



September 5, 2020

Dept of Corporate Services (CRD)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
**Scrip Code: BSE – 506186**

Dear Sir,

**Sub: Annual General Meeting (AGM) & Book Closure.**

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the Financial Year 2019-20 and the Notice convening 38<sup>th</sup> AGM of the Company.

Please be informed that 38<sup>th</sup> AGM of the Company is scheduled to be held on Tuesday, September 29, 2020 at 11.30 a.m. through Video Conferencing/Other Audio Visual Means, pursuant to the relevant circulars issued by Ministry of Corporate Affairs and SEBI in this regard. The book closure for the purpose of AGM shall be from September 22, 2020 to September 29, 2020 (both days inclusive).

Kindly take the same in your record

Thanking you

**For Galaxy Cloud Kitchens Limited**



**Suchita Rajput**  
Company Secretary

Encl: a/a

(Formerly known as **Galaxy Entertainment Corporation Limited**)

**CIN: L15100MH1981PLC024988**

**Registered Office :** Eyelet House, M.S. Patel Compound, Near John Baker Bus Stop, Opp. Shah Industrial Estate,  
Saki - Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.

Tel: 022 2803 9405 Email: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in) Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)



**GALAXY**  
CLOUD  
KITCHENS  
LIMITED



Annual Report **2019-20**

# Annual Report 2019 - 2020



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## BOARD OF DIRECTORS

Mr. Arvind Agrawal (DIN: 02268683)	:	Managing Director
Mr. Sunil Biyani (DIN: 00006583)	:	Non-Executive Director
Mr. Rajesh Mittal (DIN: 00231710)	:	Independent Director (w.e.f. 12/08/2019)
Mr. Swapnil Kothari (DIN: 05235636)	:	Non-Executive Director
Mr. Sharad Rustagi (DIN: 07232913)	:	Independent Director
Ms. Udit Jhunjhunwala (DIN: 00120951)	:	Independent Director
Mr. Rajneesh Agarwal (DIN: 01273010)	:	Chairman, Independent Director (upto 16/09/2019)
Mr. Atul Joshi	:	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 CONSULTANTS PRIVATE LIMITED

(formerly known as 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)

38th Annual General Meeting  
on Tuesday, September 29, 2020 at 11.30 a.m. through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of Galaxy Cloud Kitchens Limited will be held on Tuesday, September 29, 2020, at 11.30 a.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') 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, 2020, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Sunil Biyani (DIN: 00006583), who retires by rotation and being eligible offers himself for re-appointment.

## SPECIAL BUSINESS:

### 3. 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 2020-21, 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.

CIN: L15100MH1981PLC024988  
E-mail: investors@galaxycloudkitchens.in  
Website: www.galaxycloudkitchens.in  
Place: Mumbai  
Date: June 30, 2020

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

**Suchita Rajput  
Company Secretary**

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders

holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Information as required under Regulation 26(4) and 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 re-appointment at the AGM is annexed hereto as Annexure – I and forms part of the notice.
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 Tuesday, September 22, 2020 to Tuesday, September 29, 2020 (both days inclusive).
7. 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.
8. 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.
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 26, 2020 through email on [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in). The same will be replied by the Company suitably.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. Voting through electronic means:
  - i. In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
  - ii. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - iii. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
  - iv. 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 22, 2020, may cast their vote electronically. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
  - 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 during the AGM and remote e-voting process in a fair and transparent manner.
  - vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 28, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Saturday, September 26, 2020 at (09:00 A.M.) and ends on Monday, September 28, 2020 (05:00 P.M.). The remote e-voting module shall be disabled by NSDL for voting thereafter.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

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 eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices 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.	8 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 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 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

- F. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
- 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).
  - Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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.
  - 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?

- 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.
- 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.
- Select “EVEN” of “Galaxy Cloud Kitchens Limited”.
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message “Vote cast successfully” will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General guidelines for Members**

- Institutional Member/Corporate shareholders (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).
- 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.
- 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).

**The instructions for members for e-voting on the day of the AGM are as under:-**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Instructions for Members for attending the AGM through VC/OAVM are as under:**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - ii. Members are encouraged to join the Meeting through Laptops for better experience.
  - iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in) from September 24, 2020 (9:00 a.m. IST) to September 26, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  - vi. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  - vii. 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) immediately. The Company shall simultaneously forward the Stock Exchange.
  - viii. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360/ +91 9920264780 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in)/ 022-24994553/ +91 9326781467.
12. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
  13. 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.
  14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this notice.

**Registered Office:**

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

CIN: L15100MH1981PLC024988  
E-mail: [investors@galaxycloudkitchens.in](mailto:investors@galaxycloudkitchens.in)  
Website: [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in)  
Place: Mumbai  
Date: June 30, 2020

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

**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. 3 as stated in the Notice.

### Item No. 3

The Company is entering into a related party transaction(s) with Future Consumer 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. 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 Lakhs)	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	192.50	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	4400.00	
				Purchase of services	330.00	
Future Consumer Limited	None	Related Party		Purchase of goods	1500.00	
				Rent receivable	40.00	
The Nilgiri Dairy Farm Private Limited	None	Related Party		Sale of Goods	3500.00	
				Purchase of Goods		

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.

