentage increase/ decrease in remuneration in F.Y. 2015-16	Ration of remuneration of each director to the median remuneration of employees
1	Vishal Mulchandbhai Gala Managing Director	Rs. 6,60,000/-	37.50%	7.33
2	Maulik kumar Rajulkumar Vyas Independent Non-Executive Director	-	-	-
3	Rajan Navnitbhai Mehta Independent Non-Executive Director	-	-	-
4	Chandrakant Liladhar Shah Director and CFO	-	-	-
5	Alpa Jignesh Pandya Independent Non-Executive Director	-	-	-
6	Anuj Mayurkumar Shah Additional Director (Appointed as on 26.11.2015)	-	-	-
7	Sanket R. Sheth Executive Director (Resigned w.e.f. 25.11.2015)	Rs.2,18,512/-	17.39%	2.43
8	Dhrupa Thakkar Company Secretary (Resigned w.e.f 30.11.2015)	Rs. 1,20,000/-	-	1.50
9	Khyati Shah Company Secretary (Appointed on 18.12.2015)	Rs. 82,427/-	-	-

ii) The median remuneration of employees of the Company during the financial year was **Rs. 0.90 lacs**.

iii) In the financial year, there was an increase of Rs. (30,000) in the median remuneration of employees;

iv) There were 9 permanent employees on the rolls of Company as on March 31, 2016;

v) Relationship between average increase in remuneration and company performance: -

The Profit before Tax for the financial year ended March 31, 2016 increased by Rs. 5,93,339/- whereas the increase in median remuneration was Rs. (30,000) The average increase in median remuneration was in line with the performance of the Company.

vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was Rs. 10.81lacs in 2015-16 while it was Rs. 8.27lacs in 2014-15 whereas the Profit before Tax increased by 44.15 % to Rs. 19.37 Lacs in 2015-16 (Rs. 13.44 Lacs in 2014-15).

vii) a) Variations in the market capitalisation of the Company :

The market capitalisation as on March 31, 2016 was Rs. 36064.5 Lacs (Rs. 8422.9 Lacs as on March 31, 2014)

b) Price Earnings ratio of the Company was 83.39 as at March 31, 2016 and was NA as at March 31, 2015

c) Percentage increase over decrease in the market quotations of the shares of the company in Comparison to the rate at which the company came out with the last public offer- The Company had come out with initial public offer (IPO) in the year 2015 at the rate of Rs. 24 per share. The Market Price of the shares as on 31/03/2016 was Rs. 25.15 per share. The market quotations of the shares increased by 4.79% in comparison to the rate at which the company came out with the IPO in year 2015.

viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was -2.98% whereas there was no change in the managerial remuneration for the same financial year;

ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – **Not Applicable**; and

xi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

**ANNEXURE 4 TO THE DIRECTORS REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT***For the Financial Year ended 31.03.2016*

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Gala Print City Limited,  
B-1, LAXMI COM. CO. OP. ESTATE,  
B/H OLD NAVNEET PRESS,  
SUKHRAMNAGAR-380021,  
AHMEDABAD, GUJARAT.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **Gala Print City Limited**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the Audit Period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- Management and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2016 according To the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing ;(**Not Applicable to the company during the Audit Report**).
- (v) The following Regulations and Guidelines (prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')) :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective from 15<sup>th</sup> May, 2015);



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the company has not issued and listed any debt securities during the financial year under review]**
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not applicable as the company is not registered as Registrars to an Issue and Share Transfer Agent during the financial year under review];**
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares ) Regulations, 2009 [Not applicable as the company has not delisted/ proposed to delist its equity shares during the financial year under review] ;
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the company has not bought back/ proposed to buy back any of its securities during the financial year under review];
- (vi) I have relied on the representation made by the company and its officers for system and mechanism formed by the company for compliances under other applicable Acts, Laws and regulations to the company. I have relied on the report of statutory auditors of the company for compliance system relating to direct tax, indirect tax and other tax laws.

The management has identified and confirmed the following laws as specifically applicable to the company:

1. Environmental (Protection) Act, 1986.
2. Labour Laws.
3. Factories Act, 1948.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and made effective from 1<sup>st</sup> July, 2015.
- (ii) SME Listing Agreement entered into by the company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made, effective from 01<sup>st</sup> December, 2015 ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) Certain compliances regarding Initial Public Offer (IPO), subscription, revise remuneration and appointment of Auditor were made within time-limit but the intimation of the same to Registrar of Companies (ROC) was not done within the stipulated time period and therefore additional Fees was charged.

#### **I further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' Views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

- As informed the company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for correct measures, wherever found necessary.

**I further report that** during the previous financial year i.e. 2014-15, The Company has already obtained approval of members u/s 180(1)(c) of the Companies Act, 2013 by way of special resolution at the general meeting dated 12<sup>th</sup> January, 2015 for borrowing up to Rs. 5 crore over and above the aggregate of the paid up share capital and free reserves of the company.

**I further report that** during the audit period there were following events/ actions having a major bearing on company's affairs in pursuance of the above- referred laws, rules, regulations, guidelines, and Standards, etc.;

- i) The Board of Directors at their meeting held on 13<sup>th</sup> July, 2015 has considered and approved the scheme related to Initial Public Offering (IPO) and the allotment of the same is done within stipulated time.

**Date: 09/08/2016**  
**Place: Ahmedabad**

**For, Mehul Thakkar & Associates**  
**Company Secretaries (C.P. No. 11478)**

**Mehul Thakkar**  
**(ACS No. 31211)**

Note:- This report is to be read with my letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

**ANNEXURE "A" OF SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Gala Print City Limited,  
B-1, LAXMI COM. CO. OP. ESTATE,  
B/H OLD NAVNEET PRESS,  
SUKHRAMNAGAR-380021,  
AHMEDABAD, GUJARAT.

My report of even date which is to be read along with this letter.

**Management's responsibility**

- 1) It is the responsibility of the management of the company to maintain secretarial records, devise proper systems, to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's responsibility**

- 2) My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- 3) I believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis of my opinion.
- 4) Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.

**Disclaimer**

- 5) The secretarial audit report is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 09/08/2016  
Place: Ahmedabad

For, Mehul Thakkar & Associates  
Company Secretaries (C.P. No. 11478)

Mehul Thakkar  
(ACS No. 31211)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Company is in the business of offset printing and supply of various stationery items. As the world becomes a global village, distance and geographic boundaries are virtually disappearing. In this scenario, brand building is a prerequisite for success and profitability. Many Indian printers are making a name for themselves both in quality and competence. The ranks of Indian printers doing world class printing and winning international awards for the excellence in printing is growing. Increasing number of printers in India are also concentrating on exports and undertaking outsourcing jobs. Printing in India may be growing at 40% but the point to be noted is the capacity of the print has grown a lot more. However, Competition in the industry is continuously increasing but overall Performance of the Company is satisfactory.

