



**GALAXY**  
CLOUD  
KITCHENS  
LIMITED

# ANNUAL REPORT

## 2018-19



## Annual Report 2018 - 2019



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## Corporate Information

### BOARD OF DIRECTORS

Mr. Rajneesh Agarwal (DIN: 01273010)	: Chairman, Independent Director
Mr. Sunil Biyani (DIN: 00006583)	: Non-Executive Director
Mr. Swapnil Kothari (DIN: 05235636)	: Non-Executive Director
Mr. Sharad Rustagi (DIN: 07232913)	: Independent Director
Ms. Udit Jhunjhunwala (DIN: 00120951)	: Independent Director
Mr. Arvind Agrawal (DIN: 02268683)	: Managing Director
Mr. Mayank Tandon	: Chief Executive Officer
Mr. Atul Joshi (w.e.f. 01/03/2019)	: Chief Financial Officer
Mr. Tanuj Agarwal (Upto 28/02/2019)	: Chief Financial Officer

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Suchita Rajput

### STATUTORY AUDITORS

S A R A & Associates  
Chartered Accountants  
202, May Building, 297/299/301, Princess Street,  
Near Marine Lines Flyover, Mumbai-400002  
Tel: 4922 7200.

### BANKERS

HDFC Bank Limited  
AXIS Bank  
State Bank of India

### REGISTERED OFFICE & CORPORATE OFFICE

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East), Mumbai-400072  
**Tel.:** (022) 28039405  
**CIN:** L15100MH1981PLC024988  
**E-mail:** [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)  
**Website:** [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

### REGISTRAR AND SHARE TRANSFER AGENT

TSR Darashaw Limited  
6-1, Haji Moosa Patrawala Estate, 20,  
Dr. E. Moses Road, Mahalaxmi (West),  
Mumbai – 400 011.  
**Tel.:** (022) 6656 8484 / **Fax:** (022) 6656 8494  
**Email:** [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

37<sup>th</sup> Annual General Meeting  
on Monday, September 16, 2019 at 3.00 p.m.  
at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

Members are requested to bring their copy of the Annual Report to the meeting. Members are also requested to direct all correspondence relating to shares to the Company's Registrar and Transfer Agents, TSR Darashaw Limited, at the address above.

**NOTICE** is hereby given that the Thirty Seventh Annual General Meeting of the members of Galaxy Cloud Kitchens Limited (*Formerly known as Galaxy Entertainment Corporation Limited*) will be held on Monday, September 16, 2019, at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018, to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Swapnil Kothari (DIN: 05235636), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and approve the re-appointment of Statutory Auditors of the Company and to fix their remuneration and to pass with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board, consent of the Company be and is hereby accorded for the re-appointment of S A R A & Associates, Chartered Accountants (Registration No. 120927W), as Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of Forty Second Annual General Meeting of the Company on such remuneration, re-imbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors from time to time.”

## **SPECIAL BUSINESS:**

4. To consider re-appointment of Ms. Udit Jhunjhunwala (DIN: 00120951) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and Companies (Appointment and Qualifications of Directors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) thereof or supplement(s) thereto) (**“Listing Regulations”**) and subject to such other approvals, permissions and sanctions, as may be required and pursuant to recommendation of the Nomination Remuneration and Compensation Committee and as agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall deem to include the Nomination Remuneration and Compensation Committee or any other Committee constituted or to be constituted to exercise the powers including the powers conferred under this resolution) in their meeting held on August 12, 2019, the approval of the Members of the Company be and is hereby accorded for re-appointment of Ms. Udit Jhunjhunwala (DIN: 00120951) as an Independent Director of the Company for three consecutive years whose current tenure is expiring on September 17, 2019 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Act and whose term shall not be subject to retirement by rotation and who shall hold office with effect from September 18, 2019 upto September 17, 2022.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time.”

5. To consider appointment of Mr. Rajesh Mittal (DIN: 00231710) as an Independent Director of the Company and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**) and Companies (Appointment and Qualification of Directors) Rules, 2014 (**“the Rules”**) (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (**“Listing Regulations”**) and subject to such other approvals, permissions and sanctions, as may be required, Mr. Rajesh Mittal (DIN: 00231710), who was appointed as an Additional Director and designated as Independent Director of the Company by the Board of Directors at their Meeting held on August 12, 2019 and who holds office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, the Consent of Members of the Company be and is hereby accorded to appoint Mr. Rajesh Mittal as an Independent Director of the Company for a period of 5 (Five) years with effect from August 12, 2019 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution including filing of necessary forms/returns with the Registrar of Companies, Ministry of Corporate Affairs and/or other regulatory authorities from time to time."

## 6. Approval for Material Related Party Transaction(s)

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("**the Act**") read along with the Companies (Meetings of Board and its Powers) Rules, 2014 ("**the Rules**") (including any statutory modification(s), amendment(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**Listing Regulation**"), the provisions of the Memorandum and Articles of Association of the Company and the applicable rules, guidelines and circulars issued by the concerned statutory or regulatory authorities from time to time and as agreed to by Board of Directors of the Company (hereinafter referred to as "**the Board**" which term shall include the Audit Committee of the Board or any Director or Official of the Company), the consent of the Members of the Company be and is hereby accorded to the Material Related Party Transactions as entered/ to be entered into by the Company during the financial year 2019-20, as set out in the statement annexed in this Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, negotiation, finalising and executing of necessary agreements, undertakings, memorandum, deeds, documents and such other papers or writings as may be deemed necessary or expedient in its own discretion and in the best interest of the Company and to delegate all or any of its powers herein conferred to the Committee of Directors and/or any Director(s)/Officer(s) of the Company, to give effect to this resolution."

### Registered Office:

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072.

**By Order of the Board  
For Galaxy Cloud Kitchens Limited**

CIN: L15100MH1981PLC024988

E-mail: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)

Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

Place: Mumbai

Date: August 12, 2019

**Suchita Rajput  
Company Secretary**

### NOTES:

#### 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.

The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than 48 (Forty Eight) hours before the time for holding the Annual General Meeting ("**AGM**"). Proxies submitted on the behalf of limited Companies, societies, etc. must be supported by appropriate resolution/authority, as applicable, issued by the Member organisation. Proxy in the prescribed Form No. MGT-11 is enclosed herewith.

- Pursuant to Section 113 of the Companies Act, 2013 ("**the Act**") and Rules framed thereunder, the Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney, if any, authorising their representative(s) to attend and vote, on their behalf, at the AGM.
- The Statement pursuant to Section 102 of the Act, relating to the Special Business to be transacted at the AGM is annexed thereto.
- Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and the Secretarial Standard on General Meetings ("**SS-2**") issued by the Institute of Company Secretaries of India ("**ICSI**"), in respect of the Director seeking appointment/re-appointment at the AGM is annexed hereto as Annexure – I and forms part of the notice.



5. All resolutions would be voted through electronic means or by Polling Papers at the Meeting by the Members who have not exercised their vote through electronic means.
6. Pursuant to the provisions of Section 91 of the Act, the Registrar of Members and Share Transfer Books of the Company will remain closed from Monday, September 09, 2019 to Monday, September 16, 2019 (both days inclusive).
7. The Register of Directors, Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act along with other Statutory Registers as required under the provisions of Act, will be available for inspection by the Members at the AGM.
8. Members are requested to send all communications to our Registrar and Share Transfer Agent (R & T Agent) viz. TSR Darashaw Limited, 6-1, haji Moosa Patrawala Estate, 20, Dr. E, Moses Road, Mahalaxmi (West), Mumbai-400011, Maharashtra.
9. Members/Proxies are requested to bring the Attendance Slips duly filled in and copy of the Annual Report to the Meeting.
10. Under Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has not yet declared dividend.
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.
12. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the R & T Agent.
13. Members can avail themselves the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's R & T Agent. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
14. Electronic copy of the Annual Report for 2018-19 and Notice of AGM *inter-alia* indicating the process and manner of e-voting along with Proxy Form and Attendance Slip is being sent to all the Members, who's e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email address, physical copies of the Annual Report for 2018-19 and Notice of AGM of the Company *inter-alia* indicating the process and manner of e-voting along with Proxy Form and Attendance Slip is being sent in the permitted mode. Further, copies of the Annual Report will not be distributed at the AGM and Members are requested to bring their copies to the Meeting.
15. Members who have not registered their e-mail ID so far are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic form.
16. Members may also note that, the Notice of the AGM and the Annual Report for 2018-19 will also be available on the Company's website [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on (09.00 A.M. to 05.00 P.M.) on all working days upto and including the date of the AGM of the Company. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company's investor relations e-mail id: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in).
17. Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the ICSI as amended from time to time, the Company is pleased to provide its Members the facility to exercise their rights to vote on the resolutions proposed to be considered at the AGM by electronic means and business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("Remote e-voting") will be provided by National Securities Depository Limited ("NSDL").
    - i. The notice of AGM shall be placed on the website of the Company [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - ii. The facility for voting through Polling Paper shall be made available at the AGM.
    - iii. Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.
    - iv. The Members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- v. The remote e-voting period commences on Friday, September 13, 2019 (09:00 A.M.) and ends on Sunday, September 15, 2019 (05:00 P.M.). During this period Member of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of September 9, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- vi. The instructions for remote e-voting are as under:  
Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>  
Step 2: Cast your vote electronically on NSDL e-voting system.

## Details on Step 1 is mentioned below:

### How to Log-in to NSDL e-voting website?

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- B. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Applicant Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

- E. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the Applicant Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

- F. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- G. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- H. Now, you will have to click on “Login” button.
- I. After you click on the “Login” button, Home page of e-Voting will open.

## Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see the “EVEN” of the company in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of “Galaxy Cloud Kitchens Limited”.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General guidelines for Members

1. Institutional Member (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to [amit@sgkadvisory.com](mailto:amit@sgkadvisory.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Member and e-voting user manual for Member available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 16, 2019.
  - III. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e. August 16, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.:1800-222-990 or Issuer/R & T Agent.  
 However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no: 1800-222-990.
  - IV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting through polling paper.
  - V. Mr. Amit Samani, Practising Company Secretary of M/s. Amit Samani & Co., Company Secretaries (Membership No: F7397 and Certificate of Practice No: 7966), Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process and votes cast through polling paper at the AGM of the Company.



# Notice

Annual Report 2018-2019

- VI. The Chairman of the AGM, shall at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the scrutinizer, by use of "Ballot Paper" for all those members, who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- VII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes casted at the AGM and and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company and shall make, not later than 48 (Forty Eight) hours of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him/her in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The results declared along with the report of the scrutinizer shall be placed on the Company's website [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) after the declaration of result by the Chairman/ Director or any person authorised by him in writing, of the meeting. The result shall be forwarded to Stock Exchange.
18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail ID, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s) in case the shares are held in electronic form and to the Company's R & T Agents in case the shares are held in physical form.
19. In term of the Listing Regulations, securities of listed Companies can only be transferred in dematerialised form with effect from April 1, 2019 except in case of transmission of securities. In view of the above, Members are advised to dematerialised shares held by him/her in physical form.
20. The route map of the venue of the AGM is enclosed herewith.

## Registered Office:

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072.

**By Order of the Board  
For Galaxy Cloud Kitchens Limited**

CIN: L15100MH1981PLC024988

E-mail: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)

Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

Place: Mumbai

Date: August 12, 2019

**Suchita Rajput  
Company Secretary**

## EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to the Special Business for the item No. 4, 5 & 6 as stated in the Notice.

### Item No. 4

Pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**) and rules framed thereunder, Ms. Udit Jhunjhunwala was appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years at the 32nd Annual General Meeting of the Company held on September 18, 2014 till September 17, 2019. The current term of Ms. Udit Jhunjhunwala is expiring on September 17, 2019.

Based on the recommendation of the Nomination Remuneration and Compensation Committee and approval of the Board of Directors in their respective meetings held on August 12, 2019 and subject to the approval of Members at ensuing Annual General Meeting and based on her skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by her during her tenure and outcome of performance evaluation, the approval of the Members of the Company be and is hereby sought for re-appointment of Ms. Udit Jhunjhunwala as an Independent Director on the Board of Company for the second term of 3 (three) consecutive years.

The Company has also received necessary declaration from Ms. Udit Jhunjhunwala confirming the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**). The Company has also received declaration from Ms. Udit Jhunjhunwala under Section 164 of the Act that she is not disqualified from being appointed as Director. In the opinion of the Board, she fulfils the conditions specified in the Act and is Independent to the management.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Ms. Udit Jhunjhunwala for the office of Director of the Company. Accordingly, consent of the Members is sought by way of Special Resolution as set out in Item No. 4 of the Notice for re-appointment of Ms. Udit Jhunjhunwala as an Independent Director of the Company. As on date she does not hold by herself or for any other person on a beneficial basis any shares in the Company.

Brief Profile of Ms. Udit Jhunjhunwala, including nature of her expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is attached as Annexure – I to this Notice.

Except Ms. Udit Jhunjhunwala being an appointee and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

### Item No. 5

Based on the recommendation of the Nomination Remuneration and Compensation Committee, the Board of Directors of the Company has appointed Mr. Rajesh Mittal (DIN: 00231710) as an Additional Director of the Company and designated him as an Independent Director in their Meeting held on August 12, 2019.

In terms of provisions of Section 160 of the Companies Act, 2013 (**"the Act"**), read with relevant rules thereto, the Company has received notice in writing from a Member of the Company, signifying its intention to propose his appointment as an Independent Director of the Company.

The Company has received necessary consent and declaration from Mr. Rajesh Mittal to act as a Director of the Company and confirmation that he is not disqualified from being appointed as Director of the Company and is not debarred from holding office of Director by virtue of any order of Securities and Exchange Board of India or any other authority. Mr. Rajesh Mittal has also confirmed that he meets the criteria of Independence as prescribed under section 149(6) of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**). In the opinion of the Board, he fulfils the conditions specified in the Act and is independent of the management. As on date he does not hold by himself or for any other person on a beneficial basis any shares in the Company.

Brief Profile of Mr. Rajesh Mittal, including nature of his expertise as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") is attached as Annexure – I to this Notice.

The Board of Directors recommends this Ordinary Resolution for the approval of Members of the Company.

Except Mr. Rajesh Mittal being an appointee and his relatives, none of other Directors, Key Managerial Personnel(s) of the Company and their respective relatives are in anyway, concerned or interested, financially or otherwise, in passing of this Resolution.

### Item No. 6

The Company is entering into a related party transaction(s) with Future Enterprises Limited, The Nilgiri Dairy Farm Private Limited and Future Retail Limited (**"FRL"**) for Purchase/Sale of Goods and Services, Purchase and Sale of Capital Goods and other services. FRL is engaged in retail industry and operates India's most popular hypermarket and retail formats such as Big Bazaar, Food Bazaar, Fashion at Big Bazaar (fbb), Easyday, Foodhall, Hypercity and many more.

Future Enterprises Limited develops, owns and leases the retail infrastructure for the various Companies.

# Notice

Annual Report 2018-2019

The Nilgiri Dairy Farm Private Limited has been synonymous with fresh, delightful dairy & bakery products in the Southern part of India for over 100 years. Born in 1905, the brand draws deeply from its place of origin and namesake - the Nilgiri Mountains.

These transactions were approved by Audit Committee and the Board of Directors from time to time and further are at arm's length basis and in the ordinary course of business and in line with Company's Policy on Related Party Transactions.

Further, the approval of Members is required if as per the provisions of Section 188 (1) of the Act read with relevant rules framed thereunder, the amount of transaction exceed the threshold limit provided therein and/or if as per Regulation 23 of Listing Regulations, transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company. Accordingly, the approval of Members is sought for following transactions.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time, the details in relation to such transactions with related parties, are as under:

Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	Nature, Material Terms, particulars of the contract or arrangement	Nature of Transactions as per Section 188 of the Companies Act, 2013	Monetary Value of Transactions (₹. In Crore)	Any other information relevant or important for the Members to take decision on the proposed resolution
Future Retail Limited	None	Related Party	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time in the ordinary course of business and on arms' length basis.	Sale of Services	1.70	The transaction have been reviewed and approved by the Audit Committee and Board and an arms' length price has been established. In case of resale, the same is being sold at cost of procurement plus minimum margin for handling as per Applicable Regulations.
				Sale of Goods	40	
				Rent payable	3.10	
Future Enterprises Limited	None	Related Party		Purchase of Fixed Assets	15.00	
				Rent payable	1.50	
The Nilgiri Dairy Farm Private Limited	None	Related Party		Sale of Goods	35.00	
				Purchase of Material	0.50	

Pursuant to Regulation 23 of the Listing Regulations, all entities falling under the definition "Related Party" shall abstain from voting in respect of the proposed resolution given in the notice, irrespective of whether the entity is a party to the particular transaction or not.

Your Directors recommends the Ordinary Resolution as set out in this Notice for the approval of the Members of the Company.

None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the passing of this Resolution.

## Registered Office:

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072.