CIN: L15100MH1981PLC024988

E-mail: investors@galaxycloudkitchens.in

Website: www.galaxycloudkitchens.in

Place: Mumbai

Date: June 30, 2020

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

**Suchita Rajput  
Company Secretary**

# Notice

Annual Report 2019-2020

**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. Sunil Biyani
	<b>Date of birth</b>	October 24, 1969
	<b>Date of first appointment on the Board</b>	May 27, 2011
	<b>Director Identification Number</b>	00006583
	<b>Qualification</b>	Master’s in Business Administration
	<b>Expertise in specific Functional Areas</b>	Mr. Sunil Biyani is a Commerce graduate and obtained Masters in Business Administration. He is instrumental in setting up various formats in the future group. He has extensive experience in textiles, retail sectors, Building and Construction, property related transaction and project management. He leads the real estate, mall management teams of various group Companies within the Future Group.
	<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 28, 2011 and as stated in the resolution no. 2 of this Notice.
	<b>Remuneration last drawn</b>	Not applicable
	<b>Number of Board Meeting attended during the year 2019-20</b>	2 (Two) out 4 (Four).
	<b>Directorship held in other listed Companies (As on March 31, 2020)</b>	Future Market Networks Limited
	<b>Directorship in other Companies (excluding Foreign companies and Section 8 companies) (As on March 31, 2020)</b>	<ul style="list-style-type: none"> <li>• Future Market Networks Limited</li> <li>• Apollo Design Apparel Parks Limited</li> <li>• Goldmohur Design and Apparel Park Limited</li> <li>• Bartraya Mall Development Company Private Limited</li> <li>• Bansi Mall Management Company Private Limited</li> <li>• Utility Developers Private Limited</li> <li>• Sun City Properties Private Limited</li> <li>• Splendor Fitness Private Limited</li> </ul>
	<b>Chairmanship/Membership of Committees of the Board of Directors of other listed Companies as on March 31, 2020</b>	None
	<b>Chairmanship/Membership of Committees of the Board of Directors of other Companies as on March 31, 2020</b>	<ul style="list-style-type: none"> <li>• Apollo Design Apparel Parks Limited Audit Committee: Member</li> <li>• Goldmohur Design and Apparel Park Limited Audit Committee: Member</li> <li>• Future Market Networks Limited Stakeholders Relationship Committee: Member</li> </ul>
	<b>Relationship with other Directors/ key Managerial Personnel (“KMP”)</b>	Not related to any other Director or KMP of the Company.
	<b>Shareholding of Director in the Company (As on March 31, 2020)</b>	Nil

# Board's Report

Annual Report 2019-2020

## Board's Report

To,

### The Members of Galaxy Cloud Kitchens Limited

Your Directors take pleasure in presenting the Thirty Eighth 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, 2020.

### Financial Results

The Company's financial performance for the year ended March 31, 2020 is as below:

#### Standalone

(₹ in thousands)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from operations	6,85,995.20	7,18,675.34
Other Income	32,942.68	15,845.41
Total Income	7,18,937.88	7,34,520.75
Personnel Cost	1,48,398.11	1,42,360.20
Operating and other expenses	6,64,674.66	7,66,879.91
Total Expenditure	8,13,072.77	9,09,240.11
Profit before Interest, Depreciation and Tax	(94,134.89)	(1,74,719.36)
Less: Interest	24,140.79	3,049.01
Less : Depreciation	60,953.19	14,053.54
Profit/(Loss) before tax	(1,79,228.87)	(1,91,821.91)
Less Provision for Tax	-	-
Profit/(Loss) after Tax	(1,79,228.87)	(1,91,821.91)

### Review of performance of the Company

During the year under review, Your Company had earned revenue from operations (Gross) of ₹ 6,85,995.20 thousand. The Loss before finance cost, depreciation and amortization was of ₹ (94,134.89) thousands (-13.72% of total revenue) as against (1,74,719.36) thousands (-24.31% of total revenue) in the previous year. The operating Loss after tax reduced to ₹ (1,79,228.87) thousand (-26.13% to revenue) as against ₹ (1,91,821.91) thousands (-26.69% 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, Bengaluru, Hyderabad, and Kolkata. 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 2019-20. 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

The Authorised Share Capital of the Company as on March 31, 2020 was ₹ 50,00,00,000/- (Rupees Fifty crore) divided into 5,00,00,000 (Five Crore) Equity shares of ₹ 10/- (Rupees Ten) each fully paidup.

The Issued, Subscribed and Paidup Share Capital of the Company as on March 31, 2020 was ₹ 41,52,26,740/- (Rupees Forty One Crore Fifty two lakhs Twenty Six Thousand Seven hundred and Forty) divided into 4,15,22,674 (Four Crore Fifteen lakhs Twenty Two Thousand Six hundred and Seventy Four) equity shares of ₹ 10/- (Rupees Ten) each fully paidup.

### • Conversion of Compulsorily Convertible Debentures (CCDs) into Equity shares:

1. The Company had made allotment of 9,88,744 CCDs having face value of ₹ 100/- each on January 2, 2018 on preferential basis to promoter group Company, which shall be converted into equity shares within the period of 18 months in one or more tranches. The Committee of Directors at their meeting held on July 1, 2019 had issued and allotted 25,55,071 Equity shares of ₹ 10/- each pursuant to conversion of outstanding 5,36,565 CCDs out of 98,87,44 CCDs at a conversion price of ₹ 21/- each fully paid.
2. Board of Directors at their meeting held on February 12, 2020 has made allotment of 3,85,000 equity shares of ₹ 10/- at a premium of ₹ 20/- each pursuant to conversion 3,85,000 CCDs out of 38,00,000 CCDs.

## 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, 2020 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 Personal (KMP) to the median of employee's remuneration as per section 197 of the Act, read with Rule 5 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.

## 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, 2020 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.

## Particulars of Contracts and arrangements made with related parties

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the Listing Regulations.

Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions for their review and approval.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form No. AOC-2 as (Annexure 'C') which forms part of this report.

The related party disclosures as specified in Para A of Schedule V read with Regulation 34(3) of the Listing Regulations are given in the Financial Statements.