### OVERVIEW

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in the India. The management of the company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profit for the year.

### OPERATIONAL PERFORMANCE

India is one of the few markets in the world which offers high prospects for growth and earning potential in printing industry. India is one of the largest producers in agriculture worldwide ranking among the top 3 in the production of pulses, milk, sugar and fruit. Thereby the country offers abundant raw material for further processing. There's no doubt that new value-added services are the lifeblood of the printing industry, and will become even more critical in the decade to come.

Competition in the domestic as well as international market has intensified and forced the players to adopt aggressive marketing strategy and promotional campaigns to capture and protect their market shares, The Company has the plans to penetrate better in to market, especially through the customer retention and business development in the regions which have not been tapped.

The Company's broad product range and frequent visits by its marketing people to the outlets and ensure that the Company's products receive maximum response and are adequately promoted.

### SEGMENT WISE AND PRODUCT WISE PERFORMANCE

The Company operates within a solitary business segment i.e. printing of stationery items. Hence, Segment / Product wise report is not given separately.

### RISK AND CONCERN

Risks are integral to business. At industries, risk management encompasses an organized and coherent process of identifying, assessing and managing the existing and potential risks in a planned manner. The management strives hard to balance business risks and opportunities and analyse potentially negative or positive outcomes. The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business.

However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. Uncontrolled variation in price of input materials could impact the company's profitability to the extent that the same are not absorbed by the market through price increase and / or could have a negative impact on the demand in the market. Currency risks mainly arise out of overseas operations and financing activities.

The company is operating in highly competitive market. The management has already taken initiatives in advance for mitigating the above mentioned risk and concerns/challenges. The company has taken major initiatives like hedging of exposure in foreign currencies, strong marketing efforts focus on cost reduction through inventory management techniques, introduction of new products and manufacturing process without compromising quality of products and retain talented employees etc.

### **INITIATIVES BY THE COMPANY**

The Company has taken the following initiatives:

- Concentration on reduction of costs by undertaking specific exercise in different fields.
- Concentration in Increase of Production.
- Stress on untouched markets which are growing on a regular basis.
- Focusing on modernization of manufacturing process to improve quality and reduction of costs.
- The Company is quite confident that the overall productivity, profitability would improve in a sustainable manner, as a result of this strategy.

### **OUTLOOK**

The profit margins in the industry are under pressure. However, the Company has taken remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development productivity improvement and cost reduction exercise.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company places significant emphasis and efforts on the internal control systems. The Company is in the process of appointing independent firm of Chartered Accountant for the same with such powers and responsibilities that are required to ensure the adequacy of the internal Control System.

### **HUMAN RESOURCE**

The Company has continued to give special attention to Human Resources/Industrial relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

Our work force consists of:

- (i) Our Permanent employees
- (ii) Labour Contractors and
- (iii) Consultants which are engaged by us on professional basis.

### **CAUTIONARY STATEMENT**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-16

### 1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about ensuring Transparency, disclosure and Reporting that confirms fully to the existing laws of the country and to promote ethical conduct of business throughout organisation. Your Company adheres to good practices in Corporate Governance in its true spirit and benchmarks it with high standards. Corporate Governance is set of systems and practices to ensure that the operations of the Company are being managed in a way which ensures fairness, integrity, transparency and accountability in its dealings with its customers, stakeholders, dealers, lenders, government and employees. Company has guiding principles laid out through its Code of business conduct, duly adopted by directors and senior management personnel which have been posted on website of Company ([www.galaprintcity.com](http://www.galaprintcity.com)).

### 2) BOARD OF DIRECTORS

#### (a) Composition of Board of Directors:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors pursuant to Listing Regulation. The Board of Directors comprises of six directors as on 31<sup>st</sup> March, 2016. No director is related to each other.

All the Independent Directors have confirmed that they meet criteria as mentioned under Listing regulation and Sec. 149 of the Companies Act, 2013.

The composition of Board of Directors is as follows:

Sr. No.	Name of Director	Category
1	Maulikkumar Rajulkumar Shah	Non-Executive Independent Director
2	Rajan Navnitbhai Mehta	Non-Executive Independent Director
3	Alpa Jignesh Pandya	Non-Executive Independent Director
4	Chandrakant Liladhar Shah	Chief Financial Officer
5	Vishal Mulchandbhai Gala	Chairman and Chief Executive Officer
6	Anuj Mayurkumar Shah	Additional Executive Director

#### (b) Number of Directors Meeting and Attendance of Directors:

During the financial year 2015-16 board met 10 times on 30<sup>th</sup> April 2015, 25<sup>th</sup> June 2015, 09<sup>th</sup> July 2015, 13<sup>th</sup> July, 2015, 04<sup>th</sup> September, 2015, 14<sup>th</sup> October, 2015, 26<sup>th</sup> November, 2015, 18<sup>th</sup> December, 2015, 03<sup>rd</sup> February, 2016 and 26<sup>th</sup> March, 2016.

The composition of Directors and the attendance at the Board Meeting during the year 2015-2016 and last Annual General Meeting are as under:

Sr No	Name of Director	No. of other Directorship	Membership of Committee in other company		No. of Board Meetings Attended	Attendance at last AGM	Shareholding as on 31.03.2016
			Chair man	Director			
1	Maulikkumar Rajulkumar Shah	-	-	-	10	Yes	-
2	Rajan Navnitbhai Mehta	-	-	-	10	Yes	-
3	Alpa Jignesh Pandya	-	-	-	10	Yes	-
4	Chandrakant Liladhar Shah	-	-	-	10	Yes	-
5	Vishal Mulchandbhai Gala	2	-	-	10	Yes	15,05,263
6	Anuj Mayurkumar Shah (Appointed on 26.11.2015)	-	-	-	4	No	-
7	Sanket R. Sheth (Resigned on 25.11.2015)	-	-	-	7	Yes	100

(c) During the year one meeting of Independent directors was held on 18<sup>th</sup> March, 2016. The details of Director Familiarisation Programme held is published on the website of the company [www.galaprintcity.com](http://www.galaprintcity.com)

### 3) BOARD COMMITTEE

As per requirement of Companies Act, 2013 read with Rules and Listing Regulation, various board committees have been formed for better governance and accountability viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

The term of reference of each committee is determined by the Board as per the requirement of law and their relevance is reviewed from time to time.