**By Order of the Board  
For Galaxy Cloud Kitchens Limited**

CIN: L15100MH1981PLC024988

E-mail: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)

Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

Place: Mumbai

Date: August 12, 2019

**Suchita Rajput  
Company Secretary**

## ANNEXURE I

**ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT.**

1.	<b>Name of the Director</b>	Mr. Swapnil Kothari	Mr. Rajesh Mittal	Ms. Udit Jhunjunwala
	<b>Date of birth</b>	March 14, 1971	January 8, 1964	January 1, 1968
	<b>Date of first appointment on the Board</b>	February 7, 2013	August 12, 2019	December 31, 2005
	<b>Director Identification Number</b>	05235636	00231710	00120951
	<b>Qualification</b>	L.L.M (International & Comparative Law)	B.Com, FCA, FCS, Insolvency Professional, Registered Valuer under the asset class "Securities or Financial Assets"	Masters from university of London.
	<b>Expertise in specific Functional Areas</b>	Swapnil Kothari is the founder and Managing Partner in law firm, "S. Kothari & Co. (Advocates & Solicitors)" since the past fourteen years and a Solicitor (England and Wales) with a LL.M. (Georgetown, USA), having previously worked with Slaughter And May, London; Jones Day, Cleveland and Amarchand Mangaldas, Mumbai. He practices in the corporate sphere with an emphasis on Banking Law, Property Law, Project Finance, Joint Ventures and Mergers & Acquisitions including some litigation/ arbitration, IT-related matters and high-profile NRI investments. He is also a Director in several companies and President of the Council For Fair Business Practices (CFBP), a non-profit organization comprising of elite professionals and significant members of the business community.	His work experience covers mergers & acquisitions, corporate restructuring, mergers & demergers, equity funding, joint ventures & alliances and valuation. He is the Founder & Chairman of Alamak Capital Advisors Pvt. Ltd. ('Alamak')— a boutique investment banking, financial and strategic advisory firm. Alamak team comprises of ex-bankers, ex- CFOs & ex- CEOs.	She is a well-established entertainment writer and film critic. From MTV India, she moved into journalism in 1998. After serving as Mid-Day newspaper's entertainment editor, where she established herself as a prominent writer and critic, covering Bollywood, Hollywood, regional and world cinema, television, fashion, theatre, music, art and lifestyle, she moved to Hindustan Times a national daily's Mumbai based edition as entertainment editor and film critic.
	<b>Terms and conditions of re-appointment along with the details of remuneration sought to be drawn</b>	As approved in the Annual General Meeting held on September 27, 2013 and as stated in the resolution no. 2 of this Notice.	As stated in the resolution no. 5 of this Notice.	As stated in the resolution no. 4 of this Notice.
	<b>Remuneration last drawn</b>	Not applicable	Not applicable	Not applicable
	<b>Number of Board Meeting attended during the year 2018-19</b>	5 (Five) out of 5 (Five).	Not applicable	2 (Two) out of 5 (Five)
	<b>Directorship held in other listed Companies (As on March 31, 2019)</b>	None	Not applicable	Future Market Networks Limited
	<b>Directorship in other Companies (excluding Foreign companies and Section 8 companies) (As on March 31, 2019)</b>	<ul style="list-style-type: none"> <li>Galaxy Mega Food Park Pvt. Ltd.</li> <li>Council For Fair Business Practices</li> <li>Offbeat Developers Pvt. Ltd.</li> <li>Graceworks Realty &amp; Leisure Pvt. Ltd.</li> <li>Classic Mall Development Company Ltd</li> <li>Island Star Mall Developers Pvt. Ltd.</li> <li>Vamona Developers Pvt. Ltd.</li> <li>Palladium Constructions Pvt. Ltd.</li> <li>Alliance Spaces Pvt. Ltd.</li> <li>Sparkle One Mall Developers Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Alamak Insolvency Professionals LLP</li> <li>Alamak Capital Advisors Pvt. Ltd.</li> <li>Mpower Softcomm Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Rain Fruits And More Pvt. Ltd.</li> <li>Gati Realtors Pvt. Ltd.</li> </ul>

# Notice

Annual Report 2018-2019

Chairmanship/Membership of Committees of the Board of Directors of other listed Companies as on March 31, 2019	None	None	<ul style="list-style-type: none"> <li>Future Market Networks Ltd. Share Transfer Committee: <i>Member</i></li> </ul>
Chairmanship/Membership of Committees of the Board of Directors of other Companies as on March 31, 2019	<ul style="list-style-type: none"> <li>Offbeat Developers Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i> Corporate Social Responsibility Committee: <i>Member</i></li> <li>Graceworks Realty &amp; Leisure Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i></li> <li>Classic Mall Development Company Ltd Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Chairman</i> Corporate Social Responsibility Committee: <i>Member</i></li> <li>Island Star Mall Developers Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Chairman</i> Corporate Social Responsibility Committee: <i>Member</i></li> <li>Vamona Developers Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i> Corporate Social Responsibility Committee: <i>Member</i></li> <li>Palladium Constructions Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i> Corporate Social Responsibility Committee: <i>Member</i></li> <li>Alliance Spaces Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i></li> <li>Sparkle One Mall Developers Pvt Ltd Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Member</i></li> </ul>	None	<ul style="list-style-type: none"> <li>Gati Realtors Pvt. Ltd. Audit Committee: <i>Member</i> Nomination &amp; Remuneration Committee: <i>Chairperson</i></li> </ul>
Relationship with other Directors/ key Managerial Personnel ("KMP")	Not related to any other Director or KMP of the Company.	Not related to any other Director or KMP of the Company.	Not related to any other Director or KMP of the Company.
Shareholding of Director in the Company (As on March 31, 2019)	Nil	Nil	Nil



# Board's Report

Annual Report 2018-2019

To,  
**The Members of Galaxy Cloud Kitchens Limited**  
(Formerly known as Galaxy Entertainment Corporation Limited)

Your Directors take pleasure in presenting the Thirty Seventh Annual Report of Galaxy Cloud Kitchens Limited on the business and operations of the Company along with audited financial statements for the financial year ended March 31, 2019.

## Financial Results

The Company's financial performance for the year ended March 31, 2019 is as below:

### Standalone

(₹. in thousands)

Particulars	Year ended 31.03.2019	Year Ended 31.03.2018
Revenue from operations	7,18,675.34	4,05,243.23
Other Income	15,845.41	20,182.67
Total Income	7,34,520.75	4,25,425.90
Personnel Cost	1,42,360.20	63,811.64
Operating and other expenses	7,66,879.91	4,59,772.67
Total Expenditure	9,09,240.11	5,23,584.31
Profit before Interest, Depreciation and Tax	(1,74,719.36)	(98,158.41)
Less: Interest	3,049.01	12,113.54
Less : Depreciation	14,053.54	10,080.78
Profit/(Loss) before tax	(1,91,821.91)	(1,20,352.73)
Less Provision for Tax	-	-
Profit/(Loss) after Tax	(1,91,821.91)	(1,20,352.73)

## Review of performance of the Company

During the year under review, Your Company had earned revenue from operations (Gross) of ₹ 718,675.34 thousands. The Loss before finance cost, depreciation and amortization was of ₹ (172,129.77) thousands (-24.32% of total revenue) as against (98,158.41) thousands (-23.07% of total revenue) in the previous year. The operating Loss after tax reduced to ₹ (191,821.91) thousand (-26.49% to revenue) as against ₹ (120,352.73) thousands (-28.29% of revenue) in the previous year, showing a positive trend. The Company is targeting to achieve break even in current financial year.

## Business Outlook

The Company operates Cloud Kitchens in Mumbai, Pune, Bengaluru, Hyderabad and Kolkata and are planning to open two more cloud kitchens at Ludhiana and Faridabad. Cloud Kitchens are mainly engaged in manufacturing of fresh foods ranging from fresh bakery, desserts, hot meals, cold meals to home meal convenience foods and ready to eat products. Currently the Company does private label for renowned players in retail industry and caters to QSR companies having PAN India presence, currently Company is operating in B2B model and soon planning go into B2C model also.

## Dividend

The Board of Directors of the Company have not recommended any dividend on equity shares in respect of the financial year 2018-19. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") with regard to formulation of Dividend Distribution Policy are not applicable to our Company.

## Transfer to Reserve

The Company has not transferred any amount to reserves during the year and hence no information as per the provisions of Section 134 (3) (j) of the Companies Act, 2013 ("the Act") has been furnished.

## Share Capital

Pursuant to the approval granted by the shareholders at their Extra Ordinary General Meeting of the Company held on January 18, 2019, the Authorised Share Capital of the Company has been increased from ₹ 40,00,00,000/- (Rupees Forty Crore) divided into 4,00,00,000 (Four Crore) Equity shares of ₹ 10/- (Rupee Ten) each to ₹ 50,00,00,000/- (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crore) Equity shares of ₹ 10/- (Rupees Ten) each.

# Board's Report

Annual Report 2018-2019

The Issued, Subscribed and Paidup Share Capital of the Company as on March 31, 2019 was ₹ 38,58,26,030/- divided into 3,85,82,603 equity shares of ₹ 10/- each.

- **Issue and allotment of Equity shares on preferential basis**

During the year under review, the Committee of Directors of the Company at their meeting held on February 12, 2019 had issued and allotted 1,12,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 11/- per share fully paidup on preferential allotment basis to Investors.

- **Conversion of Compulsorily Convertible Debentures (CCDs) into Equity shares**

The Company had made allotment of 9,88,744 CCDs having face value of ₹ 100/- each on January 2, 2018 on preferential basis to Central Departmental Stores Private Limited, promoter group Company, Which shall be converted into equity shares within the period of 18 months in one or more tranches. During the year under review, the Committee of Directors at their meeting held on April 3, 2018 had issued and allotted 21,53,233 Equity shares of ₹ 10/- each pursuant to conversion of 4,52,179 CCDs out of 98,87,44 CCDs at a conversion price of ₹ 21/- each fully paid.

- **Allotment of Compulsorily Convertible Debentures (CCDs) on preferential basis**

The Committee of Directors of the Company at their meeting held on February 12, 2019 had issued and allotted 38,00,000 CCDs having face value of ₹ 30/- each fully paidup to Future Enterprises Limited, promoter Company, on preferential allotment basis, which shall be converted into 38,00,000 Equity Shares of ₹ 10/- each at a premium of ₹ 20/- per equity share within 18 months from the date of allotment in one or more tranches.

## **Change in name of the Company**

During the year under review, the name of the Company has been changed from 'Galaxy Entertainment Corporation Limited' to 'Galaxy Cloud Kitchen Limited' w.e.f. February 4, 2019.

## **Internal Controls**

The Company has robust internal control systems and procedures commensurate with its nature of business which meets the following objectives:

- providing assurance regarding the effectiveness and efficiency of operations;
- efficient use and safeguarding of resources;
- compliance with policies, procedures, applicable laws and regulations; and
- transactions being accurately recorded and promptly reported.

The Company continues to have periodical audits conducted of all its functions and activities to ensure that systems and procedures are followed across all areas.

The Audit Committee of Board of Directors of the Company regularly reviews the adequacy of internal control systems through such audits. The Internal Auditor reports directly to the Audit Committee.

The Company also has a budgetary control system to monitor expenditure against approved budgets on an ongoing basis.

## **Internal Financial Controls**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

## **Risk Management**

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value and reviews the elements of risks with regard to the business.

The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

## **Cash Flow Statement**

In conformity with the provisions of Regulation 34 of Listing Regulations, Cash Flow Statement for the year ended March 31, 2019 has been provided in the Annual Report and which forms part of this report.

## **Subsidiaries and Associates**

The Company is not a holding Company in terms of Section 2 (46) of the Act. There are no subsidiary, associate or joint venture Companies within the meaning of Section 2(6) of the Act. Hence, Form AOC-1 pursuant to provisions of Section 129(3) of the Act, is not provided in this report.

## **Particulars of Employees and other additional information**

The ratio of the remuneration of each Key Managerial Personnel (KMP) to the median of employee's remuneration as per section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 forms part of the Board's Report under ('Annexure A').

None of the employees are drawing remuneration as per the ceiling stipulated in terms of Rule 5 (2) (ii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

# Board's Report

Annual Report 2018-2019

## Extract of Annual Return

In terms of provisions of Section 92 and 134(3)(a) of the Act, an extract of the Annual Return for the financial year ended March 31, 2019 is annexed in this report as ('Annexure B') and a copy of the same is also placed at the website of the Company and shall be available at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

## Board Diversity

The Company recognizes and embraces the importance of a diverse board in success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experiences, cultural and geographical background, age, ethnicity, race and gender, which will help us to retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity. The Board Diversity Policy is available on our website [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

Additional details on Board diversity are available in the Corporate Governance report that forms part of this Annual Report.

## Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 179 and 204 of the Act and rules made thereunder, M/s. Nidhi Bajaj & Associates, Practising Company Secretary (Membership No. 28907 / Certificate of Practice No. 14596) was appointed as a Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2018-19, in the manner as stated above in forgoing provision.

The Secretarial Audit Report for the financial year 2018-19 is appended as ('Annexure C') which forms part of this Report. The said Secretarial Auditors Report does not contain any qualifications, reservations or adverse remarks.

## Cost records and Cost audit

Maintenance of cost records and requirements of cost audit as prescribed under Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

## Corporate Governance

Our corporate governance practices are reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the auditor's certificate on corporate governance is enclosed as ('Annexure D') to the Board's report. The auditor's certificate for financial year 2018-19 does not contain any qualification, reservation or adverse remark.

## Management Discussion & Analysis

In terms of the provisions of Regulation 34 of Listing Regulations, the Management Discussion and Analysis for the year ended March 31, 2019 is set out in this Annual Report.

## Disclosures related to Board, Committees, Policies and number of Board meetings

### Meetings

The Board of Directors met five (5) times during the financial year in accordance with the provisions of the Act and rules made there under. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time.

On February 11, 2019, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Act and the provisions of Listing Regulations. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in Act. Details of Committees of the Company along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this Annual Report.

## Matter related to Directors and Key Managerial Personnel

### Directors

The Board had judicious combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2019, the Board of Directors of the Company consists of Mr. Arvind Agrawal, Managing Director, Mr. Rajneesh Agarwal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

There was no change in the composition of Board of Directors apart from appointment of Mr. Arvind Agrawal, as Managing Director of the Company with effect from November 3, 2018.

During the year under review, Mr. Tanuj Agarwal, resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. February 28, 2019, and Mr. Atul Joshi has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. March 1, 2019.

## Audit Committee

The Composition, terms of reference, powers and roles of Audit Committee of the Company are disclosed in the Corporate Governance Report, which forms part of this Annual Report. There were no instances where the Board did not accept the recommendations of the Audit Committee.

## Nomination, Remuneration and Compensation Committee

A Nomination, Remuneration and Compensation Committee is in existence in accordance with the provisions of sub-section (1) of Section 178 of the Act. Kindly refer section on Corporate Governance, which is forming part of this report, under head 'Nomination, Remuneration and Compensation Committee for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by this Committee.

## Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its function of governance and management

The policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Act is available on our website at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

## Declaration by Independent Directors

The Company has received necessary declaration from each Independent Directors that he/she meets the criteria of independence laid down in Section 149(6) of the Act, and Regulation 25 of Listing Regulations.

## Board Evaluation

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of performance of its own, the Committees and Individual Directors thereof.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

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 judgment, 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 except the Independent Director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Moreover, further detail regarding skill, expertise and competencies of Directors are disclosed in the Corporate Governance Report which forms part of this Annual Report.

## Listing on Stock Exchange

The Company's shares are listed on BSE Limited.

The Company has entered into necessary agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for availing the Depository services.

## Director's Responsibility statement

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2019, it is hereby confirmed that:

- i. In preparation of the annual accounts for the financial year, the applicable accounting standards have been followed and there are no material departures, wherever applicable;
- ii. such accounting policies have been selected and applied 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 as at March 31, 2019 and of the loss of the Company for the year ended on that date
- iii. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Secretarial Standard

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued by the Institute of Company Secretaries of India. The Company has devised proper system to ensure compliance with the provisions and is in compliance with the same.

## **Auditors and Auditor s' Report**

Under Section 139 of the Act and the rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of the Act,

M/s. S A R A & Associates, Chartered Accountants (Firm Registration No. 120927W), hold office till conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment.

The Auditors' Report on the financial statements for the financial year ended March 31, 2019 does not contain any qualification, observation, emphasis of matter of adverse remark and doesn't contain any instances of fraud as mentioned under Section 143 of the Act. The Auditors' Report is enclosed with the financial statements as a part of this Annual Report.

## **Corporate Social Responsibility**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to Company.

## **Particulars of Contracts and arrangements made with related parties**

During the year under review, all transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, were in the ordinary course of business and on an arm's length basis.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with related parties. A statement of all such related party transactions was presented before the Audit Committee on periodic and need basis for its review and approval.

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under Listing Regulations and the applicable Accounting Standards have been given in the Notes forming part of the financial statement.

During the year under review, the Company has not entered into any material related party transactions, as defined under the RPT policy of the Company. Accordingly, the disclosure in respect of contracts or arrangement with related parties, as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

## **Disclosure relating to equity shares with differential rights**

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

## **Disclosure relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme**

The Company has not issued or granted any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the year under review and hence no information as per provisions of Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

## **Disclosure relating to sweat equity shares**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

## **Disclosures in respect of voting rights not directly exercised by employees**

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

## **Disclosure of Orders passed by Regulators or Courts or Tribunal**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## **Energy, Technology Absorption and Foreign Exchange**

Information required under Section 134 (3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are enclosed as ('Annexure E') to the Board's report.

## **Declaration by Managing Director**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, declaration stating that the members of board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of Directors and senior management is enclosed as ('Annexure F').

## **Deposits from Public**

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.



# Board's Report

Annual Report 2018-2019

## **Disclosures under Section 134(3)(l) of the Companies Act, 2013**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

## **Particulars of Loans, Guarantees or Investments under section 186 of the Act**

Details of loans, Guarantees and Investments covered under the provisions of Section 186 of the Act form part of the Notes to the Financial Statements provided in this Annual Report.

## **Prevention of Sexual Harassment Policy**

The Company has in place a prevention of Sexual Harassment Policy in line with the requirements of the sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with law of the Land. We have also constituted an internal Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013. All employees (Permanent, contractual, temporary and trainees) are covered under this policy.

During the year 2018-19, no complaints were received by the Company related to sexual harassment.

## **Green Initiatives**

Electronic copies of the Annual report 2018-19 of 37<sup>th</sup> AGM are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

## **Vigil Mechanism**

The Company has established a vigil mechanism to provide a framework of promoting responsible and secure whistle blower mechanism and to provide a channel to the employee(s) and Directors to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted, framed or revised from time to time. The mechanism provides for adequate safeguards against victimisation of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The Company has formulated and disseminated a Vigil Mechanism and Whistle Blower Policy for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of the Act and the regulations of the Listing Regulations.

Furthermore, the policy outlining this mechanism is approved and revised by the Board of Directors from time to time.

## **Detection of Fraud**

During the year under review, No Fraud has been reported by the auditor's viz. statutory and secretarial auditors to the Audit Committee or the Board in terms of Section 143(12) of the Act.

## **Acknowledgement**

The Board appreciates and places on record the contribution made by the employees during the year under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, customers, bankers, suppliers and business partners.

**For and behalf of the Board of Directors**

Place: Mumbai  
Date: May 24, 2019

**Arvind Agrawal**  
Managing Director  
DIN: 02268683

**Sharad Rustagi**  
Director  
DIN: 07232913

## ADDENDUM TO BOARD'S REPORT

### TO THE SHAREHOLDERS:

*In the Directors' Report of the Company's Annual Report 2019, under sub-heading "Matter related to Directors and Key Managerial Personnel" the following was stated:*

The Board had judicious combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2019, the Board of Directors of the Company consists of Mr. Arvind Agrawal, Managing Director, Mr. Rajneesh Agarwal, Ms. Udita Jhunjunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

There was no change in the composition of Board of Directors apart from appointment of Mr. Arvind Agrawal, as Managing Director of the Company with effect from November 3, 2018.

During the year under review, Mr. Tanuj Agarwal, resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. February 28, 2019, and Mr. Atul Joshi has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. March 1, 2019.

Shareholders are now hereby advised that as a result of the below changes that occurred subsequent to the approval of Board's report on May 24, 2019:

1. To appoint a Director in place of Mr. Swapnil Kothari (DIN: 05235636), who retires by rotation and being eligible offers himself for re-appointment.
2. To consider re-appointment of Ms. Udita Jhunjunwala (DIN: 00120951) as an Independent Director of the Company.
3. To consider appointment of Mr. Rajesh Mittal (DIN: 00231710) as an Independent Director of the Company.

*The following is now presented as:*

### Matter related to Directors and Key Managerial Personnel:

The Board had judicious combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2019, the Board of Directors of the Company consists of Mr. Arvind Agrawal, Managing Director, Mr. Rajneesh Agarwal, Ms. Udita Jhunjunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

There was no change in the composition of Board of Directors apart from appointment of Mr. Arvind Agrawal, as Managing Director of the Company with effect from November 3, 2018.