## 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 2019-20. The Secretarial Audit Report for the financial year 2019-20 is appended as ('Annexure D') 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 E') to the Board's report. The auditor's certificate for financial year 2019-20 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, 2020 is set out in this Annual Report.

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

The Board of Directors met four (4) 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 12, 2020, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Act and the provisions of Listing Regulations.

As on March 31, 2020, the Board had three committees: the Audit committee, Nomination Remuneration and Remuneration Committee and the stakeholders Relationship committee. 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.

## 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, 2020, the Board of Directors of the Company consists of Mr. Arvind Agrawal, Managing Director, Mr. Rajesh Mittal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

Ms. Udit Jhunjhunwala was re-appointed as an Independent Director at the Thirty-Seventh Annual General Meeting ('AGM') held on September 16, 2019 for a period of three consecutive year's w.e.f. September 18, 2019 up to September 17, 2022.

Mr. Sunil Biyani retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

During the year under review, Mr. Rajesh Mittal was appointed as an Additional Director on August 12, 2019 and designated as an Independent Director of the Company, subject to the approval of the members at their meeting on September 16, 2019 and Mr. Rajneesh Agarwal ceased to be the Director w.e.f. September 17, 2019 upon completion of his term as an Independent Director.

### 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 along with Rules framed thereunder, and Regulation 16(1)(b) of Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

## Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent Directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive Directors and non-executive Directors. The Directors expressed their satisfaction with the evaluation process.

The Board and the Nomination Remuneration and Compensation Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the Independent Directors and meeting of Nomination Remuneration and Compensation Committee, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent Director being evaluated.

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

## Director's Responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm 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, 2020 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

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

## Listing on Stock Exchanges

The Company's shares are listed on BSE Limited.

## Auditors and Auditors' Report

At the thirty seventh AGM held on September 16, 2019, the Members approved re-appointment of S A R A & Associates, Chartered Accountants (Registration No. 120927W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the forty second AGM of the Company.

The Auditors' Report on the financial statements for the financial year ended March 31, 2020 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.

## **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 F') 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 G').

## **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.

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

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

# Board's Report

Annual Report 2019-2020

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 2019-20, no complaints were received by the Company related to sexual harassment.

## Vigil Mechanism

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on [www.galaxycloudkitchens.in](http://www.galaxycloudkitchens.in).

## 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 Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

**Arvind Agrawal**  
**(Managing Director)**  
**DIN: 02268683**

**Sunil Biyani**  
**(Director)**  
**DIN: 00006583**

Place: Mumbai

Date: June 30, 2020

## '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 2019-20 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 2019-20 (₹ in Lakhs) (1)	% increase in Remuneration in the F.Y. 2019-20 (2)	Ratio of remuneration of each Director/KMP to MRE for financial year 2019-20 (3=(1)/MRE)
<b>Managing Director</b>			
Mr. Arvind Agrawal	98.67	NA	316.40
<b>Other Key Managerial Personnels:</b>			
Mr. Atul Joshi- Chief Financial Officer	23.67	NA	75.90
Ms. Suchita Rajput- Company Secretary	4.86	27	15.58

- ii. The Median Remuneration of Employees (MRE) of the Company during the F.Y. 2019-20 was ₹ 31,185/- and for the previous year it was ₹ 33,606/-.
- iii. There is 8%.decrease in MRE in the financial year 2019-20 as compare to Financial Year 2018-19.
- iv. There were 311 permanent employees on the rolls of Company as on March 31, 2020 and for the previous year there were 365 employees.
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the F.Y. 2019-20 was 7% whereas there were around 5% 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 2019-20 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 2019-20 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: June 30, 2020

**Suchita Rajput  
Company Secretary**

**'ANNEXURE B' TO THE BOARD'S REPORT  
EXTRACT OF ANNUAL RETURN**

**as on the financial year ended March 31, 2020**

**[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
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: 022-2803 9405.
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	TSR DARASHAW CONSULTANTS PRIVATE LIMITED (formerly known as 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	99.86

**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	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual / HUF	50,000	-	50,000	0.13	50,000	-	50,000	0.12	-0.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,55,53,886	-	1,55,53,886	40.31	1,55,53,886	-	1,55,53,886	44.54	4.23
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>1,56,03,886</b>	<b>-</b>	<b>1,56,03,886</b>	<b>40.44</b>	<b>1,85,43,957</b>	<b>-</b>	<b>1,85,43,957</b>	<b>44.66</b>	<b>4.22</b>

# Board's Report

Annual Report 2019-2020

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	
<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>1,56,03,886</b>	<b>-</b>	<b>1,56,03,886</b>	<b>40.44</b>	<b>1,85,43,957</b>	<b>-</b>	<b>1,85,43,957</b>	<b>44.66</b>	<b>4.22</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) FI's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>2) Non - Institutions</b>									
a) Bodies Corporate									
i. Indian	1,75,73,431	100	1,75,73,531	45.55	1,75,86,037	100	1,75,86,137	42.35	-3.20
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	12,03,886	42,191	12,46,077	3.23	14,21,181	42,191	14,63,372	3.52	0.29
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	37,97,720	18,000	38,15,720	9.89	36,31,314	18,000	36,49,314	8.79	-1.10
c) Others (specify)									
i. Non-Resident Indian (Repat)	19,621	-	19,621	0.06	19,421	-	19,421	0.05	-0.01
ii. Non-Resident Indian (Non-Repat)	65,813	-	65,813	0.17	74,002	-	74,002	0.18	0.01
iii. Clearing Member	28,657	-	28,657	0.07	5,852	-	5,852	0.01	-0.06
iv. Directors & Relative	-	-	-	-	-	-	-	-	-
v. Trusts	-	-	-	-	-	-	-	-	-
vi. Hindu Undivided Family	2,29,298	-	2,29,298	0.59	1,80,619	-	1,80,619	0.44	-0.15
<b>Sub-Total (B) (2)</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>59.56</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>55.34</b>	<b>-4.22</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>59.56</b>	<b>2,29,18,426</b>	<b>60,291</b>	<b>2,29,78,717</b>	<b>55.34</b>	<b>-4.22</b>