#### A. AUDIT COMMITTEE

As a measure of good corporate governance and to provide assistance to the Board of Directors in fulfilling the Board's responsibilities, an Audit Committee had been constituted by the Board. The terms of reference of this committee covers matters specified under regulation 18 of Listing Regulation and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Main areas are deliberated as under:

- (1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval
- (5) Scrutiny of inter-corporate loans and investments.
- (6) Prevention, Prohibition & Redressal of Sexual Harassments at Work Place

The Constitution of the committee and the attendance of each member of the committee are given below:

The Committee comprises of three Directors and all the three Directors are Independent Directors. All members of the Audit Committee are financially literate. During the financial year Four Meetings of Audit Committee were held on following dates:

Sr. No.	Date of Meeting
1	18 <sup>th</sup> April, 2015
2	09 <sup>th</sup> July, 2015
3	14 <sup>th</sup> October, 2015
4	20 <sup>th</sup> January, 2016

Composition of committee as on 31 March, 2016 and member's attendance at the meetings during the year are as under

Name	Designation	Category	No. of Meetings Attended
Maulikkumar Rajulkumar Shah	Non-Executive Independent Director	Chairman	4
Rajan Navnitbhai Mehta	Non-Executive Independent Director	Member	4
Vishal Mulchandbhai Gala	Chairman and Chief Executive Officer	Member	4

## B. NOMINATION AND REMUNERATION COMMITTEE

Terms of reference of the committee comprise various matters provided under Regulation 19 of the Listing Regulation and section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Committee comprises of three Independent Directors. In the financial year 2015-16, two meetings of the Committee were held on

Sr. No.	Date of Meeting
1	26 <sup>th</sup> November 2015
2	10 <sup>th</sup> February, 2016

The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

Name	Designation	Category	No. of Meetings Attended
Maulikkumar Rajulkumar Shah	Non-Executive Independent Director	Chairman	2
Rajan Navnitbhai Mehta	Non-Executive Independent Director	Member	2
Alpa Jignesh Pandya	Non-Executive Independent Director	Member	2



## PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 of the Listing Regulation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committee, Shareholder and Investor Grievance Committee and Independent Directors.

Various aspects of the Board's functioning were evaluated such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The Performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The criteria for evaluation of the Independent Directors were on the following parameters:

### Personal Traits/ General Criteria:

- Highest personal and professional ethics, integrity and values ;
- Inquisitive and objective perspective, practical wisdom and mature judgment;
- Demonstrated intelligence, maturity, wisdom and independent Judgment
- Self-confidence to contribute to board deliberations, and stature such that other board members will respect his or her view;
- The willingness and commitment to devote the extensive time necessary to fulfil his/her duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

### ➤ Specific Criteria :

- Participation and contribution by a Director;
- Commitment , including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;
- Independence of behaviour and judgment.
- Maintenance of confidentiality of critical issues.

Further the Committee/Board shall be authorised to modify the criteria as it may deem fit and necessary.

## REMUNARATION OF DIRECTOR

### \* Criteria of Making Payment to Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;

iii. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

### \* Remuneration Paid to Directors

Details of remuneration paid to the Directors are given in Form MGT – 9- Extract of Annual Return.

## C. STAKEHOLDERS GRIEVANCE COMMITTEE

Stakeholders' Relationship Committee performs various functions provided under the Listing Regulation and section 178 of the Companies Act, 2013. The Committee comprises of three directors and is headed by Non-Executive Director. The composition of committee is as follows:

Name	Designation	Category
Maulikkumar Rajulkumar Shah	Non-Executive Independent Director	Chairman
Rajan Navnitbhai Mehta	Non-Executive Independent Director	Member
Anuj M. Shah	Additional Director	Member

### \* Details of Complaints received and redress during the period under review:

No. of Investors Complaints pending at the beginning of the financial year	NIL
No. of Investors Complaints received during the period	NIL
No. of Investors Complaints disposed off during the period	NIL
No. of Investor Complaints those remaining unsolved at the end of the financial year	NIL

#### D. INDEPENDENT DIRECTORS' MEETING

During the year under review, one meeting of independent Directors was held on 18th March, 2016 in compliance with the requirements of schedule IV of the Companies Act, 2013. Following items were considered at the said meeting:

- i. Presentation on familiarizing the Independent Directors with operations of the Company;
- ii. Performance review of Non-independent directors, Board as a whole and Chairman of the Company;
- iii. Assessed the quality, quantity and timeliness of flow of information between Company management and the Board.

All the Independent Directors except Mr.Rajan Mehta were present at the meeting.

#### E. INDEPENDENT DIRECTORS' FAMILIARISATION PROGRAMME

As per requirements under the Listing Regulation, the Company undertook familiarization Programme for Independent Directors in order to familiarize them with business model, management structure, product portfolio, Industry overview, manufacturing operations, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc.

The details of the same is disclosed on the website of the company [www.galaprintcity.com](http://www.galaprintcity.com)

#### 4) GENERAL BODY MEETING

i).The details of Annual General Meetings held during the last three years and special resolutions passed thereat are as follows:

Financial Year	Day, Date and Time	Venue	Special Resolution Passed
2012-13	Monday, September 30, 2013 11:30 AM	B-1, Laxmi Com. Co.Op. Estate, B/h Old Navneet Press,Sukhramngar,Ahmedabad-380021	Nil
2013-14	Tuesday, September 30, 2014 11:00 AM	B-1, Laxmi Com. Co.Op. Estate, B/h Old Navneet Press,Sukhramngar,Ahmedabad-380021	Nil
2014-15	Wednesday, September 30, 2015 11:00 AM	B-1, Laxmi Com. Co.Op. Estate, B/h Old Navneet Press,Sukhramngar,Ahmedabad-380021	Nil

#### ii) POSTAL BALLOT

During the year, the Company had not sought approval from the shareholders through Postal Ballot. The Company had provided e-voting facility at the time of Annual General Meeting for the year ended 31 March, 2015. The Company had appointed Mr. Mehul Thakkar- Mehul Thakkar& Associate, Practising Company Secretary to act as Scrutinizer for the entire e-voting process.