During the year under review, Mr. Tanuj Agarwal, resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. February 28, 2019, and Mr. Atul Joshi has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. March 1, 2019.

In terms of section 152 of the Act, Mr. Swapnil Kothari is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has approved the appointment of Mr. Rajesh Mittal for a term of 5 (five) consecutive years and re-appointment of Ms. Udita Jhunjunwala for a term of 3 (Three) consecutive years as Independent Directors of the Company.

The notice convening forthcoming AGM includes the proposal for appointment/re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment/re-appointment at the forthcoming AGM and other details as required to be disclosed in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM. None of the Directors are disqualified for appointment/ re-appointment under Section 164 of the Act.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 12, 2019

**Suchita Rajput**  
Company Secretary

# Board's Report

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## 'ANNEXURE A' TO THE BOARD'S 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 ratio of remuneration of each Director to the median remuneration of the employees (MRE) of the Company for the financial year 2018-2019 and the percentage (%) increase in remuneration of each Director and the key Managerial Personnel ("KMP") for the same period are under:

(₹ in Lakhs)

Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2018-19 (1)	% increase in Remuneration in the F.Y. 2018-19 (2)	Ratio of remuneration of each Director/KMP to MRE for financial year 2018-19 (3=(1)/MRE)
<b>Managing Director</b>			
Mr. Arvind Agrawal*	41.49	NA	123.46
<b>Other Key Managerial Personnel(s):</b>			
Mr. Mayank Tandon- Chief Executive Officer	69.45	10	206.66
Mr. Tanuj Agrawal- Chief Financial Officer (upto February 28, 2019)	27.33	8	81.33
Mr. Atul Joshi- Chief Financial Officer (w.e.f. March 1, 2019)	1.79	NA	5.33
Ms. Suchita Rajput- Company Secretary	4.84	20	14.40

\*Mr. Arvind Agrawal, Managing Director of the Company has been appointed w.e.f. November 3, 2018. Hence, percentage of increase in remuneration cannot be determined.

- ii. The Median Remuneration of Employees (MRE) of the Company during the F.Y. 2018-19 was ₹ 33,606/- and for the previous year it was ₹ 25,188/-.
- iii. The increase in MRE in the financial year 2018-19 as compare to Financial Year 2017-18 was 6%.
- iv. There were 368 permanent employees on the rolls of Company as on March 31, 2019.
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the F.Y. 2018-19 was 6% whereas there were around 6% increase in Managerial remuneration for the same financial year.
- vi. Justification, including any exceptional circumstances, for increase in the managerial remuneration: N.A.
- vii. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

### DETAILS PERTAINING TO REMUNERATION 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

- i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2018-19 as stipulated in Rule 5(2)(i).
- ii. There were no employees in the Company who were drawing a remuneration for any part of the financial year 2018-19 as stipulated in Rule 5(2)(ii).
- iii. The Directors of the Company does not draw remuneration from the Company and none of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: May 24, 2019

**Suchita Rajput**  
Company Secretary

## 'ANNEXURE B' TO THE BOARD'S REPORT

### EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2019

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

FORM NO. MGT – 9

#### I. Registration and other details

CIN	L15100MH1981PLC024988
Registration Date	13/08/1981
Name of the Company	Galaxy Cloud Kitchens Limited <i>Formerly known as Galaxy Entertainment Corporation Limited</i>
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details.	Eyelet House, M.S. Patel Compound, Opp. Shah Industrial Estate, Saki-Vihar, Andheri (East), Mumbai - 400072 Tel. No: 022-61994282
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel No.: 022-66568484 Email Id: csg-unit@tsrdarashaw.com

#### II. Principal Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Food & Beverages	107	99.31

#### III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	Corporate Identify Number	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NIL	NIL	NIL	NIL	NIL

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Shareholding -

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held 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	50,000	-	50,000	0.20	50,000	-	50,000	0.13	-0.07
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,34,00,653	-	1,34,00,653	53.11	1,55,53,886	-	1,55,53,886	40.31	-12.80
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	1,34,50,653	-	1,34,50,653	53.31	1,56,03,886	-	1,56,03,886	40.44	-12.87

# Board's Report

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<b>2) Foreign</b>									
a) NRI's- Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>1,34,50,653</b>	<b>-</b>	<b>1,34,50,653</b>	<b>53.31</b>	<b>1,56,03,886</b>	<b>-</b>	<b>1,56,03,886</b>	<b>40.44</b>	<b>-12.87</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2) Non - Institutions</b>									
a) Bodies Corporate									
i. Indian	69,07,603	100	69,07,703	27.38	1,75,73,431	100	1,75,73,531	45.55	18.17
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	15,66,915	42,191	16,09,106	6.38	14,33,184	42,191	14,75,375	3.82	-2.56
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	31,17,863	18,000	31,35,863	12.43	37,97,720	18,000	38,15,720	9.89	-2.54
c) Others (specify)									
i. Non-Resident Indian (Repat)	30,284	0	30,284	0.12	19,621	-	19,621	0.06	-0.06
ii. Non-Resident Indian (Non-Repat)	58,680	0	58,680	0.23	65813	-	65,813	0.17	-0.06
iii. Clearing Member	37,081	-	37,081	0.15	28,657	-	28,657	0.07	-0.08
iv. Directors & Relative	-	-	-	-	-	-	-	-	-
v. Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>1,17,18,426</b>	<b>60,291</b>	<b>1,17,78,717</b>	<b>46.69</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>59.56</b>	<b>12.87</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>64,20,481</b>	<b>60,291</b>	<b>1,17,78,717</b>	<b>46.69</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>59.56</b>	<b>12.87</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grant Total (A+B+C)</b>	<b>2,51,69,079</b>	<b>60,291</b>	<b>2,52,29,370</b>	<b>100.00</b>	<b>3,85,22,312</b>	<b>60,291</b>	<b>3,85,82,603</b>	<b>100.00</b>	<b>00.00</b>

**Note:** During the F.Y. 2018-19, the Company had issued and allotted:

- 21,53,233 Equity shares of ₹ 10/- each fully paidup pursuant to conversion of 4,52,179 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs at a conversion price of ₹ 21/- each fullypaid by Committee of Directors at their meeting held on April 3, 2018.
- 1,12,00,000 Equity shares of ₹ 10/- each at a premium of ₹ 11/- each on preferential basis by Committee of Directors at their meeting held on February 12, 2019.



# Board's Report

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## ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
Future Enterprises Limited	49,37,935	19.57	Nil	49,37,935	12.80	Nil	-6.77
Central Departmental Stores Private Limited (#)	42,81,490	16.97	Nil	64,34,723	16.68	Nil	-0.29
Bellona Hospitality Services Limited	36,86,491	14.61	Nil	36,86,491	9.55	Nil	-5.06
Ashbee Investments & Finance Private Limited	3,50,000	1.39	Nil	3,50,000	0.91	Nil	-0.48
Senior Advisory Services Private Limited	97,237	0.39	Nil	97,237	0.25	Nil	-0.14
Atul Ashok Ruia	50,000	0.20	Nil	50,000	0.13	Nil	-0.07
Ashok Apparels Private Limited	47,500	0.19	Nil	47,500	0.12	Nil	-0.07
<b>Total</b>	<b>1,34,50,653</b>	<b>53.31</b>	<b>Nil</b>	<b>1,56,03,886</b>	<b>40.44</b>	<b>Nil</b>	<b>-12.87</b>

(#)21,53,233 Equity Shares has been allotted to Central Departmental Stores Private Limited, Promoter Group Company pursuant to conversion of 4,52,179 out of 9,88,744 CCDs on April 3, 2018.

## iii. Changes in Promoters Shareholding (Please specify, if there is no change)

	Shareholders Name	Shareholding at the beginning of the year 01.04.2018		Date	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Future Enterprises Limited	49,37,935	19.57	<i>Note 1</i>	-6.77	<i>Note 1</i>	49,37,935	12.80
2.	Central Departmental Stores Private Limited	42,81,490	16.97	<i>Note 1</i>	-0.29	<i>Note 1</i>	64,34,723	16.68
3.	Bellona Hospitality Services Limited	36,86,491	14.61	<i>Note 1</i>	-5.06	<i>Note 1</i>	36,86,491	9.55
4.	Ashbee Investments & Finance Private Limited	3,50,000	1.39	<i>Note 1</i>	-0.48	<i>Note 1</i>	3,50,000	0.91
5.	Senior Advisory Services Private Limited	97,237	0.39	<i>Note 1</i>	-0.14	<i>Note 1</i>	97,237	0.25
6.	Atul Ashok Ruia	50,000	0.20	<i>Note 1</i>	-0.07	<i>Note 1</i>	50,000	0.13
7.	Ashok Apparels Private Limited	47,500	0.19	<i>Note 1</i>	-0.07	<i>Note 1</i>	47,500	0.12
	<b>Total</b>	<b>1,34,50,653</b>	<b>53.31</b>		<b>-12.87</b>		<b>1,56,03,886</b>	<b>40.44</b>

**Note 1.** Dilution of % of shareholding pursuant to:

- conversion of 4,52,179 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs into 21,53,233 Equity shares by Committee of Directors at their on April 03, 2018
- allotment of 1,12,00,000 Equity shares & 38,00,000 CCDs to Investors by Committee of Directors at their meeting held on February 12, 2019.

# Board's Report

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## iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1. Habitat Apartments Private Limited	-	-	56,00,000	14.51
2. Abacus Realty Logistics Private Limited	-	-	49,00,000	12.70
3. Darshita Landed Property LLP	33,33,924	13.21	33,33,924	8.64
4. Eclipse Trades Private Limited	10,29,432	4.08	10,29,432	2.67
5. Vikas Khushal Pincha	9,82,011	3.89	10,15,011	2.63
6. Merlin Enclaves Private Limited	8,95,626	3.55	8,95,626	2.32
7. C Mackertich Private Limited	7,02,926	2.79	7,02,926	1.82
8. Sanjay Dhanuka	-	-	7,00,000	1.81
9. Ashwarya Vikas Pincha	4,91,005	1.95	4,91,005	1.27
10. Osian Townships And Resorts Private Limited	4,91,005	1.95	4,91,005	1.27

## v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors and KMP	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
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

## V. INDEBTEDNESS – (₹ in thousands)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	21,728.63	11,279.07	-	33,007.70
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>21,728.63</b>	<b>11,279.07</b>	<b>-</b>	<b>33,007.70</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	-	-	-	-
ii. Reduction	21,728.63	-	-	21,728.63
<b>Net Change</b>	<b>(21,728.63)</b>	<b>-</b>	<b>-</b>	<b>(21,728.63)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	11,279.07	-	11,279.07
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>-</b>	<b>11,279.07</b>	<b>-</b>	<b>11,279.07</b>

# Board's Report

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## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

S. No	Particulars of Remuneration	Mr. Arvind Agrawal
1)	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	41.23
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.26
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2)	Stock Options	-
3)	Sweat Equity	-
4)	Commission	
	- as % of profit	-
	- as others specify	-
5)	Others, Please specify	-
	<b>Total A</b>	<b>41.49</b>

### B. Remuneration to other Directors:

(Amount in ₹)

S. No	Particulars of Remuneration	Fee for attending board / committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	1. Mr. Rajneesh Agarwal	2,40,000	-	-	2,40,000
	2. Ms. Udit Jhunjhunwala	75,000	-	-	75,000
	3. Mr. Sharad Rustagi	2,35,000	-	-	2,35,000
	<b>Total (1)</b>	<b>5,50,000</b>	-	-	<b>5,50,000</b>
2.	Other Non- Executive Directors				
	1. Mr. Sunil Biyani	75,000	-	-	75,000
	2. Mr. Swapnil Kothari	2,55,000	-	-	2,55,000
	<b>Total (2)</b>	<b>3,30,000</b>	-	-	<b>3,30,000</b>
	<b>Total (B) = (1+2)</b>	<b>8,80,000</b>	-	-	<b>8,80,000</b>
	<b>Total Managerial Remuneration</b>				
	Overall Ceiling as per the Act	Sitting fees is paid within the limit specified under the Companies Act, 2013.			

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mayank Tandon	Mr. Atul Joshi	Ms. Suchita Rajput
1.	Gross salary	66.79	1.79	4.84
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	2.66	-	-
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	<b>Total</b>	<b>69.45</b>	<b>1.79</b>	<b>4.84</b>

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

**'Annexure C'**  
**FORM NO. MR. 3**

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

To,  
The Members

**GALAXY CLOUD KITCHENS LIMITED**  
**(F/k/a GALAXY ENTERTAINMENT CORPORATION LIMITED)**  
**CIN: L15100MH1981PLC024988**

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai – 400 072.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GALAXY CLOUD KITCHENS LIMITED** (Formerly known as Galaxy Entertainment Corporation Limited) (CIN: L15100MH1981PLC024988) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's statutory register, papers, minutes books, forms and returns filed with Registrar of Companies 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 March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the Statutory Registers, papers, minute books, forms and returns filed with the ROC and other records maintained by the Company for the Financial Year ended on March 31, 2019 according to the provisions of:
  - i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
  - 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, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - vi. The Management has identified and confirmed the following laws as specifically applicable to the Company
    - i. Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971,
    - ii. Maharashtra Plastic Carry Bags (Manufacture and Usage) Rules, 2006,
    - iii. Maharashtra State Tax on Professions, Trades, Callings And Employments Act, 1975,
    - iv. Environment (Protection) Act, 1986,
    - v. E-Waste (Management and Handling) Rules, 2011, Maharashtra Shops and Establishments Act, 1948,
    - vi. The Trade Marks Act, 1999,
    - vii. The Prevention of Food Adulteration Act, 1954,
    - viii. Food Safety and Standards Act, 2006 and Food Safety and Standards Act, 2011 and applicable general business laws, rules, regulations and guidelines.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
  - a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
  - 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.

# Board's Report

Annual Report 2018-2019

3. I have also examined compliance with applicable provisions of Secretarial standards applicable issued by the Institute of Company Secretaries of India

During the Financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

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

- The Company has complied with the provisions related to appointment of Key Managerial Personnel in terms of the provisions of Section 203 of the Act and Rules 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. During the year under review, Mr. Arvind Agrawal was appointed as the Managing Director of the Company for the period of (3) three consecutive years.
- The Company has made preferential allotment of 1,12,00,000 (One Crore and Twelve Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each at a premium of ₹ 20/- (Rupees Twenty) per share fully paidup to Non-Promoter group & 38,00,000 Unsecured Compulsorily Convertible Debentures ("CCDs") having face value of ₹ 30/- (Rupees Thirty) each fully paid up, aggregating to ₹ 11,40,00,000 (Rupees Eleven Crores Forty Lakhs only) to Promoter Company and each aforesaid CCDs shall be converted into 38,00,000 equity shares of ₹ 10/- each at a premium of ₹ 20/- (Rupees Twenty) per Equity Share within a period of 18 months from the date of Allotment of CCDs in one or more tranches
- The Authorised Share Capital of the Company has been increased from ₹ 40,00,00,000/- (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crore) Equity Shares of ₹ 10/- (Rupees Ten ) each to ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹ 10/- (Rupees Ten) each by creation of additional 1,00,00,000 (One Crore) Equity Shares of ₹ 10/- each and the existing clause related to Share Capital be and is hereby altered at the Extra Ordinary General Meeting held on January 18, 2019.
- The Company has complied with all the provisions related to Change of Name of the Company. The Company is engaged in the business of manufacturing business related to Food, Bakery and Confectionary products and hence the Board of Directors has decided to Change the name of the Company to "GALAXY CLOUD KITCHNES LIMITED" and accordingly there was alteration in Memorandum of Association and Articles of Association of the Company.

## I further report that

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided by the Company, 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, and a system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting.

I further report that as per the minutes of the meetings, majority decisions of the Board were unanimous and no dissenting views were found as a part of the minutes.

I further report that there are prima facie adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that during the period under review, as per the information provided by the Company, prima facie there were no instances of transaction by the designated persons in the securities of the Company during the closure of window.

## I further report that:

Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.

I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I follow provide a reasonable basis for my opinion.

Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For Nidhi Bajaj & Associates**

**Company Secretaries**  
**Nidhi Bajaj**  
**Proprietor**  
**ACS- 28907**  
**COP-14596**

Date : May 24, 2019  
Place : Mumbai





**‘ANNEXURE D’ TO THE BOARD’S REPORT**  
**PRACTICING COMPANY SECRETARY’S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of **Galaxy Cloud Kitchens Limited**  
(Formerly known as *Galaxy Entertainment Corporation Limited*)

I have examined the compliance of conditions of corporate governance by Galaxy Cloud Kitchens Limited (“the Company”), for the financial year ended March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).

The compliance conditions carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

**For Amit Samani & Co.**

Company Secretaries

s/d-

**Amit Samani**

Proprietor

CP. NO: 7966

Place: Mumbai

Date: May 24, 2018

## 'ANNEXURE E' TO THE BOARD'S REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

- Energy Conservation steps taken;
- Steps taken by the Company for utilizing alternate sources of energy and
- Capital investment on energy conservation equipment's.

**Disclosure for (a) to (c):** The Company's operations involve very low energy consumption. Wherever possible energy conservation measures have been implemented and there are no further areas where energy conservation measures can be taken. However, efforts to conserve and optimize the use of Energy through improved Operational methods and other means will continue.

The Company has no collaborations and is engaged in the manufacture of the products by its own developed methods/ operations. The Company has setup a Business Intelligence Team whose emphasis is on product development, product quality, Cost reduction, energy conservation and improvement in process productivity.

#### B. TECHNOLOGY ABSORPTION

##### Research and Development (R & D):

Specific areas in which R&D is carried out by the Company:	Nil
Benefits derived as a result of the above R & D	
Future Plan of Action	
<b>Expenditure on R &amp; D</b>	Nil
a. Capital	
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

##### Technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived like product improvement, cost reduction, product development, import substitution etc.	Nil
In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
a) Technology Imported	
b) Year of Import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹)

	Current Year	Previous Year
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

**'ANNEXURE F' TO THE BOARD'S REPORTS  
DECLARATION BY MANAGING DIRECTOR**

To  
The Members Galaxy Cloud Kitchens Limited  
(Formerly known as Galaxy Entertainment Corporation Limited)

Sub: Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed their compliances with the Code of Conduct of Board of Directors and senior management for the year ended March 31, 2019.

**For Galaxy Cloud Kitchens Limited  
Sd/-**

Place: Mumbai  
Date: May 24, 2019

**Arvind Agrawal  
Managing Director**

# Report On Corporate Governance

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The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

## Company's Philosophy on Code of Corporate Governance

Corporate Governance indicates transparency, accountability and reliability of any organisation.

One of the core missions of your organisation is to achieve excellence in all spheres, be it profitability, growth in market share, superior quality of products and services to the satisfaction of the stakeholders through an efficient and effective code of governance.

We aim at providing fairness, clarity and transparency in all our dealings and increasing the value of all stakeholders of the Company.