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	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grant Total (A+B+C)</b>	<b>3,85,22,312</b>	<b>60,291</b>	<b>3,85,82,603</b>	<b>100.00</b>	<b>3,85,22,312</b>	<b>60,291</b>	<b>4,15,22,674</b>	<b>100.00</b>	<b>0.00</b>

**Note:** During the F.Y. 2019-20, the Company had issued and allotted:

- 25,55,071 Equity shares of ₹ 10/- each fully paidup pursuant to conversion of outstanding 5,36,565 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 July 1, 2019.
- 3,85,000 Equity shares of ₹ 10/- each fully paidup at a premium of ₹ 20/- each pursuant to conversion of 3,85,000 CCDs out of 38,00,000 CCDs by Board of Director at their meeting held on February 12, 2020.

## ii. Shareholding of the 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	12.80	Nil	61,22,935	14.75	Nil	1.95
Central Departmental Stores Private Limited (#)	64,34,723	16.68	Nil	81,89,794	19.72	Nil	3.04
Bellona Hospitality Services Limited	36,86,491	9.55	Nil	36,86,491	8.88	Nil	-0.67
Ashbee Investments & Finance Private Limited	3,50,000	0.91	Nil	3,50,000	0.84	Nil	-0.07
Senior Advisory Services Private Limited	97,237	0.25	Nil	97,237	0.23	Nil	-0.02
Atul Ashok Ruia	50,000	0.13	Nil	50,000	0.12	Nil	-0.01
Ashok Apparels Private Limited	47,500	0.12	Nil	47,500	0.11	Nil	-0.01
<b>Total</b>	<b>1,56,03,886</b>	<b>40.44</b>	<b>Nil</b>	<b>1,85,43,957</b>	<b>44.66</b>	<b>Nil</b>	<b>4.22</b>

(#) (a) conversion of outstanding 5,36,565 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs into 25,55,071 Equity shares of ₹ 10/- each fully paidup at a conversion price of ₹ 21/- each by Committee of Directors at their meeting held on July 01, 2019.

(b) Conversion of 3,85,000 CCDs out of 38,00,000 CCDs into 3,85,000 equity shares of ₹ 10/- each at a premium of ₹ 20/- each by Board of Directors at their meeting held on February 12, 2020.

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

	Shareholders Name	Shareholding at the beginning of the year 01.04.2019		Date	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Future Enterprise Limited	49,37,935	12.80	Note 1	1.95	Note 1	61,22,935	14.75
2.	Central Departmental Stores Private Limited	64,34,723	16.68	Note 1	3.04	Note 1	81,89,794	19.72
3.	Bellona Hospitality Services Limited	36,86,491	9.55	Note 1	-0.67	Note 1	36,86,491	8.88
4.	Ashbee Investments & Finance Private Limited	3,50,000	0.91	Note 1	-0.07	Note 1	3,50,000	0.84
5.	Senior Advisory Services Private Limited	97,237	0.25	Note 1	-0.02	Note 1	97,237	0.23
6.	Atul Ashok Ruia	50,000	0.13	Note 1	-0.01	Note 1	50,000	0.12
7.	Ashok Apparels Private Limited	47,500	0.12	Note 1	-0.01	Note 1	47,500	0.11
	<b>Total</b>	<b>1,56,03,886</b>	<b>40.44</b>		<b>4.22</b>		<b>1,85,43,957</b>	<b>44.66</b>

Note 1. Dilution of % of shareholding pursuant to:

- conversion of outstanding 5,36,565 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs into 25,55,071 Equity shares of ₹ 10/- each fully paidup at a conversion price of ₹ 21/- each by Committee of Directors at their meeting held on July 01, 2019.
- conversion of 3,85,000 CCDs out of 38,00,000 CCDs into 3,85,000 equity shares of ₹ 10/- each fully paidup at a premium of ₹ 20/- each by Board of Directors at their meeting held on February 12, 2020.

### 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	56,00,000	13.49
2. Abacus Realty Logistics Private Limited	49,00,000	12.70	49,00,000	11.80
3. Darshita Landed Property LLP	33,33,924	8.64	33,33,924	8.03
4. Eclipse Trades Private Limited	10,29,432	2.67	10,29,432	2.48
5. Vikas Khushal Pincha	10,15,011	2.63	10,15,011	2.44
6. Merlin Enclaves Private Limited	8,95,626	2.32	8,95,626	2.16
7. Coppola Holdings Private Limited	7,02,926	1.82	7,02,926	1.69
8. Sanjay Dhanuka	7,00,000	1.81	7,00,000	1.69
9. Ashwarya Vikas Pincha	4,91,005	1.27	4,91,005	1.18
10. Osian Townships And Resorts Private Limited	4,91,005	1.27	4,91,005	1.18

# Board's Report

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## 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>
Indebtedness at the end of the financial year				
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>

## 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	97.93
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.74
	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>98.67</b>



# Board's Report

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## B. Remuneration to other Directors:

(Amt 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	1,10,000			1,10,000
	2. Ms. Udit Jhunjhunwala	1,35,000	-	-	1,35,000
	3. Mr. Sharad Rustagi	2,10,000			2,10,000
	4. Mr. Rajesh Mittal	1,20,000			1,20,000
	Total (1)	5,75,000	-	-	5,75,000
2.	Other Non- Executive Directors				
	1. Mr. Sunil Biyani	50,000	-	-	50,000
	2. Mr. Swapnil Kothari	2,20,000			2,20,000
	Total (2)	2,70,000	-	-	2,70,000
	Total (B) = (1+2)	8,45,000	-	-	8,45,000
	Total Managerial Remuneration				
	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. Atul Joshi	Ms. Suchita Rajput
1.	Gross salary	22.28	4.86
	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	1.39	-
	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	-	-
	Total	23.67	4.86

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

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

**Annexure 'C'**  
**FORM AOC – 2**

(Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis:**

<b>Name(s) of the related party and nature of relationship.</b>	<b>Future Retail Limited</b>	<b>The Nilgiri Dairy Farm Private Limited</b>
Nature of contracts / arrangements / transactions.	Manufacture, packaging, & supply of goods & services	Manufacture, packaging, & supply of goods & services
Duration of the contracts	Yearly with renewal option	Yearly with renewal option
Salient terms of the contracts / arrangements / transactions including the value, if any.	Arrangement is with respect to manufactured, packaged supply of goods & services at is set out in mutually agreed and signed rate arrangements/ purchase Order.	Arrangement is with respect to manufactured, packaged supply of goods & services at is set out in mutually agreed and signed rate arrangements/ purchase Order.
Date(s) of approval by the Board.	August 12, 2019	August 12, 2019
Amount paid as advances, if any.	Nil	Nil

**FORM NO. MR. 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

**[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**  
CIN: L15100MH1981PLC024988  
Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (E),  
Mumbai – 400 072.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GALAXY CLOUD KITCHENS LIMITED** (CIN: L15100MH1981PLC024988) (hereinafter called the "Company"). Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down while taking review after completion of financial year, the 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 our verification of the Company's books, legal papers, minutes books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 and made available to me, according to the provisions of:
  - i. The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;
  - 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 to the extent of Foreign Direct Investment and External Commercial Borrowings, Not applicable;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
    - 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. As amended;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and amendments from time to time;
    - d. 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.
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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, 1998 requiring compliance thereof by the Company during the Audit period.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 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.

We have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India
- (ii) Listing Agreements entered into by the Company with BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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. Rajesh Mittal was appointed as an Additional Director of the Company on August 12, 2019 subject to members approval at their meeting on September 16, 2019 and Mr. Rajneesh Agarwal ceased to be an Independent Director of the Company w.e.f. September 17, 2019.
- During the year under review, pursuant to the approval granted by the Board of Directors and Shareholders of the Company at their meeting held on 8th November, 2017 and 8th December, 2017 respectively, the approval of the Committee of Directors at their meeting held on July 1, 2019, be and is hereby accorded for the conversion of outstanding 5,36,565 Compulsorily Convertible Debentures (CCDs) out of 9,88,744 CCDs of ₹ 100/- each into 25,55,071 Equity Shares of ₹ 10/- each at a conversion price of ₹ 21/- per share fully paidup by way of Preferential allotment.
- Pursuant to the approval granted by the Board of Directors and Shareholders of the Company at their meeting held on December 12, 2018 and January 18, 2019 respectively, the approval of the Board of Directors at their meeting held on February 12, 2020, be and is hereby accorded for the conversion of 3,85,000 Compulsorily Convertible Debentures (CCDs) out of 38,00,000 CCDs of ₹ 30/- (Rupees Thirty) each into 3,85,000 Equity Shares of ₹ 10/- each at a Premium of ₹ 20/- per share fully paid up by way of preferential allotment.

## We further report that

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

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 to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committee thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

**We further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For Nidhi Bajaj & Associates  
Sd/-  
Company Secretary  
Nidhi Bajaj  
Proprietor  
Date: June 30, 2020  
ACS – 28907, COP - 14596  
UDIN : A028907B000480281

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

To  
The Members of **Galaxy Cloud Kitchens 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, 2020, 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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  
UDIN: F007397B000473104  
Place: Mumbai

## '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	
Expenditure on R & D	
a. Capital	Nil
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**

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, 2020.

Place: Mumbai  
Date: June 30, 2020

**For Galaxy Cloud Kitchens Limited**  
**Sd/-**  
**Arvind Agrawal**  
**Managing Director**

## CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2020

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, 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.

#### • 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 members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. 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 is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

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.

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.

The Composition of the Board as on March 31, 2020 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	Independent Director
3.	Mr. Rajesh Mittal*	00231710	Independent Director
4.	Ms. Udita Jhunjunwala	00120951	Independent Director
5.	Mr. Sharad Rustagi	07232913	Independent Director
6.	Mr. Sunil Biyani	00006583	Non-Executive Director
7.	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.



# Report On Corporate Governance

Annual Report 2019-2020

## Meetings and attendance

During the year under review, total 4 (four) meetings of Board of Directors were held on May 24, 2019, August 12, 2019, November 14, 2019 and February 12, 2020. 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 16, 2019
	Entitled to attend	Attended	
Mr. Arvind Agrawal	4	4	Yes
Mr. Sunil Biyani	4	2	Yes
Mr. Sharad Rustagi	4	4	Yes
Ms. Udit Jhunjhunwala	4	2	Yes
Mr. Swapnil Kothari	4	4	Yes
Mr. Rajneesh Agarwal*	2	2	Yes
Mr. Rajesh Mittal*	2	2	Yes

\* Mr. Rajesh Mittal was appointed as an Additional Director on August 12, 2019 and designated as an Independent Director of the Company, subject to the approval of the members at their meeting held on September 16, 2019 and Mr. Rajneesh Agarwal ceased to be the Director w.e.f. September 17, 2019

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, 2020:

Name of Director & Category	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	1	1	0	0	0
Mr. Swapnil Kothari	Nil	9	2	10	1	0
Mr. Sunil Biyani	Future Market Networks Ltd	4	8	4	0	0
Mr. Sharad Rustagi	Nil	3	3	3	1	0
Ms. Udit Jhunjhunwala	Future Market Networks Ltd	2	0	0	1	0
Mr. Rajesh Mittal	Nil	1	3	0	1	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.
- 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.
- Rajesh Mittal has been appointed as an Additional Director of the Company w.e.f. August 12, 2019.