## 5. MEANS OF COMMUNICATION

- \* The Company's corporate website, [www.galaprintcity.com](http://www.galaprintcity.com) provides comprehensive information to the Shareholders.
- \* The Half yearly and Annual Financial results are submitted to the Stock Exchange in accordance with the Listing Agreement and are also made available on the Company's website, [www.galaprintcity.com](http://www.galaprintcity.com).
- \* The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchanges and also displayed on the Company's website, [www.galaprintcity.com](http://www.galaprintcity.com)

## 6. GENERAL SHAREHOLDER INFORMATION

### a. AGM :

Date and Day : Friday, 30th September 2016

Time : 11:00 AM

Venue :B-1, Laxmi Com. Co.Op. Estate,B/h Old Navneet Press,Sukhramngar,Ahmedabad-380021

**b. Financial Year:**April 01<sup>st</sup> 2015 to March 31<sup>st</sup> 2016

**c. Date of Book Closure:**Friday, 23rd September 2016 to Friday, 30th September 2016

**d. Dividend payment date:**No dividend has been declared

### e. Details of Stock Exchange where shares of company are listed:

The Company's equity shares are listed on SME Platform of BSE Limited

Address: P. J. Towers, Dalal Street, Fort, Mumbai- 400 001

Company has duly paid Annual listing fees for the F.Y. 2015-16

**f. Stock code** :539228

**Script Id** :GPCL

**ISIN** :INE480S01018

### g. Market Price Data:

Month	Month's High	Month's Low
July,2015	25.3	22.95
August,2015	26.1	24.1
September,2015	24.2	24
October,2015	23.9	23.9
November,2015	23.8	23.3
February,2016	25.60	22.80
March,2016	25.25	22.00

\*Company's shares Listing date is July16 2015.

\*No data available for the month of December 2015 and January 2016 on BSE Site.

#### **h. Details of Registrar to an issue and Share Transfer Agent ;**

Karvy Computershare Private Limited \*  
701, Hallmark Business Plaza,  
SantDyaneshwarMarg,  
Off BandraKurla Complex,  
Bandra (East),  
Mumbai – 400 051.  
Ph: 040 67161632  
Email: vichare.subodh@karvy .com

- \* Pursuant to SEBI Order No.WTM/RKA/MIRSD2/41/2016 dated 22<sup>nd</sup> March 2016 the company has changed its RTA from M/s. Sharepro Services (India) Private Limited to Karvy Computershare Private Limited.

#### **i. Share Transfer System:**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed within due dates from the date of receipt.

#### **j. Shareholding Pattern:**

Sr. No.	Category	No. of Shares Held	% of holding
1	Promoters and Promoter Group	22,75,300	47.84
2	Bodies Corporate	1,48,057	3.11
3	Public Shareholders	23,33,143	49.05
	Total	47,56,500	100.00

#### **k. Distribution of Shareholding as on 31<sup>st</sup> March, 2016:**

Range of No. of Shares	No. of Shareholders	%	No of Shares	%
1-500	4	3.64	400	0.0084
501-1000	-	-	-	-
1001-2000	1	0.90	1,943	0.0408
2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	4	3.64	19,057	0.4006
5001-10000	63	57.27	3,78,000	7.9470
10001-99999999999	38	34.55	43,57,100	91.6031
Total	110	100.00	47,56,500	100.00

#### **l. Dematerialisation of Shares and Liquidity**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trades became compulsory in Demat format. As on 31 March, 2016, 42, 41,500 equity shares (89.17% of the total number of shares) have been dematerialized.

**m. Outstanding GDRs / ADRs / Warrants or Conversion instruments, Conversion date and like impact on equity-** Not applicable

**n. Plant Location:**

B-1,LaxmiCom.Co.Op.Estate,B/H old Navneet press, Sukhramnagar, Ahmedabad- 380021

**o. Address for correspondence:**

B-1,LaxmiCom.Co.Op.Estate,B/H old Navneet press, Sukhramnagar, Ahmedabad- 380021

**7. OTHER DISCLOSURES:**

**a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

There are no such materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

**b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

Company has never been penalised for non-compliance by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets.

**c) Details of establishment of vigil mechanism whistle blower policy, and affirmation that no personnel have been denied access to the audit committee:**

The company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine and to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

The Whistle Blower policy adopted by the company is published on the website of the company [www.galaprintcity.com](http://www.galaprintcity.com)

**d) Details of compliance with mandatory requirements:**

The company has duly complied all mandatory requirements under Company Act,2013 and SEBI (LODR) Regulation, 2013. Various policies are framed by company to smoothen the corporate management and comply with legal obligation.

e) Web link for various policies and compliance disclosure:

The following details are disclosed on the official website of the company i.e. [www.galaprintcity.com](http://www.galaprintcity.com)

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**Details of business**

**Terms and conditions of appointment of independent directors**

**Composition of various committees of board of directors**

**Code of conduct of board of directors and senior management personnel**

**Details of establishment of vigil mechanism/ Whistle Blower policy**

**Policy on dealing with related party transactions**

**Policy for determining 'material' subsidiaries**

**Details of familiarization programmes imparted to independent directors**

**Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances**

**email address for grievance redressal and other relevant details**

**Financial results**

**Shareholding pattern**

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## **Annual Declaration by CEO / Managing Director Pursuant to Part D of Schedule V (Regulation 34) Of the Listing Regulation**

I, Vishal M. Gala , Chairman and Managing Director of M/s Gala Print City Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Part D Schedule V (Regulation 34) of the Listing Regulation entered into with the Stock Exchanges for the financial year ended March 31, 2016.

**Place: Ahmedabad**

**Date: May 27, 2016**

**FOR GALA PRINT CITY LIMITED**

**Vishal Gala  
(Managing Director)  
(DIN: 00692090)**



## Compliance Certificate on Corporate Governance

To,  
The Members of  
**Gala Print City Limited,**

We have reviewed the compliance of the conditions of Corporate Governance by M/s **Gala Print City Limited** for the year ended March 31, 2016, as stipulated in Regulation 27 (1) & (2) of the Listing Regulation of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date: 23/08/2016**  
**Place: Ahmedabad**

**For Mehul Thakkar & Associates**  
**Company Secretaries (C.P. No. 11478)**

**Mehul Thakkar**  
**(ACS No. 31211)**

## **Certification by Managing Director and Chief Financial Officer on Financial Statements of the Company**

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Ahmedabad  
Date: May 27, 2016

FOR GALA PRINT CITY LIMITED

**Vishal M. Gala**  
(Managing Director)  
(DIN: 00692090)

**Chandrakant Shah**  
(Chief Financial Officer)  
(DIN: 06954474)

## **Independent Auditor's Report**

To the Members of  
Gala Print City Limited  
Ahmedabad

We have audited the accompanying financial statements of "Gala Print City Limited" which comprise the Balance Sheet as at Mar 31, 2016, and the Statement of Profit and Loss for the period ended on that date, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards as per Section 129 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
  - b) in the case of the Profit and Loss Account, of the profit/ loss for the period ended on that date;
1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
  2. As required by section 143 of the Companies Act, 2013 we report that:
    - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c) the Balance Sheet and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.

d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to section 129 of the Companies Act, 2013;

e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 of the Companies Act, 2013.