Your Company, in line with the above, taken various initiatives to further strengthen the corporate governance practices and adopted various codes / policies, pursuant to the Companies Act, 2013 ("**the Act**"), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**").

During the financial year under review, the Company has complied with all the applicable provisions of the Listing Regulations.

- **Audits and internal checks**

The Company's accounts are audited by M/s. S A R A & Associates, Chartered Accountants, Mumbai. With respect to Internal Audit, an external firm acting as independent internal auditor reviews internal controls and operating systems and procedures. With respect to Legal Compliances, the Company conducts its business with high standards of legal, statutory and regulatory compliances.

- **Role of the Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board (including Committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters.

- **Observance of Secretarial Standards issued by the Institute of Company Secretaries of India**

The Secretarial Standards on the Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), are adhered to by the Company.

## Board of Directors

### Code of Conduct

The Company has laid down a Code of Conduct ("**Code**") for the Board Members and Senior Management Personnel ("**Specified Persons**") of the Company. The Company has also adopted code of conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company.

All the Specified Persons have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached to this Report. This Code has also been hosted on the Company's website [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

### Composition of the Board

The composition of the Board of Directors ("the Board") is in compliance with the requirement of the Act and Regulation 17 and 17A of the Listing Regulations.

During the year under review, Mr. Arvind Agrawal has been appointed as Managing Director of the Company w.e.f. November 3, 2018. The Board consists of 6 (six) Director, out of which one is Managing Director, three are independent Directors including a Women Director and two Non – Executive Directors, which are in line with the requirements of the Act and the Listing Regulations. Your Directors have rich and varied experience in fields of business management, banking and finance, project management, risk management, real estate, corporate governance and bring in extensive knowledge and expertise to the Board. Board provides strategic guidance to the Company and ensures effective monitoring to the management and corporate governance practices.

None of the Directors on the Board are serving as an Independent Director in more than 7 (seven)/ 3 (three) Listed entities, as specified in Regulation 17A of the Listing Regulations. Further, the maximum tenure of Independent Directors are in line with provisions of Section 149 (10) and (11) of the Act and Rules made thereunder.

As per Regulation 26 of Listing Regulations, none of the Directors on the Board is a Member in more than 10 (ten) Committees and/ or Chairman in more than 5 (five) Committees, across all public companies in which he/she is a Director.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Act.

# Report On Corporate Governance

Annual Report 2018-2019

The Composition of the Board as on March 31, 2019 and other relevant details are as under:

Sr. no.	Name of the Directors	DIN	Category
1.	Mr. Arvind Agrawal	02268683	Managing Director
2.	Mr. Rajneesh Agarwal	01273010	Non-Executive Chairman and Independent Director
3.	Ms. Udit Jhunjhunwala	00120951	Independent Director
4.	Mr. Sharad Rustagi	07232913	Independent Director
5.	Mr. Sunil Biyani	00006583	Non-Executive Director
6.	Mr. Swapnil Kothari	052356136	Non-Executive Director

No Director is inter-se, related to any other Directors on the Board nor is related to the other Key Managerial Personnel of the Company.

**The information on composition of the Board, category and their Directorships/Committee membership across all the Companies in which they are directors as on ended March 31, 2019:**

Name of Director & Catogery	Directorships and Category of Directorship in other Listed entity	No. of Directorships		No. of membership/ Chairmanships of Committees in public Companies (including this listed entity)		No. of Equity shares held in the Company
		Public (including this listed entity)	Private/ Non-profit/ LLP	Memberships	Chairmanships	
Mr. Arvind Agrawal	Nil	0	0	0	0	0
Mr. Swapnil Kothari	Nil	9	2	10	0	0
Mr. Rajneesh Agarwal	Nil	1	14	1	1	0
Mr. Sunil Biyani	Future Market Networks Ltd	5	12	4	0	0
Mr. Sharad Rustagi	Nil	3	3	2	1	0
Ms. Udit Jhunjhunwal	Future Market Networks Ltd	3	1	2	0	0

- No. of Directorships held by the Directors do not include directorship of foreign Companies.
- In accordance with Regulation 26 of the Listing Regulation, Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee in all public limited Companies have been considered.
- Mr. Arvind Agrawal has been appointed as Managing Director of the Company w.e.f. November 3, 2018.
- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- Video conferencing facility was made available to Directors to participate in the proceedings of the Board and its committees.
- Excluded the separate meeting of independent Directors, in which non independent Directors were not eligible to participate.

## Familiarisation Programme of Independent Director

The familiarisation programme for Independent Directors of Company aims at familiarising them with the overall structure of the Company, their roles, rights, responsibilities therein, nature of the industry in which the Company operates, business model of the Company, etc., in order to provide them with better understanding of the business and operations of the Company. Details of familiarisation programme imparted to Independent Directors is available at website of the Company at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)



# Report On Corporate Governance

Annual Report 2018-2019

## **Matrix setting out skills/expertise/competence as identified by the Board.**

The performance of the Board, Independent Directors and Committees of the Board are evaluated annually by circulating separate evaluation templates to the respective Directors facilitating them to provide their feedbacks for each of evaluation criteria. The criteria for evaluation has been determined by the Nomination Remuneration and Compensation Committee which inter-alia includes preparation and participation in the meetings, personality and conduct, quality of value added, etc. Below are the certain skills and competencies as identified by the Board which are elemental for the effective functioning of the Board and Company and which are possessed by the Board. The skills and competencies have been classified in three categories:

### ➤ **Governance**

Administrative, Business understanding, Financial Performance, Investment, Leadership, Management, Overall business experience, Planning, Policy Development, Risk & Compliance oversight, Strategic, Taxation and Vision.

### ➤ **Industry specific**

Vendor Management, Business Development, Technology, Marketing & Communications and Operational efficacy.

### ➤ **Personal attributes & qualities**

Leadership, Effective Communication, Honesty, commitment, Professionalism and Independence.

## **Declaration of Independence by Independent Directors**

As per Section 149(6) of the Act and Regulation 16(1)(b) and 25 of Listing Regulations, the Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence laid down under the foregoing provisions.

The Board confirms that in terms of provisions of Regulation 17(10) of Listing Regulations as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Independent Directors of the Company fulfil the conditions specified in Listing Regulations and are independent from the management of the Company.

## **Meetings and attendance**

During the year under review, total 5 (five) meetings of Board of Directors were held on May 16, 2018, August 2, 2018, November 3, 2018, December 19, 2018 and February 11, 2019. The gap between two meetings did not exceed number of days as prescribed in the Listing Regulations and the Act. Details of meetings and attendance by the Directors of the Company are as under:

Name of Director	No. of Board Meetings		Attended AGM held on September 19, 2018
	Entitled to attend	Attended	
Mr. Arvind Agrawal*	3	3	N.A.
Mr. Sunil Biyani	5	3	No
Mr. Sharad Rustagi	5	5	Yes
Ms. Udit Jhunjhunwala	5	2	No
Mr. Swapnil Kothari	5	5	Yes
Mr. Rajneesh Agarwal	5	4	Yes

\*Mr. Arvind Agrawal was appointed as a Director of the Company w.e.f. November 3, 2018

## **Board Committees**

As on March 31, 2019 the Board has Four (4) Committees: Audit Committee, Stakeholders Relationship Committee, Nomination Remuneration and Compensation Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

### **A. Audit Committee**

The Audit Committee comprises of 4 (four) Directors out of which 3 are Independent Directors. All the members of the Committee possess adequate accounting and financial knowledge. The Company Secretary acts as a Secretary to the Audit Committee.

The Audit Committee met four times i.e. on May 16, 2018, August 2, 2018, November 3, 2018 and February 11, 2019 and the time interval between any two Audit Committee meetings was not more than 120 days. The Committee's composition meets with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

# Report On Corporate Governance

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Composition of the committee as on March 31, 2019 are as under:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings Attended
Mr. Rajneesh Agarwal	Independent Director	Chairman	4	4
Mr. Swapnil Kothari	Non-Executive Director	Member	4	4
Ms. Udit Jhunjhunwala	Independent Director	Member	4	1
Mr. Sharad Rustagi	Independent Director	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 19, 2018.

The Audit Committee helps the Board to monitor the Management's financial reporting process and ensure that the disclosure are not only accurate and timely, but also follow the highest level of transparency, integrity and quality of financial reporting. The Committee also oversees the work of the internal and the independent auditors and reviews the processes and safeguards employed by them.

## Terms of reference of the Audit Committee

Role of the Audit Committee, inter-alia, includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- To review the functioning of the Whistle Blower mechanism;

# Report On Corporate Governance

Annual Report 2018-2019

- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee; and
- Effective from April 1, 2019, role of the Audit Committee also includes reviewing the utilization of loans and/ or advances from/ investment by the Holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

## Reviewing the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
- Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## B. Nomination, Remuneration and Compensation Committee:

The Nomination, Remuneration and Compensation Committee comprised two independent Directors and one Non-Executive Director as on March 31, 2019. The Committee's constitution and terms of reference are in compliance with the Regulation 19 of the Listing Regulations and Section 178 of the Act.

During the financial year under review, 3 (three) meeting of the Committee was held on August 2, 2018, November 3, 2018 and February 11, 2019. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Committee. The Company Secretary acts as the Secretary of the Committee.

The composition of Committee and members attendance at the meeting during the year are as under:

Name of Members	Category	Position	No. of Meetings Held	No. of Meetings attended
Ms. Udit Jhunjhunwala	Independent Director	Chairperson	3	0
Mr. Rajneesh Agarwal	Independent Director	Member	3	3
Mr. Swapnil Kothari	Non-Executive Director	Member	3	3

## Terms of Reference of the Committee, inter-alia, include the followings:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Directors and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Director;
- To recommend to the board, all remuneration, in whatever form, payable to senior management; and
- To review Company's remuneration and human resources policy.

## Performance evaluation criteria for Independent Directors

The Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, interaction, integrity, governance, responsibility towards stakeholders, etc.

# Report On Corporate Governance

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## Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's Remuneration Policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The Remuneration Policy is in consonance with the existing industry practice.

### A. Remuneration structure of Directors:

- Independent/Non-Executive Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) subject to ceiling/ limits as provided under the Act and rules made thereunder or any other enactment for the time being in force.
- No remuneration other than sitting fees has been paid to any of the Directors except to Managing Director.

### B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management Personnels is as detailed hereunder:

- The compensation of KMP and Senior Management Personnels shall be approved by the Nomination, Remuneration and Compensation Committee.
- The Compensation of KMP and Senior Management Personnels is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- The remuneration structure of KMPs and Senior Management personnel may include a variable performance linked component.

### Remuneration Paid to Directors in fiscal 2019

(Amt in ₹)

Name of Directors	Sitting Fees Paid	Salaries, allowances and perquisites+	Total
Mr. Sunil Biyani	75,000	-	75,000
Mr. Rajneesh Agarwal	2,40,000	-	2,40,000
Ms. Udit Jhunjhunwala	75,000	-	75,000
Mr. Swapnil Kothari	2,55,000	-	2,55,000
Mr. Sharad Rustagi	2,35,000	-	2,35,000
Mr. Arvind Agrawal	-	41,49,000	41,49,000

### Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee and Meeting of Independent Directors.
- GST is not included.
- Mr. Arvind Agrawal was appointed as Managing Director of the Company w.e.f. November 3, 2018

### C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee performs various functions conferred under the Listing Regulations and Section 178 of the Act, which mainly covers ensuing resolution of grievances of security holders of the Company.

The Committee comprises of three Directors out of which one is Independent Director, namely Mr. Rajneesh Agarwal, Two Non-Executive Directors, namely Mr. Swapnil Kothari and Mr. Sunil Biyani.

The Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the Listing Regulations and provisions of the Act.

#### Terms of Reference of the Committee, inter-alia, includes the following:

The terms of reference of the Stakeholders' Relationship Committee *inter-alia* includes the following:

- To resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc;

# Report On Corporate Governance

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- To review measures taken for effective exercise of voting rights by shareholders;
- To review the adherence of service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- To determine on behalf of the Board the Company's policy on serving the stakeholders in line with best corporate governance norms;
- To periodically review stakeholders' grievance mechanism of the Company;
- The Committee is also authorised to:
  - Investigate any activity within its terms of reference;
  - Seek any information from any employee of the Company;
  - Obtain outside legal or independent professional advice. Such advisors may attend meetings, if necessary; and
  - Incur such reasonable expenditure, as it deems necessary.

With a view to expedite the process of share transfers, necessary authority has been delegated to the Stakeholders' Relationship Committee.

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2019, no investor complaints were received and no complaints were outstanding as on March 31, 2019.

## D. Committee of Directors

The Committee of Directors is authorized to take decisions which are required for the day to day operations of the Company. The composition of the Committee of Directors is given below:

Name of Members	Category
Mr. Sunil Biyani	Non – Executive Director
Ms. Udit Jhunjhunwala	Independent Director
Mr. Sharad Rustagi	Independent Director

In the Financial year 2018-19, the committee met 2 (Two) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Committee of Directors. No sitting fee is paid to the members of the Committee of Directors.

### Independent Directors meeting

Schedule IV of the Act and the Rules under it mandates that the independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent Directors and members of the management.

During the year under review, a separate meeting of Independent Directors was held on February 11, 2019 and Independent Directors reviewed all the matters as per Schedule IV of the Act. All the Independent Directors except Ms. Udit Jhunjhunwala were present at the meeting.

### Recording minutes of proceedings at Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. Thereafter, after considering the comments minutes are finalized and placed before the next meeting for approval.

### Post meeting follow-up mechanism

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Board Committees thereof. Important decisions taken at Board / Board Committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Board Committee for noting.

### Compliance Officer

Ms. Suchita Rajput, Company Secretary is the Compliance Officer responsible for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.



## **Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons**

The Company's Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons as adopted by the Company, inter-alia, prohibits dealing in the securities of the Company by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. This Code has been revised in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ("**Code of Fair Disclosures**") in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Code of Fair Disclosures. The Code of Fair Disclosure is hosted on Company's website at the [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

## **Risk Management**

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

The Audit Committee / Board of Directors periodically review the risk assessment and minimization procedures and ensures that executive management controls risk through means of properly defined framework.

The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis forming part of this Annual Report.

## **Chairman of the Board**

Mr. Rajneesh Agarwal, Non-Executive and Independent Director is the Chairman of the Board.

## **Responsibilities of the Chairman**

Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long – term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company.

The Chairman actively works with the Nomination, Remuneration and Compensation Committee to plan the Board and Board committee's composition, induct Directors to the Board, participate in the Board effectiveness evaluation process and meet with individual Directors to provide constructive feedback and advice.

## **Independent Directors**

The Act and the Listing Regulations defines an "Independent Director" as a person who is not a promoter or employee or one of the Key Managerial personnel (KMP) of the Company and its subsidiaries. They also state that the person should not have pecuniary relationship or transactions with the Company or its subsidiary, during the two immediate preceding financial years or during the current financial year apart from receiving remuneration as an Independent Director.

The Board includes Directors with independent standing in their respective fields / profession and who can effectively contribute to the Company's business and policy decisions. Their appointment as Independent Directors on the Board is considered by the Nomination, Remuneration and Compensation Committee.

## **Selection of new Directors**

The Board is responsible for selection of new Directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee which consist majority of Independent Directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of new Directors.

The Nomination, Remuneration and Compensation committee, works with the entire board to determine the appropriate characteristic's skills and experience required for the board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

## **Tenure of Directorships**

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of twothird of the non-independent directors (who are liable to retire by rotation) every year and qualifies the retiring members

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for reappointment. Independent Director hold office for a maximum term of five consecutive years on the Board of the Company and shall be eligible for re-appointment for a further term of 5 years on passing of a special resolution by the Company.

Based on the disclosures received from all the independent Directors and also in the opinion of the Board, the independent Directors fulfill the conditions specified in Act and Listing Regulations and are independent of the Management.

## Board Meeting

### Scheduling and selection of agenda items for Board Meetings

The dates of Board Meetings for the next fiscal are decided in advance and published in the Annual Report as part of shareholder information. The Company Secretary draft the agenda for each meeting, along with explanatory notes, in consultation with CFO & MD and distribute these in advance to the Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of AGM. However with the Board being represented by independent Directors from various parts of the world, it may not be possible for each one of them to be physically present at all the meetings. Hence, we provide video/teleconferencing facilities to enable their participation. The board members are expected to rigorously prepare for, attend and participate in Board and applicable committee meetings. Each member is expected to ensure their current and planned future commitments do not materially interfere with their responsibilities with us.

### Availability of information to Board members

The Board has unrestricted access to all Company – related information, including that of our employees. At Board meetings, representatives who can provide additional insights into the items being discussed are invited. Regular updates provided to the Board include:

- Annual operating plans and budgets including capital budgets and any updates;
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report;
- Quarterly results and update on operations;
- Financial results for the relevant period along with limited review / audit report thereon;
- Minutes of various committee meetings of the Company and abstracts of circular resolutions;
- General notices of interest received from Directors;
- Shareholding pattern as per Regulation 31(1) (b) of the Listing Regulations;
- Statement of shareholder grievance received/disposed during each quarter;
- Materially important litigations, show cause, demand, prosecution and penalty notices;
- The information on recruitment and remuneration of senior officers below the board level, including appointment or removal of the Chief Financial Officer and the Company Secretary, if any;
- Approval of related party transactions;
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services;
- Quarterly compliance reports and investor grievance report;
- Declaration of Independent Directors at the time of appointment / annually;
- Appointment of Internal and Secretarial Auditors;
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made;
- Significant changes in accounting policies and internal controls, if any;
- Proposals for major investments, mergers, amalgamations and reconstructions; and
- Any other information, as may be required by the Board.

### Certificate from Practicing Company Secretary in Practice

M/s. Amit Samani & Co., Practicing Company Secretaries, has issued a certificate as required under Regulation 34(3) and Schedule V Para C clause (10)(i) of Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authorities. The certificate is annexed to this Report.

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## Means of Communication

Website	Your Company maintains a website <a href="http://www.galaxycloudkitchens.in">www.galaxycloudkitchens.in</a> . The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, shareholding pattern, contact details etc.
Quarterly/ Annual Financial Results	Generally published in Business Standard (English Daily Newspaper) and Mumbai Lakshadweep (Marathi Newspaper). The results are also uploaded by BSE on their Website <a href="http://www.bseindia.com">www.bseindia.com</a> .
Stock exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are also filed on BSE Listing Centre.
Investor servicing	A separate e-mail id <a href="mailto:investors@galaxycloudkitchens.in">investors@galaxycloudkitchens.in</a> has been designated for the purpose of registering complaints by shareholders or investors.

## Details of non-compliance

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter relating to the capital markets.

## Auditor's Certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Practicing Company Secretary certificate on corporate governance is annexed to the Board's report.