## Familiarisation Programme of Independent Directors

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)

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

The following is the list of core skills /competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

### ➤ Corporate Governance

Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholder's interest.

### ➤ Financial Expertise

Knowledge and skills in accounting, finance, treasury management, funding and financial reporting processes.

### ➤ Industry specific

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

### ➤ Personal attributes & qualities

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

### ➤ Risk management

Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.

## Committees of the Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. As on March 31, 2020 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 acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

The Audit Committee met four times i.e. on May 24, 2019, August 12, 2019, November 14, 2019 and February 12, 2020 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.

Composition of the committee as on March 31, 2020 are as under:

Name of Member	Category	Position	No. of Meetings entitled to attend	No. of Meetings Attended
*Mr. Rajneesh Agarwal	Independent Director	*Chairman	2	2
*Mr. Rajesh Mittal	Independent Director	*Chairman	2	2
Mr. Swapnil Kothari	Non-Executive Director	Member	4	4
Ms. Udita Jhunjunwala	Independent Director	Member	4	3
Mr. Sharad Rustagi	Independent Director	Member	4	4

\* Mr. Rajesh Mittal was appointed as an Additional Director on August 12, 2019 and designated as an Independent Director of the Company, subject to the approval of the members at their meeting on September 16, 2019 and Mr. Rajneesh Agarwal ceased to be a Chairman from the Board and Audit Committee w.e.f. September 17, 2019. Since the Committee has been subsequently reconstituted w.e.f. September 17, 2019.

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure. The Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and Finance & Accounts department are invited to the meetings of the Audit Committee.

The Board of Directors review the Minutes of the Audit Committee Meetings at subsequent Board Meetings.

Ms. Suchita Rajput, Company Secretary and compliance Officer, acts as a Secretary of the Committee.

Mr. Rajneesh Agarwal, who was the Chairman of the Audit Committee till September 17, 2019, was present at the last Annual General Meeting held on September 16, 2019.

## 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 Section 134(5)(c) read with Section 134(3)(c) 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;
- 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
- Reviewing the utilization of loans and/ or advances from/investment by the Holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

#### Review of information by Audit Committee:

- The Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions 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 and
- Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange.

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

#### 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, 2020. 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, 1 (One) meeting of the Committee was held on August 12, 2019. The Board of Directors review the Minutes of the Nomination Remuneration and Compensation Committee Meetings at subsequent Board Meetings. 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	1	1
Mr. Rajesh Mittal*	Independent Director	Member	1	0
Mr. Swapnil Kothari	Non-Executive Director	Member	1	1
Mr. Rajneesh Agarwal*	Independent Director	Member	1	1

\*Mr. Rajneesh Agarwal ceased to be a Chairman of the Board and member of the Nomination, Remuneration and Compensation Committee w.e.f. September 17, 2019. Mr. Rajesh Mittal was appointed as an Additional Director on August 12, 2019 and designated as an Independent Director of the Company, subject to the approval of the members at their meeting on September 16, 2019. Since the Committee has been subsequently reconstituted w.e.f. September 17, 2019.

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

- Formulate of 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;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- To devise a policy on Board diversity;
- Identifying 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 and shall carry out evaluation of every Director's performance;
- 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 carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;
- To perform such other functions as may be necessary or appropriate for the performance of its duties;
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

## **Performance evaluation criteria for Independent Directors**

The performance evaluation criteria for independent directors are determined by the Nomination Remuneration and Compensation committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

## **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:**

- i. 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.
- ii. 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:**

- i. The compensation of KMP and Senior Management Personnels shall be approved by the Nomination, Remuneration and Compensation Committee.
- ii. 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.
- iii. The remuneration structure of KMPs and Senior Management personnel may include a variable performance linked component.

# Report On Corporate Governance

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## Remuneration Paid to Directors in fiscal 2020:

(Amt in ₹)

Name of Directors	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Mr. Sunil Biyani	50,000	-	50,000
Mr. Rajneesh Agarwal	1,10,000	-	1,10,000
Ms. Udit Jhunjunwala	1,35,000	-	1,35,000
Mr. Swapnil Kothari	2,20,000	-	2,20,000
Mr. Sharad Rustagi	2,10,000	-	2,10,000
Mr. Rajesh Mittal	1,20,000	-	1,20,000
Mr. Arvind Agrawal	-	98,67,000	98,67,000

### Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee, Stakeholders relationship Committee and Meeting of Independent Directors.
- GST is not included.

## 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.

During the year under review, 1 (One) meeting of the Committee was held on February 12, 2020. The Minutes of the Stakeholders' Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting. The Company Secretary acts as the Secretary of the Committee as per the requirements of SEBI Listing regulation.

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

Name of Members	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Sunil Biyani	Non-Executive Director	1	1
Mr. Rajesh Mittal*	Independent Director	1	1
Mr. Swapnil Kothari	Non-Executive Director	1	1
Mr. Rajneesh Agarwal*	Independent Director	1	0

\*Mr. Rajneesh Agarwal ceased to be member of the Nomination, Remuneration and Compensation Committee w.e.f. September 17, 2019. Mr. Rajesh Mittal was appointed as an Additional Director on August 12, 2019 and designated as an Independent Director of the Company, subject to the approval of the members at their meeting on September 16, 2019. Since the Committee has been subsequently reconstituted w.e.f. September 17, 2019.