**For, P P SHAH & CO. CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD**  
**DATE:27/05/2016**

**(PRANAV SHAH)**  
**PARTNER**  
**M.No. 130500**  
**FRN: 131378W**

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Gala Print City Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2016.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) As explained to us, majority of the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) As explained to us, title deeds of immovable properties are held in the name of the company.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) In our opinion and according to the information and explanations given to us the company is maintaining proper records of inventory and there were no discrepancies between the physical stocks and the book records.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013.  
  
(b) The Terms and conditions at which the said loan has been granted are not prejudicial in the interest of the company.  
  
(c) In respect of loans granted the amount of Principal is regular.  
  
(d) There is no overdue amount of loans granted to Companies listed in the register maintained under section 189 of the Companies act, 2013
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013 or any other provisions of the Companies Act and the rules framed there under.
6. In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148 of the Companies Act, 2013.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and

explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution or bank.

9. Based on audit procedures and according to the information and explanations given to us, the fund raised by way of public issue have been applied for the purposes for which those are raised. However, we report that the company has not raise any term loan during the year.

10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the management.

11. Based on our audit procedures and on the information given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

12. The company is not Nidhi Company. Therefore this clause is not applicable.

13. Based on our audit procedures and on the information given by the management, we report all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

14. Based on our audit procedures and on the information given by the management, we report the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.

15. Based on our audit procedures and on the information given by the management, we report the company has not entered into any non-cash transactions with directors or persons connected with him.

14. Based on the information given by the management, we report the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For, P P SHAH & CO.CHARTERED ACCOUNTANTS**

**PLACE: AHMEDABAD**  
**DATE: 27/05/2016**

**(PRANAV SHAH)**  
**PARTNER**  
**M.No. 130500**  
**FRN: 131378W**

## Balance sheet as at 31st March 2016

	Notes	31 March, 2016	31 March, 2015
<b>Equity and liabilities</b>			
Shareholder's funds			
Share capital	2	47,565,000	34,905,000
Reservers and surplus	3	20,334,541	1,284,512
Share Application Money		-	-
		<b>67,899,541</b>	<b>36,189,512</b>
Non-current liabilities			
<b>Long-term borrowings</b>	4	<b>3,232,717</b>	<b>6,269,593</b>
<b>Deferred tax liability (net)</b>	5	<b>1,062,830</b>	<b>871,669</b>
<b>Long-term provisions</b>		<b>-</b>	<b>-</b>
		<b>4,295,547</b>	<b>7,141,262</b>
<b>Current Liabilities</b>			
Short-term provisions	6	634,039	307,820
Short-term borrowings	7	9,991,428	4,223,547
Trade payables	8	1,711,655	1,153,858
Other current liabilities	9	3,410,031	4,910,536
		<b>15,747,153</b>	<b>10,595,761</b>
<b>TOTAL</b>		<b>87,942,241</b>	<b>53,926,535</b>
<b>Assets</b>			
Non-current assets			
<b>Fixed assets</b>			
Tangible assets	10	13,286,860	14,367,410
Intangible assets		-	-
Capital work-in-progress			
Intangible assets under development			
<b>Long-term loans and advances</b>	11	<b>830,533</b>	<b>662,676</b>
<b>Trade receivables</b>		<b>-</b>	<b>-</b>
<b>Other non-current assets</b>	13	<b>-</b>	<b>-</b>
		<b>14,117,393</b>	<b>15,030,086</b>
<b>Current assets</b>			
Inventories	14	8,173,548	3,660,575
Trade receivables	12	61,438,184	31,862,777
Cash and bank balances	15	121,848	238,175
Short-term loans and advances	11	4,091,268	3,134,922
Other current assets	13	-	-
		<b>73,824,848</b>	<b>38,896,449</b>
<b>Total</b>		<b>87,942,241</b>	<b>53,926,535</b>

As per our report of even date:

For P P SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm registration number: 131378W

For and on behalf of the board of directors of  
GALA PRINTCITY LTD.

PRANAV SHAH  
PARTNER  
Membership no.: 130500  
Date: 27/05/2016  
Place: Ahmedabad

Vishal Gala  
[MD]

Chandrakant Shah  
[CFO]

Khyati Shah  
[CS]

**Statement of profit and loss for the year ended 31st March 2016**

	Notes	31 March, 2016	31 March, 2015
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations (gross)	16	216,733,441	138,778,838
Less: excise duty		-	-
Revenue from operations (net)		216,733,441	138,778,838
Other Income	17	193,368	234,172
<b>Total revenue (I)</b>		<b>216,926,809</b>	<b>139,013,010</b>
<b>Expenses</b>			
Cost of raw material and components consumed	18	205,454,789	129,210,158
Purchase of traded goods			
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods			
Employee benefits expense	19	2,047,120	2,612,359
Other expenses	20	4,750,457	3,519,380
<b>Total (II)</b>		<b>212,252,366</b>	<b>135,341,897</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)</b>		<b>4,674,443</b>	<b>3,671,113</b>
Depreciation and amortization expense		1,155,150	1,165,642
Finance costs	21	1,582,103	1,161,620
<b>Profit before tax</b>		<b>1,937,190</b>	<b>1,343,851</b>
<b>Tax expenses</b>			
Current tax		420,000	256,000
Less: MAT Credit		-	(256,000)
Deferred tax		191,161	269,214
<b>Total tax expenses</b>		<b>611,161</b>	<b>269,214</b>
<b>Profit for the year</b>		<b>1,326,029</b>	<b>1,074,637</b>
<b>Earnings per equity share [nominal value of share `10 (31 March 2015: `10)]</b>			
<b>Basic</b>			
Computed on the basis of total profit for the year		0.30	0.41
<b>Summary of significant accounting policies</b>	<b>1</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date:

For P P SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm registration number: 131378W

PRANAV SHAH  
PARTNER  
Membership no.: 130500  
Date: 27/05/2016  
Place: Ahmedabad

For and on behalf of the board of directors of  
GALA PRINTCITY LTD.