## Related Party Transactions

Transactions with related parties were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. During the year under review, there were no materially significant transactions entered into with any related party that may have potential conflict with the interests of the Company at large. The details of related party transactions are given in notes forming part of the Financial Statements for the year ended March 31, 2019. Policy on dealing with related party transactions is available on the website of the Company at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

## Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company

During the year under review, Future Enterprises Limited, Promoter Company, and Central Departmental Stores Private Limited, Promoter group Company hold more than 10% of paid up share capital of the Company. Requisite details of transactions with the said related party is given under note 35 to the Financial Statements for the financial year ended March 31, 2019. There were no other transactions with any entity forming part of Promoter Group and holding more than 10% of the shareholding in the Company.

## Disclosure of Accounting Treatment

During the year under review, the Company followed the applicable Accounting Standards in the preparation of its Financial Statements.

## Managing Director and CFO certification

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019.

## Establishment of Whistle Blower Policy/Vigil Mechanism

The Company has established a whistle blower policy/vigil mechanism. This policy aims to provide an avenue for stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct and ethical business practices. The whistle blower policy, *inter-alia*, provides a direct access to the Chairperson of the Audit Committee. The establishment of vigil mechanism is available on the website of the Company at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

## Policy for determination of material subsidiary

The Company does not have any material subsidiary Company as on March 31, 2019. However, the Company has a policy for determining material subsidiaries of the Company, which is available on the website of the Company at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

## Disclosure in relation to Sexual harassment of Women at workplace (prevention, prohibition and Redressal) Act, 2013

No. of complaints filed during the financial year	No. of complaints disposed of during the financial year	No. of complaints pending as on end of financial year
None		

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## Compliance with mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

## Discretionary Requirements (Part E of Schedule II of Listing Regulations):

- Chairman of the Board:** At present, Chairman of the Board is an Independent Director. The Company did not maintain a Chairman's office at the Company's expense or reimburse expenses incurred in performance of his duties, during the year under review.
- Shareholders' Rights:** Quarterly and half yearly financial results of the Company are furnished to the Stock Exchange and are also published in the newspapers and uploaded on website of the Company. Hence, half yearly results were not separately sent to shareholders. Significant events are also posted on the Company's website under the Investors Section. The complete Annual Report is sent to every shareholder of the Company.
- Modified opinion(s) in audit report:** During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.
- Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to make presentation directly to the Committee on their observations during the course of their Internal Audit.

## General Body Meetings

The Company convenes Annual General Meeting (AGM) within the stipulated time period. During the year under review, the Company has also convened Extraordinary General Meeting (EOGM). The details of the Special Resolutions passed at the previous three AGM and EOGM are given below:

### a. Details of the Special Resolutions passed at the previous three AGM:

Financial Year	Day, Date & Time	Venue	Special Resolutions Passed
2015-16	Tuesday, September 20, 2016, 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	• No special resolution have been passed
2016-17	Friday, September 15, 2017, 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	• No special resolution have been passed
2017-18	Wednesday, September 19, 2018, 11.00 a.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	• Re-appointment of Mr. Sharad Rustagi (DIN: 07232913) as an Independent Director of the Company

### b. Details of Special Resolutions passed at the EOGM for the last 3 years.

Financial Year	Day, Date & Time	Venue	Special Resolutions Passed
2017-18	Friday, December 8, 2017 at 11.00 a.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai-400018.	• Issue of Equity shares on preferential basis; • Issue of Compulsorily Convertible Debentures on preferential basis.
2018-19	Friday, January 18, 2019 at 11.30 a.m.	Walchand Hirachand Hall, IMC Bldg. 4 <sup>th</sup> floor, IMC Marg, Near Churchgate Railway Station, Mumbai-400020.	• Issue of Equity shares on preferential basis; • Issue of Compulsorily Convertible Debentures on preferential basis; • To change name of the Company; • To alter/amend the Object Clause of the Memorandum of Association of the Company; • To approve the appointment and remuneration of Mr. Arvind Agrawal (DIN: 02268683) as Managing Director of the Company.

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## c. Details of Postal Ballot during the F.Y. 2018-19:

During the period under review, the Company has not passed any special resolution through postal ballot pursuant to section 110 of the Act and other applicable provisions of the Act, if any, read together with the Companies (Management and Administration) Rules, 2014.

## I. General Shareholders information:

**a. Company Registration Details:** The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L15100MH1981PLC024988.

### b. Annual General Meeting

- i. AGM Date, Day : September 16, 2019, Monday
- ii. Time & Venue : 3.00 p.m., Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

**c. Financial Year** : April 1 to March 31

**d. Book Closure Period** : September 9, 2019 to September 16, 2019 (both days inclusive)

### e. Dividend:

During the year under review, the Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2019.

### f. Tentative Calendar for Financial Year ending March 31, 2020:

The tentative dates for Board Meetings for consideration of quarterly financial year are as follows:

- 1<sup>st</sup> quarter ending June, 30 : second week of August 2019
- 2<sup>nd</sup> quarter/Half year ending Sept 2019 : second week of November 2019
- 3<sup>rd</sup> quarter ending December 31 : second week of February 2020
- 4<sup>th</sup> quarter/Year ending March 31 : Fourth week of May 2020

### g. Listing of Equity Shares on Stock Exchange:

#### BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

### h. Listing fees:

Applicable listing fees pertaining to equity shares for the financial year 2019-20 have been paid to the stock exchange where the shares of the Company are listed.

### i. Scrip Code: 506186

ISIN - INE403B01016

### j. Stock performance

High, lows and Volumes of GCKL from April 1, 2018 to March 31, 2019 at BSE.

Month	BSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2018	27.20	16.50	77,544
May 2018	31.30	25.00	1,41,404
June 2018	25.30	23.00	40,516
July 2018	25.00	21.00	11,515
August 2018	26.70	21.05	46,798
September 2018	35.70	24.65	72,328
October 2018	31.90	24.75	25,259
November 2018	29.70	27.00	6,059
December 2018	33.60	28.00	11,641
January 2019	45.40	26.40	1,44,004
February 2019	47.00	32.50	48,805
March 2019	42.25	38.50	1,425



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## k. Distribution of Shareholding

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2019 is as below:

### i. Distribution of shareholding as on March 31, 2019

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	331,574	0.86	2,251	76.15
501 – 1000	250,107	0.65	293	9.98
1001 – 2000	2,34,595	0.61	153	5.18
2001 – 3000	1,62,746	0.42	63	2.13
3001 – 4000	1,31,062	0.34	37	1.25
4001 – 5000	1,27,242	0.33	27	0.91
5001 – 10000	3,60,413	0.93	49	1.66
Greater than 10000	3,69,84,500	95.86	81	2.74
<b>Total</b>	<b>3,85,82,603</b>	<b>100.00</b>	<b>2,956</b>	<b>100.00</b>

### ii. Shareholding pattern as on March 31, 2019

Categories	As on March 31, 2019	
	No. of Shares	Percentage (%)
Promoters, Relatives and Associates	1,56,03,886	40.44
Directors	-	-
Foreign Institutional Investor/ Mutual Funds	-	-
Public Financial Institutions / State Financial Corporation / Insurance Companies	-	-
Mutual Funds (Indian) and UTI	-	-
Nationalized and other Banks	-	-
NRI / OCBs	85,434	0.22
Public	52,91,095	13.71
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate)	1,76,02,188	45.63
<b>Total</b>	<b>3,85,82,603</b>	<b>100.00</b>

## I. Dematerialization of Shares

As on March 31, 2019, 3,85,22,312 Equity Shares representing 99.85% of the total Equity Capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form as on March 31, 2019, are given below:

Particulars	No. of Shares	Percentage (%)
Physical Segment	60,291	0.15
Demat Segment		
NSDL	2,12,65,322	55.12
CDSL	1,72,56,990	44.73
<b>Total</b>	<b>3,85,82,603</b>	<b>100.00</b>

**m. Share Transfer system:**

Trading in equity shares of the Company through recognized stock exchange is permitted only in dematerialized form. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, necessary authority has been delegated to the Stakeholder Relationship Committee to approve the transfers of equity shares of the Company. Investors are requested to take note that pursuant to the respective notification by the Ministry of Corporate Affairs, BSE Limited and the National Stock Exchange of India Limited, transfer of shares held in physical mode is not permissible from April 1, 2019. No transfer of securities held in physical mode is permitted from the said date. In view of this, investors are advised and recommended to dematerialise the security of the Company held by them at earliest to avoid any delay for transfer.

**n. Outstanding GDR/ADR or warrants or any convertible instruments**

The Company has not issued any GDRs/ADRs/Warrants etc during the financial year 2018-19. However as on March 31, 2019, 43,36,565 Compulsorily Convertible Debentures (CCDs) are outstanding to be converted into 63,55,071 Equity shares.

**o. Commodity price risk or foreign exchange risk and hedging activities**

The business operations of the Company were carried out within the country. Hence, there is no material exposure of the foreign exchange which may have any adverse impact on the financial position of the Company. Accordingly, there is no requirements of hedging the foreign exchange risk.

**p. Plant locations**

The Company is engaged in business of manufacturing of food and confectionary items. It operates at Mumbai, Pune, Bengaluru, Kolkata and Hyderabad as on March 31, 2019.

**q. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations**

The funds raised through issue of Equity shares and Compulsorily Convertible Debentures (CCDs) aggregating to ₹ 45 crore have been fully utilized during the financial year 2018-19 to mobilize funds for current/future expansion as well as for working capital and general corporate purposes.

**r. Address for correspondence:**

**i. Any Query on Annual Report:**

Ms. Suchita Rajput  
Company Secretary & Compliance Officer  
Eyelet House, M.S. Compound, Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East), Mumbai-400072.  
Phone: 022 - 28039405  
Email id for investors: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)  
Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

**ii. Investors correspondence:**

**Registrar and Transfer Agent**

**TSR Darashaw Limited,**

6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai-400011  
Phone: 022-66568484

Email Id: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**s. Credit Rating:** No credit rating has been obtained by the Company during the year under review.

**t. Unclaimed shares:** No shares lying in the unclaimed suspense account as on March 31, 2019.

**II. Additional Shareholders Disclosure/information**

- a. During the Financial Year 2018-19, there were no transactions of material nature with the Directors or the management or relatives that had potential conflict with the interest of the Company.

# Report On Corporate Governance

Annual Report 2018-2019

- b. The company has paid custodial fees for the year 2019-20 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.
- c. The Company has paid an aggregate amount of ₹ 5.49 Lakhs to the Auditors towards the audit remuneration and other services. There was no other payment made to any entity in the network firm of which the Auditors is a part.

## DISCRETIONARY REQUIREMENTS UNDER PART E OF SCHEDULE II OF LISTING REGULATIONS

### 1. **Board of Directors**

The Chairman of the Board is a Non-Executive Director. The Company reimburse expenses, if any, incurred in maintenance of his office and performance of his duties.

### 2. **Shareholders' Rights**

Financial results of the Company (quarterly, half yearly and annually) are furnished to the Stock Exchange and are also published in the newspapers and uploaded on website of the Company. Significant events are submitted to the Stock Exchange and also posted on the Company's website. Hence, the Company does not furnish any statement on half yearly financial results or summary of any significant events to individual member.

### 3. **Modified opinion(s) in audit report**

The Company has unmodified audit opinion on the Company's Financial Statements for the financial year ended March 31, 2019.

### 4. **Reporting of Internal Auditor**

Internal Auditors are regularly invited to the meetings of Audit Committee to make presentation on various internal controls existed in the Company together with observations, if any, during the course of their Internal Audit. The internal auditors are also entitled to seek any external assistance while preparing/ submitting their reports before the Audit Committee.

# Report On Corporate Governance

Annual Report 2018-2019

## MD / CFO Certification

The Members,

**Galaxy Cloud Kitchens Limited**

*(Formerly known as Galaxy Entertainment Corporation Limited)*

Sub: Compliance certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that for the financial year ended 31st March, 2019:

1. We have reviewed the financial statements and the cash flow statement for the financial year as aforesaid and to the best of our knowledge and belief:
  - a. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affair and are in compliance with existing Accounting Standards (Ind AS), applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Employees;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems for financial reporting of the Company and there were no deficiencies in the design or operation of such internal controls; and
4. We have indicated to the Auditors and the Audit Committee:
  - a. that there were no significant changes in internal control, over financial reporting, during the year;
  - b. all significant changes in the accounting policy during the year, if any, have been disclosed in the notes in respective place in the financial statement; and
  - c. there were no instance of fraud, of which we have become aware of.

**For Galaxy Cloud Kitchens Limited**

**Arvind Agrawal**  
Managing Director

**Atul Joshi**  
Chief Financial Officer

# Report On Corporate Governance

Annual Report 2018-2019

## **Certificate from Practicing Company Secretary (Pursuant to clause 10 of Part C of schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of GALAXY CLOUD KITCHENS LIMITED having (CIN: L15100MH1981PLC024988), I hereby certify that:

On the basis of written representative/declaration received from the Directors and taken on record by the Board of Directors as on March 31, 2019, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI /Ministry of Corporate Affairs or any such statutory authority.

For Amit Samani & Co.  
Company Secretaries

Sd/-  
Amit Samani

Proprietor  
CP. NO. 7966

Place: Mumbai  
Date: May 24, 2019

## MANAGEMENT DISCUSSION AND ANALYSIS

- a) Industry structure and developments.
- b) Segment-wise or product-wise performance.
- c) Opportunities and Threats.
- d) Outlook
- e) Risks and concerns.
- f) Internal control systems and their adequacy.
- g) Material developments in Human Resources / Industrial Relations front, including number of people employed
- h) Discussion on financial performance with respect to operational performance.

### **a) Industry structure and developments.**

India has been among the fastest-growing economies in the world over the past few years, lifting millions out of poverty. The authorities have initiated important structural reforms to spur India's catch up with more advanced economies and to improve living standards for all. The main reforms include the inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC), the goods and services tax (GST), and steps to liberalize FDI flows and improve the business climate. With Gross Domestic Product (GDP), India's growth is expected to pick up to 7.3% this fiscal year, amid more expansionary policy stance, and India remains global leader of fastest growing large economy. growth averaging 7.3 percent between 2014-15 and 2017-18, India can be rated as among the best performing economies in the world on this parameter. the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter.

### **Food Service Industry**

India, the fastest growing economy in the world, is known for its rich and diverse culture and is a home to people from different religions and languages living together. India is expected to become the fifth largest consumer market in the world by 2025, according to a paper prepared by the Confederation of Indian Industry (CII) and Grant Thornton.

Food and beverages is the biggest of the consumption categories. The F&B sector is supported by the vast agriculture sector: India is the biggest producer of pulses, and the second biggest producer of rice, wheat, sugarcane, and fruits and vegetables.

The higher income levels of consumers give them higher disposal incomes. Lifestyles have changed, and more families are eating out and trying out different cuisines. Working couples are increasingly purchasing convenience foods.

Consumers have become more discerning and those in urban areas particularly trust branded foods for their promise of quality.

A section of consumers has become extremely health conscious. This segment is moving towards protein-rich foods and fruits and vegetables from carbohydrate-rich or fat-laden items. Quality-conscious customers have taken the bottled water market to \$50 million.

The F&B industry would do well to adopt global standards of quality and safety to earn more consumer trust. The need of the hour is the introduction of Total Quality Management principles.

Of the nearly \$400 billion overall Indian food and beverages industry, the food processing sector accounts for about \$130 billion. It makes up 10 percent of the agriculture GDP and 12 percent of the manufacturing GDP.

The food processing sector has various sectors including consumer foods (snacks, beverages, etc.), dairy, meat and poultry, fish, grains and cereals, and fruits and vegetables. Fruits and vegetables and meat and poultry take the lion's share of about 40 percent of the total household consumption.

Technology, mainly IT, has helped the industry evolve from just preserving and packaging food to manufacturing foodstuff according to consumer demand. However, it is yet to take full advantage of technology to reduce wastage. The other main problems are lack of credit; lack of clarity in government policies and in food safety laws; and shortage of employable manpower.

The number of fine dining, casual dining, and quick service restaurants is growing in cities. Younger professionals are their biggest customers. Home delivery and takeaways are also gaining popularity.

The challenges are real-estate prices; lack of availability of personnel with knowledge of basic service etiquette; electricity and water supply; sourcing of raw foodstuff; and the number of licences needed.



The Indian Brand Equity Foundation (IBEF) quotes figures from the Department of Industrial Policies and Promotion to say that the food processing sector received foreign investments of \$6.4 billion from April 2000 to June 2015. The CII believes that the food sector has the potential to receive investments worth \$33 billion before 2025.

### **Savory snacks**

Among the varied snacking options, the savory snacks gained momentum in recent years due to increased penetration of packaged snacks in this category, reflecting the quickly changing snacking patterns of Indian consumers from homemade traditional snacks to a better quality branded packaged snacks. Savory snacks are the most convenient food as they are portable and quick to consume. Apart from daily consumption, savory snacks are increasingly consumed by the Indians when they are travelling, in between meals, having a get together or during special occasions. These savory snacks market in India could be divided into: Ethnic/Traditional snacks, Non-veg snacks, Nuts and seeds, Popcorn, Potato chips, processed (extruded) snacks. According to a new RNCOS report titled “**Indian Snacks Market Forecast to 2023**”, The Indian savory snacks market is growing at healthy double digit CAGR over the past five years. The savory snacks market grew at a CAGR of 29.04% during the period 2010-15. It is expected that savory snack would continue to grow at a CAGR of 33.59% by 2020. The rise in urban population, increasing per capita income, busier lifestyles, higher disposable income, convenience & hygiene factors have led to a high demand for ready and packed savory snacks. Ethnic and traditional snacks grabbed the largest value share in the market.

#### **b) Segment-wise or product-wise performance**

The savory snacks market in India grew at a very promising CAGR of 29.04% during the period 2010-15. The market value of this high-growth segment was at INR 92,686.8 million in 2010 and more than tripled to INR 331,577.7 million by 2015. It is expected that savory snack would continue to grow at a CAGR of 33.59% and is expected to reach INR 1,410,936.0 million by 2020. Ethnic and traditional snacks is the largest category in the Indian savory snacks market.

### **Bakery**

Bakery products are food items which generally include biscuits, cakes, pastries, flat-bread, tortilla, chapati, bun, croissant, etc. These products are rapidly gaining popularity owing to their pleasant taste and health-benefits as they are made from a variety of grains such as rye, maize, wheat, and oats among others. The other ingredients used for baking include water, eggs, baking soda and powder, nuts, and additives. As bakery products provide both convenience and affordability to the consumers, their consumption level has witnessed a rise in the past few years. According to the latest report by IMARC Group, titled “**Indian Bakery Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2019-2024**”, the Indian bakery market reached a value of US\$ 7.22 Billion in 2018.