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:

- Resolving 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;
- Reviewing 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;

- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2020, no investor complaints were received and no complaints were outstanding as on March 31, 2020.

## 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. Udita Jhunjhunwala	Independent Director
Mr. Sharad Rustagi	Independent Director

In the Financial year 2019-20, the committee met 1 (One) time 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.

### Declaration of Independence by Independent Directors

Independent directors are Non-Executive Directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations. The maximum tenure of the independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulation and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge, which enables the Board to provide effective leadership to the Company.

### Independent Directors meeting

The Independent Directors met on February 12, 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board

### Board Meeting

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

Board Meetings are governed by structured agenda. The Company Secretary draft the agenda for each meeting, in consultation with Chief Financial Officer and Managing Director 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 country, 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.

Detailed presentations are made at the Board / Committee meetings covering Finance, major business segments and operations of the Company, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meeting. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations. During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/ Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting

through video conferencing was made available for the Directors except in respect of such Meetings/ Items which are not permitted to be transacted through video conferencing.

## **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.

## **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.

## **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.

## **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.



## 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. 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

All transactions entered into during the financial year 2019-20 with Related Parties as defined under the Act and Listing Regulations were in the ordinary course of business and on an arms length basis. All related party transactions were reviewed and approved by the Audit Committee and the material related party transactions were approved by the members. The details of related party transactions are given in notes forming part of the Financial Statements for the year ended March 31, 2020.

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, 2020. 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

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

## Managing Director and CFO certification

The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2020 in compliance with Regulation 17(8) of Listing Regulations. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the Listing Regulations.

## 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 unlisted subsidiary Company. However, the Company has a policy for determining material subsidiaries of the Company, which is disclosed on its website.

## 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		

## 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, the Board has not appointed any Chairman. 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. The details of the Special Resolutions passed at the previous three AGM are given below:

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

Financial Year	Day, Date & Time	Venue	Special Resolution 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.
2018-19	Monday, September 16, 2019, 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	■ Re-appointment of Ms. Udita Jhunjunwala (DIN: 00120951) as an Independent Director of the Company.

**b. Extraordinary General Meeting:**

No extraordinary general meeting of the members were held during F.Y. 2019-20.

**c. Details of Postal Ballot during the F.Y. 2019-20:**

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. Corporate Identity Number (CIN) of the Company: : L15100MH1981PLC024988.

**b. Annual General Meeting**

Date : September 29, 2020, Tuesday

Time : 11.30 a.m.

Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the notice of the AGM

c. Financial Year : April 1 to March 31

d. Book Closure Period : September 22, 2020 to September 29, 2020 (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, 2020.

f. Financial Calendar for 2020-21 : Financial year is April 1 to March 31 and financial results will be declared as per the following schedule.

Quarter ending June 30, 2020 : Mid August, 2020

Quarter ending Sept 30, 2020 : Mid November, 2020

Quarter ending December 31, 2020 : Mid February, 2020

Annual Result of 2020-21 : End May, 2021

**g. Listing of Equity Shares on Stock Exchange**

BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**h. Listing fees:**

Listing fees as applicable 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, 2019 to March 31, 2020 at BSE.

Month	BSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2019	40.95	37.05	1,390
May 2019	36.60	25.30	4,935
June 2019	32.45	23.10	14,175
July 2019	31.10	22.45	6,438
August 2019	22.45	15.50	11,926
September 2019	19.05	15.50	8,015
October 2019	18.35	14.70	7,12,012
November 2019	16.30	14.23	27,124
December 2019	33.10	16.30	1,09,332
January 2020	34.40	27.10	38,810
February 2020	36.60	28.00	7,071
March 2020	29.60	17.15	2,300

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, 2020 is as below:

i. Distribution of equity shareholding as on March 31, 2020:

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	3,25,379	0.78	2,259	76.39
501 – 1000	2,42,000	0.58	285	9.64
1001 – 2000	2,34,363	0.56	150	5.07
2001 – 3000	1,55,698	0.37	60	2.03
3001 – 4000	1,52,847	0.37	43	1.45
4001 – 5000	1,37,149	0.33	29	0.98
5001 – 10000	3,94,689	0.95	53	1.79
10001-9999999	3,98,80,549	96.05	78	2.64
<b>Total</b>	<b>4,15,22,674</b>	<b>100.00</b>	<b>2,957</b>	<b>100.00</b>

ii. Categories of equity shareholding as on March 31, 2020

Categories	As on March 31, 2020	
	No. of equity Shares	Percentage of holding
Promoters, Relatives and Associates	1,85,43,957	44.66
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	93,423	0.22
Public	52,93,305	12.75
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate)	1,75,91,989	42.37
<b>Total</b>	<b>4,15,22,674</b>	<b>100.00</b>

## I. Dematerialization of Shares

As on March 31, 2020, 4,14,62,383 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, 2020, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	60,291	0.15
Demat Segment	4,14,62,383	99.85
NSDL	2,24,04,093	53.95
CDSL	1,90,58,290	45.90
<b>Total</b>	<b>4,15,22,674</b>	<b>100.00</b>

### m. Share Transfer system:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. 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 2019-20. However as on March 31, 2020, 34,15,000 Compulsorily Convertible Debentures (CCDs) are outstanding which shall be converted into 34,15,000 Equity shares of ₹ 10/- each fully paidup at a premium of ₹ 20/- each.

### 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, 2020.

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

During the year under review, the Company has not raised any fund through preferential allotment or qualified institutions placement.