Vishal Gala  
[MD]

Khyati Shah  
[CS]

Chandrakant Shah  
[CFO]



## Cash flow statement for the year ended 31st March 2016

	Rs.	Rs.
	31 March, 2016	31 March, 2015
Cash flow from operating activities		
Profit before tax from continuing operations	1,937,190	1,343,851
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	1,155,150	1,165,642
Interest expense	1,582,103	2,051,446
Interest income	0	(938,161)
Operating profit before working capital changes	4,674,443	3,622,778
Movements in working capital :		
Increase in trade payables	557,797	(6,302,268)
Increase / (decrease) in short-term provisions	(51,820)	225,976
Increase/(decrease) in other current liabilities	(1,500,505)	1,275,210
Decrease/(increase) in trade receivables	(29,575,407)	(14,563,336)
Decrease/(increase) in inventories	(4,512,973)	(631,895)
Decrease / (increase) in loans and advances	(167,857)	(218,365)
Decrease / (increase) in short-term loans and advances	(998,307)	1,684,662
Decrease/(increase) in other current assets	0	8,200
Decrease / (increase) in other non-current assets	0	0
Cash generated from /(used in) operations	(31,574,629)	(14,899,038)
Direct taxes paid (net of refunds)	0	0
Net cash flow from/ (used in) operating activities (A)	(31,574,629)	(14,899,038)
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP	(74,600)	(19,985)
Interest received	0	332,098
Net cash flow from/(used in) investing activities (B)	(74,600)	312,113
Cash flows from financing activities		
Proceeds from long-term borrowings	-	-
Issue of Share Capital	30,384,000	19,650,000
Repayment of long-term borrowings	(3,036,876)	(3,031,187)
Proceeds from short-term borrowings	5,767,881	(584,062)
Interest paid	(1,582,103)	(2,051,446)
Net cash flow from/(used in) in financing activities (C)	31,532,902	13,983,305
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(116,327)	(603,620)
Cash and cash equivalents at the beginning of the year	238,175	841,795
Cash and cash equivalents at the end of the year	121,848	238,175
Components of cash and cash equivalents		
Cash on hand	215,294	229,206
With banks- on current account	(93,446)	8,969
Total cash and cash equivalents (note 15)	121,848	238,175
Summary of significant accounting policies	1	

As per our report of even date:

For P P SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm registration number: 131378W

PRANAV SHAH  
PARTNER  
Membership no.: 130500  
Date: 27/05/2016  
Place: Ahmedabad

For and on behalf of the board of directors of  
GALA PRINTCITY LTD.

Vishal Gala  
[MD]

Chandrakant Shah  
[CFO]

Khyati Shah  
[CS]

**NOTE-1****NOTES FORMING PART OF ACCOUNTS****A. Significant accounting Policies****(a) Basis of Accounting:**

The financial statements have been prepared in compliance with the requirements under section 133 of the Companies Act, 2013(to the extent notified), read with Rule 7 of the Companies (Accounts) Rules, 2014, and other generally accepted accounting principles (GAAP) in India, to the extent applicable, on the accrual basis of accounting, under the historical cost convention and to comply in all material respect with the notified accounting standards by the Companies (Accounting Standards) Rules – 2006.

**(b) Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed asset comprise of its purchase price and any directly attributable cost of bringing the assets in an operational condition for its intended use. However during the current year the value of the assets whose useful life has been fully utilized in the past years has been adjusted against the opening retained earnings.

**(c) Depreciation**

Depreciation has been provided at the rates and in the manner prescribed in Schedule XIV of the Companies act, 1956 on WDV Method. Depreciation on addition or on sale/ disposal of assets is calculated on pro-rata basis from the date of such addition or sale/ disposal as the case may be. However during the current year the depreciation method has been changed as per new Companies Act, 2013.

**(d) Valuation of Inventories**

Stock is valued at cost or net realizable value whichever is lower.

**(e) Investment**

Long term investments are stated at cost. Provision of diminution in the value of Long term investments is made only if such decline is other than temporary in nature in the opinion of the Management.

**(f) Revenue Recognition**

All the income & expenses are accounted on accrual basis.

**(g) Retirement/ Post retirement Benefits**

The company has not made provision for gratuity and leave encashment as prescribed by the Accounting Standard (AS) – 15(Revised) on Employee Benefits.

**(h) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between the taxable incomes and accounting income that originate in, one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## (i) Provisions, Contingent Assets and Contingent Liabilities

A provision involving substantial degree of estimation are recognized when there is a present obligation as a result of past event and it is probable that there will be on outflow or resources.

## B. NOTES FORMING PART OF ACCOUNTS

(a) The Company has not made any Provision regarding Gratuity liability as prescribed by the accounting standard 15 (Revised) on employee benefits ,as In the opinion of the management none of the employees are eligible for gratuity benefit.

(b) Previous year figures are regrouped or rearranged whenever considered necessary.

## (c) Related Party Disclosure :

The transactions that has taken place during the year with related parties to be disclosed as required by Accounting Standard -18 “ Related party Transaction” issued by the Institute of Chartered Accountants Of India and notified by the Companies Accounting standard Rules - 2006 are as under.

Sr. No	Related Party	Relation	Description Of Transaction	Receipts (Rs.)	Payments (Rs.)
1	Vishal Gala	Director	Loan Remuneration	400000	400000 660000
2	Neha Gala	Relative of Director	Rent Expense	--	395085
3	Sanket Sheth	Director	Remuneration	--	218512
4	Gala Products Ltd.	Common Director	Loan	1942958	1942958

## (e) The numerators and Denometers used in calculation of Basic and Diluted Earnings per Share are as under

Particulars	For period ended 31 <sup>st</sup> March, 2016 (Amount Rs.)	For period ended 31 <sup>st</sup> March, 2015 (Amount Rs.)
Net Profit/loss available To Equity Share Holders	1326029	1074637
Weighted Average No. of Equity Shares O/s at the end of the year	4396762	2617418
Basic and Diluted Earnings per Share (Rs.)	0.30	0.41

**(g) Particulars of payment made to Auditors:**

Particulars	For the period ended on 31.03.2016 Amount (Rs.)	For the year ended on 31.03.2015 Amount (Rs.)
Audit Fees	20,000	20,000

**(h) Particulars of payment made to Directors:**

Particulars	For the year ended on 31.03.2016 Amount (Rs.)	For the year ended on 31.03.2015 Amount (Rs.)
(1) Vishal Gala. (Salary)	660000	600000
(2) NehaGala (Salary)	---	100000
(3) SanketSheth (Salary)	218512	272171

(i) The balances shown in the Balance sheet under the head of Creditors, Current Assets are subject to confirmation from respective parties and are subject to adjustment if any, on receipt of confirmation.