As breads and biscuits are fast-moving consumer goods (FMCG), they are consumed on a daily basis by the consumers which increases the sales of these products in India. In addition to this, growth in the fast-food chains further stimulates the demand for breads as they are used in sandwiches, burgers, soups, snacks, etc. Moreover, introduction of value-added bakery products is giving an impetus to the market growth. Apart from this, busy lifestyles, changing eating habits and western influence has reflected

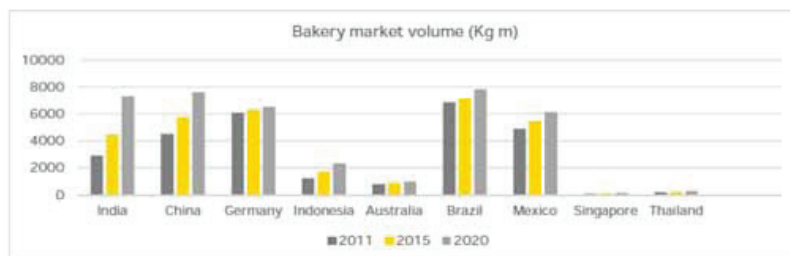


in a strong demand for bakery products in India. Looking forward, the market value is projected to exceed US\$ 12 Billion by 2024, expanding at a CAGR of 9.3% during 2019-2024.

## Market Summary:

- Based on product type, the market has been segmented in breads and rolls, cakes and pastries, rusks and biscuits. Currently, biscuits dominate the Indian bakery market, holding the largest share.
- On the basis of distribution channel, convenience stores represent the largest segment, followed by supermarkets and hypermarkets, independent retailers and artisanal bakeries.

## c) Opportunities and Threats



Source: GlobalData - Bakery market: Market snapshot (September 2017)

**Inflation and Cost Pressures:** To counter the rising prices the Company is looking at further leveraging the economies of scale available by opening centralised kitchen facilities in key locations.

**Legal Compliance:** Being in food industry, the Company is required to obtain various license related to food safety in addition to normal manufacturing licenses and need to ensure product quality. The Company ensures the same with help of state of art quality labs at all its centralised kitchen facilities.

**Market:** As the Company has tie-ups with various B2B customers like, Café Coffee Day, Easy Day, Heritage, Big Bazaar etc. and further negotiations are going on with many other companies, the marketing support would not be a concern at present. However, the Company would require to continue its effort to penetrate in market and establish its products through better quality and prompt service of the orders, about which the management is confident.

## d) Out look

Considering the huge cost involved in operation and maintenance, the Company consolidated its operations to sectors that are profits making in terms of location and formats. This has reduced the operational cost significantly. The Company propose to focus more on such formats and locations to strengthen the financials and may take up additional business activities in line with the objects of the Company.

The Company wish to set a target to show a performance which should be better than the industry. For this purpose the management has already geared up to reduce the cost at each possible processing level and at the same time introduce such products which would find good market and also at the same time generate better margin for the business.

## e) Risk and Concerns

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the continued steps taken by the Company has reduced its reliance on the debt funds while improving its debt maturity profile. Reduction in the cost of finance had also reduced stress on its cash flow, thereby improving business efficiency and helped in reducing overall operating cost.

The set controls and defined responsibilities at each level of management require evaluation of the various existing risks and new expected risks at an early stage and immediate action plan to mitigate such risks. Further the authorities given at each management level ensures implementation and execution of such action plan with minimised risk. Further, use of information technology for implementation as well as regular review and evaluation of such risks and risk mitigation action plan by management ensures minimisation of such risks.

**f) Internal Control Systems and their Adequacy**

At GCKL, internal control systems and procedure are adequately commensurate with the size and structure of the business. The operating and business control procedures have been planned and implemented in a manner that ensures efficient use of resources, as well as compliance with procedures and regulatory requirements.

The Company has engaged a firm of Internal Auditors to carry out audits extensively throughout the year with the objective of testing the adequacy and effectiveness of internal controls and recommending improvements.

The Audit Committee hold discussions with auditors periodically about internal control systems, the scope of audit including the observations and reviews of the quarterly, half yearly and annual financial statements before submission to the Board. The Audit Committee ensures compliance of internal control systems.

**g) Human Resources/Industrial Relation Font:**

The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2019 stood at 368.

**h) Financial performance with respect to operational performance**

**Sales:** The Company achieved total revenue of ₹ 7241.03 lakh during the financial year ended March 31, 2019 in comparison to ₹ 4254.25 lakh in previous twelve months.

**Profit/Loss after Tax:** The Company recorded loss of ₹ 1954.01 lakhs for financial year ended March 31, 2019 in comparison of loss of ₹ 1221.98 lakh in previous financial year.

**Interest:** Interest & Financial charges outflow has decreased from ₹ 200.87 lakh incurred in previous twelve months of 2016-17 to ₹ 16.39 lakh for financial year ended March 31, 2019. The decrease in interest and financial charges is due to repayment of certain debt funds.

**Dividend:** The Board of Directors has not recommended any dividend for year under review.

**Equity Share Capital:** The equity share capital of the Company has been increased from ₹ 252.29 lakh to ₹ 385.82 lakh due to issue of equity shares on preferential basis during the financial year under review.

**Compulsorily Convertible Debentures:** 3800000 Compulsorily Convertible Debentures (CCDs) having face value of ₹ 30 per debenture, aggregating to ₹ 11.40 crore were allotted on 12<sup>th</sup> February, 2019 pursuant to the preferential issue. The CCDs would be convertible within a period of eighteen months from the date of allotment in one or more tranches.

**Earnings Per Share (EPS):** The Company's Basic EPS has improved marginally from ₹ (6.70) in previous financial year to ₹ (6.69) per share for the current financial year ended March 31, 2019.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward - looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include domestic and global environment; supplies and demand conditions affecting prices of final product and service, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

# Independent Auditor's Report

Annual Report 2018-2019

To,  
**The Members of**  
**Galaxy Cloud Kitchens Limited**  
**(Formerly known as Galaxy Entertainment Corporation Limited)**  
**Report on the Audit of the Financial Statements**

## Opinion

We have audited the accompanying financial statements of Galaxy Cloud Kitchens Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statement, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

## Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statement that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

# Independent Auditor's Report Annual Report 2018-2019

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# Independent Auditor's Report Annual Report 2018-2019

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statement comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B";

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statement
- (ii) The Company did not have any long-term contracts including derivative contracts hence the question of making a provision for any resulting material foreseeable losses does not arise; and;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

## For S A R A & Associates

Chartered Accountants  
Firm Registration No: 120927W

## Alok Bairagra

Partner  
Membership No: 105153

Mumbai  
May 24, 2019



# Annexure A to Independent Auditor's Report Annual Report 2018-2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF GALAXY CLOUD KITCHENS LIMITED (FORMERLY KNOWN AS 'GALAXY ENTERTAINMENT CORPORATION LIMITED' ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, a part of fixed assets have been physically verified by the management during the year in the phased periodical manner 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 physical verification.
- (c) Since the Company does not have any immovable properties, therefore the provisions of the Clause 3 (i) (c) of the Order are not applicable to Company.
- ii. As explained to us, inventory consisting of consumables and supplies has been physically verified by the management during the year and no material discrepancies were noticed.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of the Clause 3 (iii) (a), (b) & (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under section 185 of the Act. The company has not given any loans and guarantees but has made investments in the securities of other body corporate within the limits specified by section 186 of the Act.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Goods and Service Tax, Cess as at March 31, 2019 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount in Thousands (Rs)	Period to which the amount relates	Forum where dispute is pending
Karnataka Sales Tax	Sales Tax	3,364.06	F.Y. 2012-13	Deputy Commissioner of Sales Tax
West Bengal Sales Tax	Sales Tax	81.21	F.Y. 2011-12	Joint Commissioner of Sales Tax

# Annexure A to Independent Auditor's Report Annual Report 2018-2019

Name of the Statute	Nature of Dues	Amount in Thousands (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.26	A.Y. 2011-12	ITAT
		1,339.32	A.Y. 2012-13	ITAT
		17.41	A.Y. 2013-14	Assistant Commissioner of Income Tax

- viii. According to the information and explanation given to us and on the basis of our examination of relevant records the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per paragraph 3(xii) of the Order is not required.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has made preferential allotment of shares and fully convertible debentures during the year. The requirement of Section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not required.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For S A R A & Associates**  
Chartered Accountants  
Firm Registration No: 120927W

**Alok Bairagra**  
Partner  
Membership No: 105153  
Mumbai  
May 24, 2019

# Annexure B to Independent Auditor's Report \_\_\_\_\_ Annual Report 2018-2019

The Annexure referred to in paragraph 1(A)(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date,

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Galaxy Cloud Kitchens Limited** (Formerly known as 'Galaxy Entertainment Corporation Limited') ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Annexure B to Independent Auditor's Report \_\_\_\_\_ Annual Report 2018-2019

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For S A R A & Associates

Chartered Accountants

Firm Registration No: 120927W

### Alok Bairagra

Partner

Membership No: 105153

Mumbai

May 24, 2019

# Balance Sheet

as at March 31, 2019

Annual Report 2018-2019

		(₹ in thousand)	
Particulars	Note Nos	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	1,69,148.77	1,00,146.16
Financial Assets			
Loans and Advances	4	-	-
Other Non Current Financial Assets	5	9,138.08	21,104.50
Other Non Current Assets	6	34,093.74	9,269.62
<b>Total Non- Current Assets</b>		<b>2,12,380.59</b>	<b>1,30,520.28</b>
<b>Current Assets</b>			
Inventories	7	36,373.78	24,229.56
Financial Assets			
Trade Receivables	8	84,100.92	83,433.13
Cash and Cash Equivalents	9	23,934.43	1,074.90
Loans and Advances	10	81,880.87	14,692.22
Other Current Assets	11	4,504.31	2,136.14
<b>Total Current Assets</b>		<b>2,30,794.31</b>	<b>1,25,565.95</b>
<b>Total Assets</b>		<b>4,43,174.90</b>	<b>2,56,086.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	3,85,826.03	2,52,293.70
Other Equity	13	(3,05,562.97)	(3,56,335.58)
Compulsorily Convertible Debentures	14	1,67,656.50	98,874.40
<b>Total Equity</b>		<b>2,47,919.56</b>	<b>(5,167.48)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities :			
Non Current Borrowings	15	-	-
Non Current Provisions	16	4,891.24	2,051.24
<b>Total Non Current Liabilities</b>		<b>4,891.24</b>	<b>2,051.24</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Current Borrowings	17	11,279.07	33,007.70
Other Current Financial Liabilities	18	327.78	6,782.42
Trade Payable	19	1,75,299.16	1,47,497.54
Other Current Liabilities	20	3,367.72	6,479.38
Current Provisions	21	90.37	65,435.43
<b>Total Current Liabilities</b>		<b>1,90,364.10</b>	<b>2,59,202.47</b>
<b>Total Equity and Liabilities</b>		<b>4,43,174.90</b>	<b>2,56,086.23</b>
The accompanying notes are an integral part of the financial statements.		1 - 44	

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**Alok Bairagra**

Partner

Membership No. 105153

Mumbai

May 24, 2019

**For and on behalf of the Board of Directors**

**Arvind Agrawal**

Managing Director

DIN : 02268683

**Sharad Rustagi**

Director

DIN : 07232913

**Atul Joshi**

Chief Financial Officer

**Suchita Rajput**

Company Secretary



# Statement of Profit and Loss

for the year ended March 31, 2019

Annual Report 2018-2019

(₹ in thousand)			
Particulars	Note Nos	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from Operations	22	7,18,675.34	4,05,243.23
Other Income	23	15,845.41	20,182.67
<b>Total Income</b>		<b>7,34,520.75</b>	<b>4,25,425.90</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	4,44,723.63	2,50,727.87
Purchases of Stock In Trade	25	-	1,773.83
Employee Benefits Expense	26	1,42,360.20	63,811.64
Finance Costs	27	3,049.01	12,113.54
Depreciation and Amortization Expense	28	14,053.54	10,080.78
Other Expenses	29	3,22,156.28	2,07,270.97
<b>Total Expenses</b>		<b>9,26,342.66</b>	<b>5,45,778.63</b>
Profit / (Loss) before exceptional items and tax		(1,91,821.91)	(1,20,352.73)
Exceptional Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(1,91,821.91)</b>	<b>(1,20,352.73)</b>
<b>Tax expense :</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>(1,91,821.91)</b>	<b>(1,20,352.73)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(3,579.60)	(1,844.91)
Income tax relating to above		-	-
<b>Other Comprehensive Income / (Loss) for the year, Net of Tax</b>		<b>(3,579.60)</b>	<b>(1,844.91)</b>
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(1,95,401.51)</b>	<b>(1,22,197.64)</b>
<b>Earnings per equity share</b>			
Basic and Diluted (face value of ₹10 each) (Refer Note 41)		(6.69)	(6.70)
The accompanying notes are an integral part of the financial statements.		1 - 44	

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**Alok Bairagra**

Partner

Membership No. 105153

Mumbai

May 24, 2019

**Arvind Agrawal**

Managing Director

DIN : 02268683

**Atul Joshi**

Chief Financial Officer

**For and on behalf of the Board of Directors**

**Sharad Rustagi**

Director

DIN : 07232913

**Suchita Rajput**

Company Secretary



# Statement of Change in Equity

as at March 31, 2019

Annual Report 2018-2019

(₹ in thousand)

Particulars	Equity Share Capital	Other Equity			Compulsorily Convertible Debentures	Total Equity
		Share premium	General Reserve	Retained Earnings		
<b>Balance as at March 31, 2017</b>	1,56,499.35	3,18,497.46	18,062.97	(6,44,833.52)	-	(1,51,773.74)
Changes in equity share capital during the year	95,794.35	1,05,373.79	-	-	98,874.40	3,00,042.54
Profit / (Loss) for the year	-	-	-	(1,20,352.73)	-	(1,20,352.73)
Other comprehensive income for the year	-	-	-	(1,844.91)	-	(1,844.91)
Impact of Prior Period Items	-	-	-	(28,887.77)	-	(28,887.77)
Share Capital Issue Expenses	-	(2,350.87)	-	-	-	(2,350.87)
<b>Total Comprehensive income for the year</b>	<b>2,52,293.70</b>	<b>4,21,520.38</b>	<b>18,062.97</b>	<b>(7,95,918.93)</b>	<b>98,874.40</b>	<b>(5,167.48)</b>
<b>Balance as at March 31, 2018</b>	<b>2,52,293.70</b>	<b>4,21,520.38</b>	<b>18,062.97</b>	<b>(7,95,918.93)</b>	<b>98,874.40</b>	<b>(5,167.48)</b>
<b>Balance as at March 31, 2018</b>	2,52,293.70	4,21,520.38	18,062.97	(7,95,918.93)	98,874.40	(5,167.48)
Changes in equity share capital during the year	1,33,532.33	2,47,686.57	-	-	68,782.10	4,50,001.00
Profit / (Loss) for the year	-	-	-	(1,91,821.91)	-	(1,91,821.91)
Other comprehensive income for the year	-	-	-	(3,579.60)	-	(3,579.60)
Impact of Prior Period Items	-	-	-	-	-	-
Share Capital Issue Expenses	-	(1,512.45)	-	-	-	(1,512.45)
<b>Total Comprehensive income for the year</b>	<b>3,85,826.03</b>	<b>6,67,694.50</b>	<b>18,062.97</b>	<b>(9,91,320.44)</b>	<b>1,67,656.50</b>	<b>2,47,919.56</b>
<b>Balance as at March 31, 2019</b>	<b>3,85,826.03</b>	<b>6,67,694.50</b>	<b>18,062.97</b>	<b>(9,91,320.44)</b>	<b>1,67,656.50</b>	<b>2,47,919.56</b>

The above statement of change in equity should be read in conjunction with the accompanying notes.

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**Alok Bairagra**

Partner

Membership No. 105153

Mumbai

May 24, 2019

**Arvind Agrawal**

Managing Director

DIN : 02268683

**Atul Joshi**

Chief Financial Officer

**For and on behalf of the Board of Directors**

**Sharad Rustagi**

Director

DIN : 07232913

**Suchita Rajput**

Company Secretary

# Cash flow statement

for the year ended March 31, 2019

Annual Report 2018-2019

Particulars	(₹ in thousand)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A Cash Flow from operating activities</b>		
Profit before income tax	(1,91,821.91)	(1,20,352.73)
Adjustments for non cash and non operating items		
Interest received	(1,289.28)	(1,535.88)
Credit Balance Written Bank	-	(10,312.60)
Sundry Balance written off	-	(28,887.77)
Depreciation and amortization expenses	14,053.54	10,080.78
Finance costs	3,049.01	12,113.54
Loss on Sales of Fixed Assets	1,536.87	-
Provision for Custom Duty Payable Reversed	(65,336.37)	-
<b>Operating Cash Profit before Working Capital Changes</b>	<b>(2,39,808.14)</b>	<b>(1,38,894.66)</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	(667.79)	84,968.93
(Increase)/decrease in loans and advances	(67,188.65)	(12,232.89)
(Increase)/decrease in other current assets	(27,192.29)	(271.86)
(Increase)/decrease in Other Financial Assets	11,966.42	(1,382.55)
(Increase)/decrease in inventories	(12,144.22)	(22,437.88)
Increase/(decrease) in trade payables	27,801.62	(53,293.90)
Increase/(decrease) in other financial liabilities	(6,454.64)	6,782.42
Increase/(decrease) in provisions	(747.29)	-
Increase/(decrease) in other liabilities	(3,111.66)	(153.47)
<b>Cash outflow from operations</b>	<b>(3,17,546.64)</b>	<b>(1,36,915.86)</b>
Income taxes paid	-	-
<b>Net cash outflow from operating activities</b>	<b>(3,17,546.64)</b>	<b>(1,36,915.86)</b>
<b>B Cash inflow from investing activities:</b>		
Sale proceeds of property, plant and equipment	497.28	-
Purchase of property, plant and equipment	(85,090.30)	(764.91)
Proceeds from issue of Equity Shares	3,36,000.00	1,98,817.27
Proceeds from issue of Compulsorily Convertible Debentures	1,14,000.00	98,874.40
Interest received	1,289.28	1,535.88
Share Capital Issue Expenses	(1,512.45)	-
<b>Net cash inflow from investing activities</b>	<b>3,65,183.81</b>	<b>2,98,462.65</b>
<b>C Cash outflow from financing activities</b>		
Proceeds from / ( Repayment of ) Borrowings	(21,728.63)	(1,57,949.08)
Interest paid	(3,049.01)	(12,113.54)
<b>Net cash outflow from financing activities</b>	<b>(24,777.64)</b>	<b>(1,70,062.62)</b>
Net increase/(decrease) in cash and cash equivalents	22,859.53	(8,515.83)
Add: Cash and cash equivalents at the beginning of the financial year	1,074.90	459.47
Cash and cash equivalents at the end of the year	<b>23,934.43</b>	<b>(8,056.36)</b>

# Cash flow statement

for the year ended March 31, 2019

Annual Report 2018-2019

2. Cash and Cash Equivalent as per above comprises of the following

(₹ in thousand)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash and Cash Equivalents (Note 9)	23,934.43	1,074.90
Bank Overdraft (Note 17) )	-	(9,131.26)
Balance as per statement of Cash Inflows	<b>23,934.43</b>	<b>(8,056.36)</b>

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**Alok Bairagra**

Partner

Membership No. 105153

Mumbai

May 24, 2019

**For and on behalf of the Board of Directors**

**Arvind Agrawal**

Managing Director

DIN : 02268683

**Sharad Rustagi**

Director

DIN : 07232913

**Atul Joshi**

Chief Financial Officer

**Suchita Rajput**

Company Secretary

on Financial Statements for the year ended March 31, 2019

## 1) Company Overview

Galaxy Cloud Kitchens Limited (formerly knowns as Galaxy Entertainment Corporation Limited) ('the Company') is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on August 13, 1981. The Company is engaged in manufacturing of food products (Viz bakery, desserts, confectionery, meals, ready to eat food.) The Company has manufacturing facilities at five location and sells primarily in India.

The Company has its registered office at Mumbai, Maharashtra, India. The Company has its primary listing on BSE Limited.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 24, 2019.

## 2) Significant Accounting Policies

### (a) Basis of preparation of financial statements.

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III to the Act, unless otherwise stated.

### (b) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### (c) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the property, plant and equipment will flow to the company and the cost of the property, plant and equipment can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred. Assets classified as held for sale are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The estimated useful lives of assets are as follows:

<b>Asset Class</b>	<b>Useful Life</b>
Plant & Machinery	15 Years
Furniture & Fixtures	10 Years
Computer	3 Years
Improvement to Licensed Premises	10 Years

on Financial Statements for the year ended March 31, 2019

The useful lives have been determined as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss, if any.

## **(d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on straight line basis from the date they are available for use.

## **(e) Impairment of non-financial assets**

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the assets is increased to its revised recoverable amount, provided that this amount doesn't exceed the carrying amount that would have been determined, had no impairment loss being recognized for the asset in prior years.

## **(f) Investments and other financial assets**

### **(i) Classification**

The company classifies its financial assets in the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) Those measured at amortized cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

### **(ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### **Debt Instruments:**

A subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the asset. The company classify its debts instruments in to following categories:

**Amortised Cost:** Assets that are held for collection of contractual cash flows represents solely payments of principal and interest are measured at amortised cost.

**Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow present solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses).

**Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Statements of Profit and Loss.

#### **Equity Instrument:**

The Company measures all equity investment at fair value except investment in subsidiaries, joint ventures and associates which are measured at cost less impairment if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**(iii) Impairment of financial asset:** The Company assesses on a forward looking basis the expected credit losses associated with its assets. The Impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) De-recognition of financial assets**

A financial asset is derecognized only when

- (a) The company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

**(g) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**(h) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

**i. Sale of Goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc.

**ii. Sale of services:**

Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

**iii. Interest income:**

Interest income from debt instruments is recognized using the effective interest rate method.

**iv. Dividends:**

Dividends are recognized in profit or loss only when the right to receive payment is established

**(i) Employee benefits**

**i. Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**ii. Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of the reporting period. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized as an item of Other Comprehensive Income in the statement of profit and loss.



### iii. **Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as provident fund.

### iv. **Gratuity obligations:**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

### v. **Defined contribution plans:**

Defined contribution plans such as provident fund etc are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### vi. **Termination benefits**

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due for more than twelve months after the balance sheet date are discounted using the applicable discount rate.

## (j) **Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## (k) Foreign Currency Translation

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

## (l) Lease – Operating

Leases in which a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and Loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, in which case the same are recognised as an expense in line with the contractual term.

## (m) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## (n) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

## (o) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

## (p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

## **(q) Provisions and Contingent Liabilities**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events, but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

## **(r) Earnings per share**

### **(i) Basic earnings per share**

Basic earnings per share are calculated by dividing:

- a) the profit attributable to owners of the company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### **(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- a) the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **(s) Recent accounting pronouncements:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

# Notes

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## Note 3 : Property, Plant and Equipment

(₹ in thousand)

Particulars	Improvement to Licensed Premises	Plant & Machinery	Furniture & Fixtures	Computer	Total
<b>As at March 31, 2018</b>					
Gross Carrying Amount	35,569.65	72,374.36	1,486.94	31.08	109,462.03
Additions	-	764.91	-	-	764.91
Disposals	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>35,569.65</b>	<b>73,139.27</b>	<b>1,486.94</b>	<b>31.08</b>	<b>110,226.94</b>
Accumulated Depreciation					
Depreciation charge for the year	4,502.80	5,253.73	308.09	16.16	10,080.78
Sales of Assets	-	-	-	-	-
Deductions and Adjustments	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>4,502.80</b>	<b>5,253.73</b>	<b>308.09</b>	<b>16.16</b>	<b>10,080.78</b>
<b>Net Carrying Amount as at March 31, 2018</b>	<b>31,066.85</b>	<b>67,885.54</b>	<b>1,178.85</b>	<b>14.92</b>	<b>100,146.16</b>
<b>As at March 31, 2019</b>					
Gross Carrying Amount	31,066.85	67,885.54	1,178.85	14.92	100,146.16
Additions	-	68,596.77	15,742.88	750.65	85,090.30
Disposals	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>31,066.85</b>	<b>136,482.31</b>	<b>16,921.73</b>	<b>765.57</b>	<b>185,236.46</b>
Accumulated Depreciation					
Depreciation charge for the year	4,486.31	9,088.08	450.87	28.28	14,053.54
Sales of Assets	-	490.00	-	7.28	497.28
Deductions and Adjustments	43.96	1,482.05	3.23	7.63	1,536.87
<b>Closing Accumulated Depreciation</b>	<b>4,530.27</b>	<b>11,060.13</b>	<b>454.10</b>	<b>43.19</b>	<b>16,087.69</b>
<b>Net Carrying Amount as at March 31, 2019</b>	<b>26,536.58</b>	<b>125,422.18</b>	<b>16,467.63</b>	<b>722.38</b>	<b>169,148.77</b>

### Note:

- i) All fixed assets of the Company are subject to charges created in favour of Bank for term loan availed. Refer Note 36 for information on property, plant and equipment pledged as security by the Company.

# Notes

on Financial Statements for the year ended March 31, 2019

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Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Note 4 : Non Current Loans and Advances</b>		
(Unsecured, Considered Doubtful)		
Loans and Advances	1,711.92	1,711.92
Less : Provision for Doubtful Loans and Advances	(1,711.92)	(1,711.92)
<b>Total Non Current Loans and Advances</b>	<b>-</b>	<b>-</b>
<b>Note 5 : Other Non Current Financial Assets</b>		
(Unsecured unless otherwise stated)		
Deposit with Bank ( Under lien against Bank Guarantee)	8,547.42	18,610.88
Interest accrued on Bank Deposit	590.66	2,493.62
<b>Total Other Non Current Financial Assets</b>	<b>9,138.08</b>	<b>21,104.50</b>
<b>Note 6 : Other Non Current Assets</b>		
Balances with Government Authorities	34,093.74	9,269.62
<b>Total Other Non Current Assets</b>	<b>34,093.74</b>	<b>9,269.62</b>
<b>Note 7 : Inventories</b>		
(Valued at cost or NRV, whichever is lower)		
Food & Beverages Supplies and Consumables	36,373.78	24,210.45
Redemption Stock	-	19.11
<b>Total Inventories</b>	<b>36,373.78</b>	<b>24,229.56</b>
<b>Note 8 : Trade Receivables</b>		
(Unsecured and Considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	23,735.70	17,931.67
Others	61,577.62	66,713.86
Less: Allowance for bad and doubtful debts	(1,212.40)	(1,212.40)
<b>Total Trade Receivables</b>	<b>84,100.92</b>	<b>83,433.13</b>
Refer Note 39 for information about credit risk of trade receivable		
<b>Note 9 : Cash and Cash Equivalents</b>		
Cash on hand	301.59	401.30
<b>Balances with Banks</b>		
In current accounts	23,632.84	673.60
<b>Total Cash and Cash Equivalents</b>	<b>23,934.43</b>	<b>1,074.90</b>
<b>Note 10 : Current Loan and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Other</b>		
Security Deposits	17,376.62	14,393.75
Advance against salary	1,004.25	298.47
Advance Given	63,500.00	-
<b>Total Current Loan and Advances</b>	<b>81,880.87</b>	<b>14,692.22</b>

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Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Note 11 : Other Current Assets</b>		
Advances to Suppliers	3,330.49	1,881.07
Prepaid Expenses	1,173.82	255.07
<b>Total Other Current Assets</b>	<b>4,504.31</b>	<b>2,136.14</b>

## Note 12 : Equity Share Capital

### Equity Share capital

#### Authorized

50,000,000 [March 31, 2018: 40,000,000] Equity Shares of ₹ 10 each	5,00,000.00	4,00,000.00
Issued, subscribed and fully paid up		
3,85,82,603 [March 31, 2018: 2,52,29,370] Equity Shares of ₹ 10 each	3,85,826.03	2,52,293.70
<b>Total Equity Share Capital Issued, Subscribed and Fully Paid Up</b>	<b>3,85,826.03</b>	<b>2,52,293.70</b>

#### a) Reconciliation of number of shares

##### Equity Shares :

Balance as at the beginning of the year	2,52,29,370	1,56,49,935
Add: Conversion of Compulsory Convertible Debentures in fully paid Equity Shares during the year	21,53,233	-
Add: Shares issued during the year	1,12,00,000	95,79,435
<b>Balance as at the end of the year</b>	<b>3,85,82,603</b>	<b>2,52,29,370</b>

#### b) Rights, preferences and restrictions attached to shares

**Equity shares:** The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Nos of Shares	As at March 31, 2019	As at March 31, 2018
Central Departmental Stores Private Limited	64,34,723	42,81,490
Habitat Apartments Private Limited	56,00,000	-
Future Enterprises Limited	49,37,935	49,37,935
Abacus Realty Logistics Private Limited	49,00,000	-
Bellona Hospitality Services Limited	36,86,491	36,86,491
Darshita Landed Property LLP	33,33,924	33,33,924
<b>Holding in %</b>		
Central Departmental Stores Private Limited	16.68%	16.97%
Habitat Apartments Private Limited	14.51%	-
Future Enterprises Limited	12.80%	19.57%
Abacus Realty Logistics Private Limited	12.70%	-
Bellona Hospitality Services Limited	9.55%	14.61%
Darshita Landed Property LLP	8.64%	13.21%



# Notes

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(₹ in thousand)		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 13 : Other Equity</b>		
Share Premium	6,67,694.50	4,21,520.38
General Reserve	18,062.97	18,062.97
Retained Earnings	(9,91,320.44)	(7,95,918.93)
	<b>(3,05,562.97)</b>	<b>(3,56,335.58)</b>
<b>Share Premium</b>		
Opening Balance	4,21,520.38	3,18,497.46
Add : Increase during the year	2,47,686.57	1,05,373.79
Less : Share Issue Expenses	(1,512.45)	(2,350.87)
Closing Balance	<b>6,67,694.50</b>	<b>4,21,520.38</b>
<b>General Reserve</b>		
Opening Balance	18,062.97	18,062.97
Change during the Year	-	-
Closing Balance	<b>18,062.97</b>	<b>18,062.97</b>
<b>Retained Earnings</b>		
Opening Balance	(7,95,918.93)	(6,44,833.52)
Less : Impact of Prior Period Items ( Prior period Expenses Refer Note : 13 (i)	-	(28,887.77)
Net Profit / (Loss) during the year	(1,91,821.91)	(1,20,352.73)
<b>Items of other comprehensive income recognized directly in retained earnings</b>		
Remeasurements of post-employment benefit obligation, net of tax	(3,579.60)	(1,844.91)
Closing Balance	<b>(9,91,320.44)</b>	<b>(7,95,918.93)</b>

## Note 13 (i) : Reconciliation of retained earnings

(₹ in thousand)				
Retained Earnings	As at April 01, 2015	As at March 31, 2016	As at March 31, 2017	As at March 31, 2018
<b>Opening Balance</b>	<b>(4,88,780.58)</b>	<b>(5,17,668.35)</b>	<b>(5,31,588.21)</b>	<b>(6,73,721.29)</b>
Net Profit / (Loss) during the year	-	(15,007.23)	(1,41,975.47)	(1,20,352.73)
Items of other comprehensive income recognized directly in retained earnings	-	-	-	-
Remeasurements of post-employment benefit obligation, net of tax	-	1,087.37	(157.61)	(1,844.91)
Impact of Prior Period Adjustment	(28,887.77)	-	-	-
<b>Closing Balance</b>	<b>(5,17,668.35)</b>	<b>(5,31,588.21)</b>	<b>(6,73,721.29)</b>	<b>(7,95,918.93)</b>

## Note:

### Prior period expenses :

The company incurred certain CAM charges under the previous GAAP. Under Ind AS, those expenses have to be recognised in the year to which it pertains, since it is impracticable to restate in the year of which it pertains, therefore as per Indian Accounting Standard the company is restating the prior period expenses for the earliest prior period presented i.e. April 01, 2015. Accordingly the retained earnings are adjusted from the earliest prior period presented and Total equity has decreased by an amount of Nil (P.Y. ₹ 28,887.77 Thousands)

### Nature and purpose of other reserves

#### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

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Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Note 14 : Compulsorily Convertible Debentures</b>		
Compulsorily Convertible Debentures	1,67,656.50	98,874.40
	<b>1,67,656.50</b>	<b>98,874.40</b>
<b>Compulsorily Convertible Debentures :</b>		
Balance as at the beginning of the year	98,874.40	98,874.40
Less: Conversion of Compulsory Convertible Debentures in fully paid Equity Shares during the year	45,217.90	-
Add: Issued during the year	1,14,000.00	-
<b>Balance as at the end of the year</b>	<b>1,67,656.50</b>	<b>98,874.40</b>

- During the year, the Company had made allotment of 21,53,233 Equity shares of ₹10/- each fully paid up pursuant to conversion of 4,52,179 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs at a conversion price of ₹ 21/- each fully paid-up.
- The company has issued and allotted 38,00,000 CCD having face value of ₹ 30/- each fully paid aggregating to ₹ 11,40,00,000/- and having a term of 18 months from the date of allotment.
- The CCDs shall be converted into Equity Shares (conversion shares) in one or more tranches at the options of the CCD holders within a period of 18 months from the date of such allotment.
- The Conversion Shares shall rank pari passu with the existing equity shares of the Company in all respects, including as to dividend.
- The CCDs and Conversion Shares issued and to be issued and allotted shall be subject to lock-in as provided under the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Subject to the aforesaid lock-in requirements, the CCDs, Conversion Shares and Investor Shares shall be freely transferable.

## Note 15 : Non Current Borrowings

### Secured

Term Loans from Banks	-	12,597.37
<b>Total Long Term Borrowing</b>	-	12,597.37
Less: Current maturities of Term Loan	-	12,597.37
<b>Total Non Current Borrowings</b>	-	-

## Note 16 : Non Current Provisions

Gratuity	2,508.08	986.93
Leave entitlement	2,383.16	1,064.31
<b>Total Non Current Provisions</b>	<b>4,891.24</b>	<b>2,051.24</b>

## Note 17 : Current Borrowings

### Secured

Current maturities of Term Loan	-	12,597.37
Bank Overdraft	-	9,131.26

### Unsecured

Loans from Related Party	11,279.07	11,279.07
<b>Total Current Borrowings</b>	<b>11,279.07</b>	<b>33,007.70</b>

### Secured borrowings and assets pledged as security

Interest Rate is 11.25% p.a. (11.20% p.a. in FY 2017-18) for Term Loan from Bank

Term loan from Bank secured against hypothecation charges on entire present and future movable fixed / current assets of the company, Corporate guarantee by Future Enterprises Ltd. And personal guarantee of one of the Promoters.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 36.

Refer Note 39 for information about liquidity risk of borrowings

# Notes

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Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Note 18 : Other Current Financial Liabilities</b>		
Other Payables	327.78	6,782.42
<b>Total Other Current Financial Liabilities</b>	<b>327.78</b>	<b>6,782.42</b>
<b>Note 19 : Trade Payables</b>		
Trade payables	1,64,768.44	1,47,497.54
Trade Payable - Micro, Small & Medium Enterprises	10,530.72	-
<b>Total Trade Payables</b>	<b>1,75,299.16</b>	<b>1,47,497.54</b>
<b>Note 20 : Other Current Liabilities</b>		
Statutory dues	2,525.42	5,698.72
Advance from customers	842.30	780.66
<b>Total Other Current Liabilities</b>	<b>3,367.72</b>	<b>6,479.38</b>
<b>Note 21 : Current Provisions</b>		
Gratuity	21.46	17.69
Leave entitlement	68.91	81.37
Provision for Custom Duty Payable	-	65,336.37
<b>Total Current Provisions</b>	<b>90.37</b>	<b>65,435.43</b>

## Information about provisions and significant estimates :

### Provision for Custom Duty Payable

Provision is made for Custom Duty Payable. The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015 or such other dates as may be permitted by DGFT. The Company has discharged the liability of customs duty during the year.