## Notes to financial statements for the year ended 31st March 2016

						31 March 2016	31 March 2015
						Rs.	Rs.
2	Share capital						
	Authorized share capital						
	50,00,000 (31 March 2015:50,00,000) equity shares of Rs.10/- each					50,000,000	50,000,000
	Issued, subscribed and fully paid-up share capital					47,565,000	34,905,000
	47,56,500 (31 March 2015:34,90,500)equity shares of Rs.10/- each						
	Total issued, subscribed and fully paid-up share capital					47,565,000	34,905,000
a.	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period						
	Equity shares						
		31 March 2016			31 March 2015		
		Number	Rs	Number	Rs		
	At the beginning of the period	3,490,500	34,905,000	1,525,500	15,255,000		
	Add/Less during the period	1,266,000	12,660,000	1,965,000	19,650,000		
	Outstanding at the end of the period	4,756,500	47,565,000	3,490,500	34,905,000		
b.	Terms/rights attached to equity shares						
	The company has only one class of equity shares having a par value of `10 per share. Each holder of equity shares is entitled to one vote per share.						
	In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						
c.	Details of shareholders holding more than 5% shares in the company						
		31 March 2016			31 March 2015		
		Number	% holding inthe class	Number	% holding in the class		
	Equity shares of Rs. 10 each fully paid						
	VISHAL GALA	1505263	31.65%	1505263	43.12%		
	NEHA GALA	769737	16.18%	769737	22.05%		
	KHEEMJI JAIN	258000	5.42%	-			
					31 March 2016	31 March 2015	
3	Reserves and surplus				Rs.	Rs.	
	Security Premium A/c				17,724,000	-	
	General reserve						
	Balance as per the last financial statements						
	Closing Balance				17,724,000		

<b>Surplus in the statement of profit and loss</b>		<b>1,284,512</b>	<b>210,907</b>
Balance as per last financial statements		-	1,032
Less : Book value of fully utilized fixed assets		1,284,512	209,875
Profit for the year		1,326,029	1,074,637
<b>Net surplus in the statement of profit and loss</b>		<b>2,610,541</b>	<b>1,284,512</b>
<b>Total reserves and surplus</b>		<b>20,334,541</b>	<b>1,284,512</b>
<b>4 Long-term borrowings</b>	<b>Non-current portion</b>		
	<b>Current maturities</b>		
	<b>31 March 2016</b>	<b>31 March 2015</b>	<b>31 March 2016</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Term loans</b>			
From Bank	3,232,717	6,269,593	3,000,000
Other Loans			-
<b>The above amount includes</b>			
Secured borrowings	3,232,717	6,269,593	3,000,000
Unsecured borrowings			-
Amount disclosed under the head			3,000,000
"other current liabilities" (note 9)			3,000,000
<b>Net amount</b>	<b>3,232,717</b>	<b>6,269,593</b>	<b>-</b>
Term loans from State Bank of India was taken during the financial year 2012-13 to 2017-18 and carries interest 12.9% p.a. The loan is repayable in 60 monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of Plant & Machinery			
<b>5 Deferred tax Liability (net)</b>	<b>31 March 2016</b>	<b>31 March 2015</b>	
<b>Deferred tax Liability</b>	<b>1,062,830</b>	<b>871,669</b>	
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting			
<b>Gross deferred tax liability</b>	<b>1,062,830</b>	<b>871,669</b>	
<b>Deferred tax asset</b>			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis			
Others			
<b>Gross deferred tax asset</b>			
<b>Net deferred tax liability</b>	<b>1,062,830</b>	<b>871,669</b>	

## 6 Provisions

	Long-term		Short-term	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Provision for employee benefits				
<b>Provision for gratuity</b>				
<b>Provision for leave benefits</b>				
Other provisions:				
<b>Provision for Income tax</b>			634,039	270,530
<b>Provision for expenses</b>			-	37,290
			634,039	307,820

## 7 Short-term borrowings

	31 March 2016	31 March 2015
	Rs.	Rs.
<b>From Bank:</b>		
Cash credit / packing credit / S.L.C. (secured)	9,991,428	4,223,547
	<b>9,991,428</b>	<b>4,223,547</b>
<b>The above amount includes</b>		
Secured borrowings	9,991,428	4,223,547
Unsecured borrowings	-	-
	9,991,428	4,223,547
Hypothecation of entire book debts and Inventory of the company		
The cash credit is repayable on demand and carries interest @ 13%p.a.		

## 8 Trade payables

	31 March 2016	31 March 2015
	Rs.	Rs.
Trade payables	1,711,655	1,153,858
	<b>1,711,655</b>	<b>1,153,858</b>

## 9 Other current liabilities

Current maturities of long-term borrowings (Note:5)	3,000,000	3,000,000
Statutory liabilities payable	<b>32,490</b>	538,828
Advance received from customers	-	-
Creditors for Exp.	<b>377,541</b>	1,371,708
Interest accrued and due on borrowings	-	-
	<b>3,410,031</b>	<b>4,910,536</b>

10	Tangible assets					
		Plant and Machinery	Office Equipments	Computers	Furniture & fixture	Total
	Cost or valuation					
	At 01.04.2015	18,561,263	84,375	55,750	170,190	18,871,578
	Additions	-	-	74,600	-	74,600
	Disposals	-	-	-	-	-
	At 31 March 2016	18,561,263	84,375	130,350	170,190	18,946,178
		Plant and Machinery	Office Equipments	Computers	Furniture & Fixture	Total
	Depreciation					
	At 01.04.2015	4,337,393	25,368	52,962	88,445	4,504,168
	Charge for the year	1,086,333	43,219	11,812	13,786	1,155,150
	Disposals	-	-	-	-	-
	At 31 March 2016	5,423,726	68,587	64,774	102,231	5,659,318
	Net Block					
	At 31 March 2015	14,223,870	59,007	2,788	81,745	14,367,410
	At 31 March 2016	13,137,537	15,788	65,576	67,959	13,286,860



11	Loans and advances						
				Non-current		Current	
				31 March 2016	31 March 2015	31 March 2016	31 March 2015
				Rs.	Rs.	Rs.	Rs.
	Capital advances						
	Unsecured, considered good				-	-	
		(A)			-	-	
	Security deposit						
	Unsecured, considered good			303,748	302,972	2,985,659	2,036,566
		(B)		303,748	302,972	2,985,659	2,036,566
	Advances recoverable in cash or kind						
	Unsecured considered good				-	84,344	121,500
		(C)		-	-	84,344	121,500
	Other loans and advances						
	MAT Credit entitlement					441,509	483,470
	Prepaid expenses					22,754	33,731
	Interest Subsidy Receivable					557,002	459,655
	Balances with statutory / government authorities			526,785	359,704		
		(D)		526,785	359,704	1,021,265	976,856
	Total (A+ B + C + D)			830,533	662,676	4,091,268	3,134,922
	Trade receivables and other assets						

12 Trade receivables

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rs.		Rs.	Rs.
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Provision for doubtful receivable				
(A)				

Other receivables				
Secured, considered good			61,438,184	31,862,777
Unsecured, considered good				
Doubtful				
			61,438,184	31,862,777
Provision for doubtful receivable	-	-	-	-
(B)	-	-		
	-	-	61,438,184	31,862,777
Total (A + B)	-	-		
	-	-	61,438,184	31,862,777