### Movements in provisions :

Provision for Custom Duty Payable

<b>Opening Balance</b>	65,336.37	65,336.37
Less : Paid during the Year	26,558.89	-
Less : Provision Reversed	38,777.48	-
<b>Closing Balance</b>	<b>-</b>	<b>65,336.37</b>

### Leave entitlement

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

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Particulars	(₹ in thousand)	
	Gratuity	
	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	1,004.62	209.02
Current service cost	792.91	575.15
Interest expense/(income)	74.68	15.46
Total amount recognised in profit and loss	867.59	590.61
Remeasurements	-	-
(Gain )/loss from change in demographic assumptions	-	16.61
(Gain )/loss from change in financial assumptions	(72.34)	-
Experience (gains)/losses	1,047.58	194.43
Total amount recognised in other comprehensive income	975.24	211.04
Employer contributions	(317.92)	(6.04)
Benefit payments	-	-
Closing defined benefit obligation	2,529.54	1,004.62
<b>The net liability disclosed above relates to unfunded plans are as follows:</b>		
Defined benefit obligation	2,529.54	1,004.62
Fair value of plan assets	-	-
Surplus /(Deficit)	2,529.54	1,004.62
Effect of assets ceiling	-	-
Net Defined Benefit Liability/(Assets)	2,529.54	1,004.62

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Discount rate	7.70%	7.50%
Salary growth rate	5.00%	5.00%

Particulars	(₹ in thousand)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 22 : Revenue from Operations</b>		
<b>Sale of Services</b>		
Games	4,766.46	8,114.57
Food & Beverages	6,87,795.28	3,61,401.48
Event Management Income	-	15,478.41
Sale of Fabric	-	1,778.09
Other Operating Income	26,113.60	18,470.68
<b>Total Revenue from Operations</b>	<b>7,18,675.34</b>	<b>4,05,243.23</b>

## Note 23 : Other income

Interest on Fixed Deposit	1,289.28	1,535.88
Credit Balance Written Back	-	10,312.60
Lease Income	3,199.00	2,000.55
Interest on ICD	1,410.41	5,700.68
Interest on SD Rent	940.11	632.96
Other Income	9,006.61	-
<b>Total Other income</b>	<b>15,845.41</b>	<b>20,182.67</b>

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Particulars	(₹ in thousand)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 24 : Cost of materials consumed</b>		
Raw materials consumed	4,44,723.63	2,37,068.39
Event Management Expenses	-	13,659.48
<b>Total Cost of materials consumed</b>	<b>4,44,723.63</b>	<b>2,50,727.87</b>
<b>Note 25 : Purchases of Stock-in-Trade</b>		
Purchases of Stock-in-Trade	-	1,773.83
<b>Total Purchases of Stock-in-Trade</b>	<b>-</b>	<b>1,773.83</b>
<b>Note 26 : Employee benefits expense</b>		
Salaries and wages	1,31,012.70	57,938.34
Contribution to provident funds and other funds	9,248.68	4,509.22
Workmen and Staff welfare expenses	2,098.82	1,364.08
<b>Total Employee benefits expense</b>	<b>1,42,360.20</b>	<b>63,811.64</b>
<b>Note 27 : Finance costs</b>		
Interest on Overdraft	999.24	1,672.31
Interest on Term Loan	616.95	4,528.87
Interest on Inter Corporate Deposit	1,410.41	5,872.82
Other Borrowing Cost	22.41	39.54
<b>Total Finance costs</b>	<b>3,049.01</b>	<b>12,113.54</b>
<b>Note 28 : Depreciation and amortization expense</b>		
Depreciation on Property, Plant and Equipment	14,053.54	10,080.78
<b>Total Depreciation and amortization expense</b>	<b>14,053.54</b>	<b>10,080.78</b>
<b>Note 29 : Other expenses</b>		
Power, Fuel, Light and Water	56,756.11	29,448.28
Communication Expenses	819.88	353.11
Rent - Building	33,731.29	28,640.56
Rent - Plant & Equipment	35,401.85	19,995.46
Hire Charges	77,463.54	40,682.91
Repairs to Plant and Equipment	9,931.46	4,848.74
Insurance	1,079.51	372.59
Rates & taxes *(a)	36,043.90	17,902.68
Advertising and sales promotion	39.68	39.24
Carriage and freight	43,338.96	27,815.23
Printing & Stationery	3,233.98	1,932.80
Audit Committee Fees	302.50	335.00
Director Sitting Fees	412.50	457.50
Nomination, Remuneration & Compensation Directors Fees	81.00	60.00
Professional & Consultancy Charges	6,309.51	2,977.22
Legal Fees	95.20	297.00
Postage & Courier Charges	137.55	98.73
Security Charges	6,773.74	2,728.52

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Particulars	(₹ in thousand)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Miscellaneous Expenses	3,457.16	5,493.29
Travelling and Local Conveyance Expenses	4,660.14	2,764.77
Loss on Sale of Fixed Assets	1,536.87	-
Payment to Statutory Auditors *(b)	549.95	441.11
FMV of Financial Liabilities	-	19,586.23
<b>Total Other expenses</b>	<b>3,22,156.28</b>	<b>2,07,270.97</b>
<b>*(a) Rates &amp; Taxes</b>		
Rate & Taxes	19,501.30	2,928.13
Reversal of Input Tax Credit	16,542.60	14,974.55
<b>Total Rates &amp; taxes</b>	<b>36,043.90</b>	<b>17,902.68</b>
<b>*(b) Payment to Statutory Auditors</b>		
For Audit Fees	159.00	240.00
For Tax Audit Fees	80.00	80.00
For Limited Review Fees	60.00	60.00
For Other Services	241.00	55.00
For Reimbursement of Expenses	9.95	6.11
<b>Total Payment to Statutory Auditors</b>	<b>549.95</b>	<b>441.11</b>

## Note 30 : Capital and Other Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ "Nil" (Previous Year ₹ "Nil")

## Note 31 : Contingent Liabilities not provided for :

(i) In respect of guarantees provided by Company's Bankers on behalf of the Company ₹7,312.46 thousands (Previous Year ₹ 11,138.46 thousands)

(ii) In respect of disputed tax demand not provided as following:

Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Sales Tax Demand:</b>		
2003-2004 (Maharashtra)	-	1,668.32
2011-2012 (West Bengal)	81.21	81.21
2003-2004 (Karnataka)	3,364.06	-
<b>Income Tax:</b>		
A.Y. 2011-2012	2.26	2.26
A.Y. 2012-2013	1,339.32	1,339.32
A.Y. 2013-2014	17.41	17.41
<b>Claims not acknowledged as debt.</b>		
<b>Service Tax</b>		
2012-13 to 2017-18 (Upto June 2017)	22,639.51	-

(iii) The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015 or such other dates as may be permitted by DGFT. The Company has discharged the customs duty liability during the year. Outstanding as at balance sheet date is ₹ NIL (Previous Year ₹ 65,396.37 thousands) - refer note 21.



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## Note 32 : Winding Up Petition

Winding up petition filed by Manjiro Works, Japan against the Company under section 433 (e) / 434 of the Companies Act, 1956 was dismissed by the Hon'ble High Court of Bombay on July 20, 2016. The Company has made necessary accounting treatments (write back / off ) in this regard during the aforesaid financial year. However, an appeal has been filed against the said order by the creditor (Petitioner) which is pending for admission.

## Note 33 : Going Concern Assumption

The financial statements have been prepared on the basis that the Company is a going concern.

## Note 34 : Deferred Tax Asset/ (Liability):

On a conservative basis, the Company has not recognized any deferred tax asset on unabsorbed business losses/unabsorbed depreciation during the current year.

## Note 35 : Related Party Disclosure

In accordance with the Ind AS - 24 on "Related Party Disclosure" the relevant information for the year ended March 31, 2019 is as under

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Sr. No.	Name of the Related Party	Nature of Relationship
1	Future Enterprises Limited	Enterprises where control exists through substantial equity interest (upto Jan 02, 2018)
2	Star Shopping Centers Private Limited	Enterprises in which a director is a member / Director
3	Future Market Network Limited	Enterprises in which a director is a member / Director
4	Splendor Fitness Private Limited	Enterprises in which a director is a member / Director
5	Mr. Arvind Agrawal	Key Managerial Personnel ( From November 01, 2018)
6	Mr. Mayank Tandon	Key Managerial Personnel
7	Mr. Tanuj Agarwal	Key Managerial Personnel ( Upto February 28, 2019 )
8	Mr. Atul Joshi	Key Managerial Personnel ( From March 01, 2019 )
9	Ms. Suchita Rajput	Key Managerial Personnel

(ii) Transactions during the year with related parties :

(₹ in thousand)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Enterprises in which a director is a member / Director	Enterprises where control exists through substantial equity interest	Total
1	Net Loans and Advances Taken	-	-	-
		(-)	(32,571.00)	(32,571.00)
2	Net Loans and Advances Repaid	-	-	-
		(-)	(32,571.00)	(32,571.00)
3	Electricity Expenses	-	-	-
		(1,676.16)	(-)	(1,676.16)
4	Lease Income	600.00	-	600.00
		(-)	(-)	(-)
5	Rent Charges	-	-	-
		(560.25)	(11,007.66)	(11,567.91)
6	Revenue form Sales	-	-	-
		(-)	(1,778.09)	(1,778.09)

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Sr. No.	Nature of Transaction (Excluding Reimbursements)	Enterprises in which a director is a member / Director	Enterprises where control exists through substantial equity interest	Total
7	Event Management expenses	-	-	-
		(197.15)	(-)	(197.15)
8	Trade Receivable	-	-	-
		(3,349.40)	(-)	(3,349.40)
9	Trade Payables	-	-	-
		(2,468.17)	(17,369.13)	(19,837.30)

## Key Management Personnel Compensation

(₹ in thousand)

Particulars	As at March 31, 2019	As at March 31, 2018
Short-term employee benefits	14,786.99	4,362.03
Post-employment benefits	-	-
Long-term employee benefits	2,851.43	798.45
Termination benefits	-	-
<b>Total</b>	<b>17,638.42</b>	<b>5,160.48</b>

## (iii) Balance as at March 31, 2019

(₹ in thousand)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Enterprises in which a director is a member / Director	Enterprises where control exists through substantial equity interest	Total
1	Loans and Advances Taken	11,279.07	-	11,279.07
		11,279.07	32,571.00	43,850.07
2	Trade Receivables	324.00	-	324.00
		-	3,024.74	3,024.74

Note : Related Party relationship is as identified by the Company and relied upon by the Auditors  
Figures in Italic indicate previous year figures

## Note 36 : Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are :

(₹ in thousand)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Assets</b>		
Inventories	36,373.78	24,229.56
Financial Assets		
Trade Receivables	84,100.92	83,433.13
Cash and Cash Equivalents	23,934.43	1,074.90
Loans and Advances	81,880.87	14,692.22
Other Current Assets	4,504.31	2,136.14
Total Current Assets	2,30,794.31	1,25,565.95
Non Current Assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>2,30,794.31</b>	<b>1,25,565.95</b>

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Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Non Current Assets</b>		
Property, Plant and Equipment	1,69,148.77	1,00,146.16
Other Intangible Assets	-	-
Other Non Current Financial Assets	9,138.08	21,104.50
<b>Total Non Current Assets</b>	<b>1,78,286.85</b>	<b>1,21,250.66</b>
<b>Total Assets pledged as security</b>	<b>4,09,081.16</b>	<b>2,46,816.61</b>

## Note 37 : Offsetting Financial Assets and Financial Liabilities

There are no offset for the recognised financial instruments as at March 31, 2019 and March 31, 2018

## Note 38 : Fair Value Measurements

### 38 (a) : Financial Instruments by Category

Particulars	(₹ in thousand)	
	As at March 31, 2019 Amortised cost	As at March 31, 2018 Amortised cost
<b>Financial Assets</b>		
Loans and Advances	81,880.87	14,692.22
Trade receivables	84,100.92	83,433.13
Cash and Cash Equivalents	23,934.43	1,074.90
Other Financial Assets	9,138.08	21,104.50
<b>Total Financial Assets</b>	<b>1,99,054.30</b>	<b>1,20,304.75</b>
<b>Financial Liabilities</b>		
Borrowings	11,279.07	33,007.70
Trade Payable	1,75,299.16	1,47,497.54
Other Financial Liabilities	327.78	6,782.42
<b>Total Financial Liabilities</b>	<b>1,86,906.01</b>	<b>1,87,287.66</b>

## No Financial instruments are measured at Fair Value.

**38 (b) :** Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except other financial assets and borrowings other than bank borrowings which are at level 2.. During the year there are no financial instruments which are measured at Level 1.

Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
<b>Financial Assets</b>		
Loans and Advances	81,880.87	14,692.22
Trade receivables	84,100.92	83,433.13
Cash and Cash Equivalents	23,934.43	1,074.90
Other Financial Assets	9,138.08	21,104.50
<b>Total Financial Assets</b>	<b>1,99,054.30</b>	<b>1,20,304.75</b>
<b>Financial Liabilities</b>		
Borrowings	11,279.07	33,007.70
Trade Payable	1,75,299.16	1,47,497.54
Other Financial Liabilities	327.78	6,782.42
<b>Total Financial Liabilities</b>	<b>1,86,906.01</b>	<b>1,87,287.66</b>

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The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: This hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

## **Valuation processes :**

For level 2 financial instruments the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

### **38 (C) : Fair value of financial assets and liabilities measured at amortised cost**

(₹ in thousand)

Particular	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loans and Advances	81,880.87	81,880.87	14,692.22	14,692.22
Trade receivables	84,100.92	84,100.92	83,433.13	83,433.13
Cash and Cash Equivalents	23,934.43	23,934.43	1,074.90	1,074.90
Other Financial Assets	9,138.08	8,713.08	21,104.50	20,679.50
<b>Total Financial Assets</b>	<b>1,99,054.30</b>	<b>1,98,629.30</b>	<b>1,20,304.75</b>	<b>1,19,879.75</b>
<b>Financial Liabilities</b>				
Borrowings	11,279.07	11,279.07	33,007.70	33,007.70
Trade Payable	1,75,299.16	1,75,299.16	1,47,497.54	1,47,497.54
Other Financial Liabilities	327.78	327.78	6,782.42	6,782.42
<b>Total Financial Liabilities</b>	<b>1,86,906.01</b>	<b>1,86,906.01</b>	<b>1,87,287.66</b>	<b>1,87,287.66</b>

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values largely due to short term maturities of the instruments.

The fair values of other financial assets and borrowings other than bank borrowings were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair value of the long-term borrowing from bank with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the company's borrowing (since the date of inception of the loans). Further, the company has no long-term Borrowings with fixed rate of interest.

### **Note 39 : Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### **A. Market Risks**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The company is not significantly exposed to foreign currency risk. Moreover, the company has no investments in equity shares thus the company is not exposed to price risk also.

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## (a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, management of the Company performs a corporate interest rate risk.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or 20 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in thousand)	
	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	11,279.07	33,007.70
Percentage of variable rate borrowings to total borrowings	100%	100%
<b>Total Borrowings</b>	<b>11,279.07</b>	<b>33,007.70</b>

## Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Interest rates – increase by 100 basis points*	112.79	330.08
Interest rates – decrease by 20 basis points*	22.56	66.02

\*Holding all other variables constant

## B. Credit Risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities primarily trade receivables and from its loans and advances and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables and loan & advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### Movement in provisions of doubtful debts

<b>Opening provision</b>	1,212.39	1,212.39
Add:- Additional provision made	-	-
Less:- Provision write off	-	-
Less:- Provision reversed	-	-
<b>Closing provisions</b>	<b>1,212.39</b>	<b>1,212.39</b>

### Movement in provisions of doubtful Loans & Advance

<b>Opening provision</b>	1,711.92	1,711.92
Add:- Additional provision made	-	-
Less:- Provision write off	-	-
Less:- Provision reversed	-	-
<b>Closing provisions</b>	<b>1,711.92</b>	<b>1,711.92</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

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## C. Liquidity Risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:			(₹ in thousand)
Particulars	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2019</b>			
Trade payables	1,75,299.16	-	1,75,299.16
Borrowings	11,279.07	-	11,279.07
Other Non Financial liabilities	3,367.72	-	3,367.72
<b>As at March 31, 2018</b>			
Trade payables	1,47,497.54	-	1,47,497.54
Borrowings	35,747.27	-	35,747.27
Other Non Financial liabilities	6,479.38	-	6,479.38

## D. Capital Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company does not distribute dividends to the shareholders.

## Note 40 : Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief finance officer of the Company. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in Ind AS - 108.

The Company has identified two reportable segments viz. Food & Beverages and Trading. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting:

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

### (a) Description of segments and principal activities

- Food & Beverages : Under this segment the company is manufacturing of fresh food ranging from fresh bakery, desserts, hot meals, cold meals to home meal convenience food and ready to eat products.
- Trading Merchandise: Under this segment the company deals in trading of merchandise.



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## (b) Segment Details

The company operates as a two segment. The segment revenue is measured in the same way as in the statement of profit or loss.

(₹ in thousand)		
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Segment Revenue</b>		
Food & Beverages	7,18,675.34	4,03,465.14
Trading Merchandise	-	1,778.09
<b>Total Segment Revenue</b>	<b>7,18,675.34</b>	<b>4,05,243.23</b>
<b>Segment Result</b>		
Food & Beverages	(1,88,772.90)	(1,08,243.45)
Trading Merchandise	-	4.26
<b>Total</b>	<b>(1,88,772.90)</b>	<b>(1,08,239.19)</b>
Less: Other un-allocable expenditure net off un-allocable income	3,049.01	12,113.54
<b>Total Profit Before Tax</b>	<b>(1,91,821.91)</b>	<b>(1,20,352.73)</b>
<b>Segment Assets</b>		
Food & Beverages	4,43,174.90	2,52,826.52
Trading Merchandise	-	3,259.71
<b>Total Segment Assets</b>	<b>4,43,174.90</b>	<b>2,56,086.23</b>
<b>Segment Liabilities</b>		
Food & Beverages	1,95,255.34	2,61,253.71
Trading Merchandise	-	-
<b>Total Segment Liabilities</b>	<b>1,95,255.34</b>	<b>2,61,253.71</b>

## Note 41 : Earnings per share

### (a) Basic and diluted earnings per share

Profit attributable to the equity holders of the company	(1,91,821.91)	(1,20,352.73)
<b>Total basic earnings per share attributable to the equity holders of the company</b>	<b>(1,91,821.91)</b>	<b>(1,20,352.73)</b>

### (b) Weighted average number of shares used as the denominator

Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	2,86,83,212	1,79,59,497
Earning Per Share - Basic and diluted ( Face value of ₹ 10 Per Share)	(6.69)	(6.70)

**Note 42 :** Balances of Trade Receivable and Payables are subject to confirmations and reconciliation.

**Note 43 :** In the opinion of the Board, all assets other than fixed assets and non-current investments have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

**Note 44 :** The figures for the previous financial year are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure

**GALAXY CLOUD KITCHENS LIMITED**  
**(Formerly known as Galaxy Entertainment Corporation Limited)**

CIN: L15100MH1981PLC024988

Registered Office: Eyelet House, M.S. Patel Compound, Opp. Shah Industrial Estate, Saki-Vihar Road, Saki Naka,  
Andheri (East), Mumbai-400072.

Tel No.: 022 - 2803 9405, E-mail: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)

Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)

**FORM NO. MGT – 11**

**PROXY FORM**

**[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]**

Name of the Member(s): \_\_\_\_\_

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

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

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

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

I/ We being the member(s) of \_\_\_\_\_ shares of the Galaxy Cloud Kitchens Limited hereby appoint:

1) Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

2) Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

3) Name: \_\_\_\_\_

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

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 16<sup>th</sup> day of September 2019 at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as are indicated below:

Resolutions	Optional*	
	For	Against
<b>Ordinary Business</b>		
1. Consider and adopt Audited Financial Statement of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.		
2. Appointment of Director in place of Mr. Swapnil Kothari (DIN: 05235636) who retires by rotation and being eligible offers himself for re-appointment.		
3. To approve the re-appointment of Statutory Auditors of the Company and to fix their remuneration.		
<b>Special Business</b>		
4. To consider re-appointment of Ms. Udit Jhunjhunwala (DIN: 00120951) as an Independent Director of the Company.		
5. To consider appointment of Mr. Rajesh Mittal (DIN: 00231710) as an Independent Director of the Company.		
6. To approve the Material Related Party Transaction(s).		

Signed this ..... day of ..... 2019.

Signature of shareholder(s): \_\_\_\_\_

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

**AFFIX RE.1/-  
REVENUE  
STAMP**

**Note(s):**

Proxy form in order to be effective should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

For Resolutions, Explanatory Statements and Notes, please refer Notice of 37<sup>th</sup> Annual General Meeting of the Company.

\* It is optional to put "X" in appropriate column against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all Resolution (s), you proxy will be entitled to vote in the manner he / she thinks appropriate.

## 37th AGM – Route Map to the AGM Venue



[illegible]

## This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The paper itself is a clean, off-white color.







**GALAXY**  
CLOUD  
KITCHENS  
LIMITED

**GALAXY CLOUD KITCHENS LIMITED**

(Formerly Known as Galaxy Entertainment Corporation Limited)

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web: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)