13 Other assets

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good unless stated otherwise				
Non-current bank balances (note 18)				
(A)				
Others				
preliminary exp.				
(B)				
Total (A + B)				

14 Inventories (valued at lower of cost and net realizable value)

	31 March 2016	31 March 2015
	Rs.	Rs.
Finished goods	8,173,548	3,660,575
	8,173,548	3,660,575

15 Cash and bank balances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rs.	Rs.	Rs.	Rs.
Cash and cash equivalents				
Balances with banks:				
State Bank of India	-	-	(93,446)	8,969
Cash on hand	-	-	215,294	229,206
	-	-	121,848	238,175
Other bank balances				
Deposits with original				

maturity for more than 12 months	-	-
	-	-
Amount disclosed under non-current assets	-	-
	-	121,848
		238,175

16 Revenue from operations

	31 March 2016	31 March 2015
	Rs.	Rs.
<b>Revenue from operations</b>		
Sale of products:		
Finished goods	216,733,441	138,778,838
<b>Revenue from operations (gross)</b>	216,733,441	138,778,838
Less: Excise duty #	-	-
<b>Revenue from operations (net)</b>	216,733,441	138,778,838

17 Other income

	31 March 2016	31 March 2015
	Rs.	Rs.
Kasar Vatav	-	2,462
Rate Differance	34,240	58,867
Interest on IT Refund Income	3,140	-
NSC Interest Income	776	5,532
Bank FD Interest Income	155,212	141,264
Special Discount	-	26,047
	193,368	234,172

18 Cost of raw material consumed

	31 March 2016	31 March 2015
	Rs.	Rs.
Inventory at the beginning of the year	3,660,575	3,028,680
Add: Purchases and Labour Purchase	209,967,762	129,842,053
	213,628,337	132,870,733
Less: inventory at the end of the year	8,173,548	3,660,575
<b>Cost of raw material and components consumed</b>	<b>205,454,789</b>	<b>129,210,158</b>

19	Employee Benefits Expense	31 March 2016	31 March 2015
		Rs.	Rs.
	Salaries, wages and bonus	2,047,120	2,612,359
	Contribution to provident and other fund	-	-
	Gratuity expense	-	-
	Staff welfare expenses	-	-
		2,047,120	2,612,359
20	Other expenses		
		31 March 2016	31 March 2015
		Rs.	Rs.
	Advertising Expense	4,725	-
	Audit Fees	20,000	20,000
	Computer Expenses	24,703	-
	Conveyance Expense	22,972	14,364
	Electricity Burning	588,800	581,361
	Electric Expense	12,988	1,695
	Machinery Repairs & Spares	667,620	146,877
	Packing Materials	698	25,236
	Post Expense	3,208	500
	Stamp Expense	6,460	2,900
	Tempa fare	328,361	385,808
	Weight Expense	10,420	560
	Rent Expense	507,474	300,675
	Office Expense	68,336	50,411
	Stationary and Printing Expenses	25,204	7,369
	Telephone Expenses	38,323	37,018
	Vehicle Expenses	-	2,230
	Insurance Expense	49,021	51,956
	Legal & Professional Fee	1,677,296	1,761,701
	Licence Fees	-	400
	Misc. Expense	2,770	5,223
	Processing Fees	39,000	56,643
	Professional tax	2,400	2,440
	Tender Fees	127,800	29,000
	Travelling Expense	43,338	6,178
	Factory Maintenance Expense	418,800	8,135
	Preliminary exp	-	8,200
	Security Expense	-	2,500
	Vat Expense	-	10,000
	Short/Excess Provision of Income Tax	37,277	-
	Internet Expense	4,120	-

VatavKasar and Rate difference Exp.	18,343	-
	4,750,457	3,519,380
Payment to auditor :	31 March 2016	31 March 2015
	Rs.	Rs.
As auditor:		
Audit fee	10,000	10,000
Tax audit fee	10,000	10,000
	20,000	20,000
	31 March 2016	31 March 2015
	Rs.	Rs.
<b>21 Finance costs:</b>		
Bank Interest	1,496,770	1,078,650
Bank Charges	75,289	48,335
Interest on Income Tax	6,882	1,549
Interest on VAT	3,162	86
Interest Expense	-	33,000
	1,582,103	1,161,620

As per our report of even date:

For P P SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm registration number: 131378W

PRANAV SHAH  
PARTNER  
Membership no.: 130500  
Date: 27/05/2016  
Place: Ahmedabad

For and on behalf of the board of directors of  
.GALA PRINTCITY LTD.

Vishal Gala  
[MD]

Chandrakant Shah  
[CFO]

Khyati Shah  
[CS]

# Form MGT-11

## Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### **GALA PRINT CITY LIMITED**

**CIN:** L22219GJ2010PLC063243

**Registered Office:** B-1, Laxmi com. Co. Op. Estate, B/h Old Navneet Press,  
Sukhramnagar Ahmedabad -380021

Name of member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No./ Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ or failing him;

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ or failing him;

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Company, to be held on the Friday, the 30th day of September, 2016 at 11.30 a.m. at the Regd. office of the Company at 11:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	To receive, consider and adopt the Audited Financial Statement of the company for the financial year ended on 31 <sup>st</sup> March, 2016 including audited Balance Sheet as on 31 <sup>st</sup> March, 2016 and statement of Profit and Loss account for the year ended on that date along with the Report of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Vishal M. Gala (DIN: 00692090), who is liable to retire by rotation.		
3	Appointment of Auditors and fix their remuneration.		
4	Regularization of Additional Director Mr. Anuj Mayurkumar Shah		
5	Revise Remuneration of Mr. Vishal M. Gala, Managing Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Rs.1

Notes:

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company.

Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\* It is optional to put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



Registered Office:  
B-1, Laxmi Com. Co.Op. Estate,  
B/h Old Navneet Press,  
Sukhramngar,  
Ahmedabad-380021

CIN: L22219GJ2010PLC063243  
E- Mail: [galaprintcity@gmail.com](mailto:galaprintcity@gmail.com)

### **ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall 6th Annual General Meeting, 30th September, 2016)

I hereby record my presence at the SIXTH ANNUAL GENERAL MEETING of the Company at B-1, Laxmi Com. Co.Op. Estate B/h Old Navneet Press, Sukhramngar Ahmedabad-380021 at 11:00 AM

Full Name of the Member: \_\_\_\_\_

Registered Folio Number: \_\_\_\_\_ No. of Shares Held: \_\_\_\_\_

DP ID: \_\_\_\_\_ Client ID: \_\_\_\_\_

Full Name of the Proxy: \_\_\_\_\_

Member's/ Proxy's Signature: \_\_\_\_\_

*Note:*

*Members are requested to bring their copies of Annual Report to the meeting*