### 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  
 Website: www.galaxycloudkitchens.in

ii. **Investors correspondence:**

Registrar and Transfer Agent  
TSR DARASHAW CONSULTANTS PRIVATE LIMITED  
(formerly known as 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  
Website: www.tsrdarashaw.com

\*Pursuant to the de-merger, the Registry business of TSR Darashaw Limited stands transferred to a new entity TSR Darashaw Consultants Private Limited with effect from May 28, 2019.

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, 2020.
- u. 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.
- v. The Company has paid custodial fees for the year 2020-2021 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

## MD / CFO Certification

The Members,  
**Galaxy Cloud Kitchens 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, 2020:

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 2019-2020

**Certificate from Practicing Company Secretary**  
**(Pursuant to clause 10 of Part C of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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, 2020, 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  
UDIN: F007397B000472829  
Place: Mumbai



- 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.

As the world grapples with the impact of the novel coronavirus (Covid 19), daily interaction with the outside world, public and retail spaces, restaurants, educational institutions, and even with each other has been and will continue to be reoriented prioritising personal hygiene and public health.

### **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.

### **Covid -19 Impact**

Being part of the Food industry in India, here is what we think will be some of the food trends that will take over the Indian F&B sector post lockdown:

### **Here Are 5 Food Trends That Will Take Over the Food & Beverage Space Post Covid-19:**

#### **1. Chef Driven Delivery Restaurants**

Many chef-driven, fine dining restaurants which were earlier focussed on providing customers a dining-in experience, will now venture into the delivery business. In the long term this will completely change the landscape of the delivery business in the country.

Customers have always connected better with brands who have a consistent story and have been transparent with them about the team and chefs that work behind the scenes to make their food. This was earlier missing from the delivery business model in India but will now make a comeback. Curating a better experience right from hygiene & safe, to packaging & customer centric content will put forward a new wave of doing business in the food delivery sector.

#### **2. Vegan & Healthy-Food Delivery Brands**

There was a strong shift indicated in 2020 towards vegan & organic food. But with Covid19 taking the globe by storm, this trend will soon become a lifestyle for many. People will be more conscious about the food they eat and this market will see a rise in 'vegan only' brands. Many SME's have come up in the product space across the country promoting plant-based products, foods & more.

In late 2019 and early 2020 we saw many smaller cafes spring up; focusing on healthy, farm-to-table and vegan menus. As Indians, a lot of our diet is already vegan-friendly, hence, it is not too difficult for us to adapt. However, with the availability of vegan cheese, mayonnaise & mock meats in India, the transition seems easier.

### 3. Gourmet Street Food

India is known for its street food and people love it. However, with hygiene and cleanliness being the primary area of concern after COVID-19, street food is not going to be people's preferred option for eating out for months to come post the pandemic. Thus, we will see a rise of many gourmet street food brands in the organized sector that can provide great taste coupled with hygiene and convenience of delivery.

### 4. Meat Alternatives & Mock Meat

With people switching from an animal based diet to a plant based one, we will see the popularisation of mock meat and meat alternatives. Many restaurants will give their customers an option to opt for mock meat instead of the real thing, hence allowing them to add the required protein content to their meal rather carb heavy vegetarian and vegan diet food options. This industry has already seen great potential abroad, and will probably make a big impact in the post COVID-19 era in India, in both F&B and retail.

### 5. At Home Experiences

Due to physical distancing being strictly enforced in India and around the world during COVID-19, a lot of the people will opt for enforcing this even after the pandemic is over to deal with the fear of another outbreak. Even after lockdown is over, restaurants will not be allowed to operate at more than a 30% capacity, hence there will be more and more F&B brands providing 'At Home' experiences.

This trend was earlier being explored by a select few players in India and will now see a major rise. Most hospitality brands will provide private catering services that will have the option of 'cooking at home', and will cater to groups of 8 to 20 people who would like to have an indulgent gourmet experience indoors post the pandemic.

## 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, Potatochips, processed(extruded) snacks. The Indian savory snacks market is growing at healthy double digit CAGR over the past five years. 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.

## 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.



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

## b) Opportunities and Threats

**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, Chai Point 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.

## c) 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.

## d) 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.

## e) 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.

**f) 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, 2020 stood at 311 Previous year 368.

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

**Sales:**

The Company achieved total revenue of ₹ 7189.38 lakhs during the financial year ended March 31, 2020 in comparison to ₹ 7345.21 lakhs in previous twelve months.

**Profit/Loss after Tax:**

The Company recorded loss of ₹ 1815.73 lakhs for financial year ended March 31, 2020 in comparison of loss of ₹ 1954.02 lakhs in previous financial year.

**Interest:**

Interest & Financial charges outflow has increased from ₹ 30.49 lakhs incurred in previous twelve months of 2019-20 to ₹ 241.41 lakhs for financial year ended March 31, 2020. The Increase in interest and financial charges is due to repayment of certain debt funds and Ind As 116.

**Dividend:**

The Board of Directors has not recommended any dividend for the year under review.

**Equity Share Capital:**

The equity share capital of the Company has been increased from ₹ 3858.26 lakhs to ₹ 4152.27 lakhs due to issue of equity shares on preferential basis during the financial year under review.

**Compulsorily Convertible Debentures:**

- (a). 25,55,071 Equity shares of ₹ 10/- each fully paidup has been allotted pursuant to conversion of outstanding 5,36,565 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 July 1, 2019.
- (b). 3,85,000 Equity shares of ₹ 10/- each fully paidup at a premium of ₹ 20/- each has been allotted pursuant to conversion of 3,85,000 CCDs out of 38,00,000 CCDs by Board of Director at their meeting held on February 12, 2020.

**Earnings Per Share (EPS):**

The Company's Basic EPS has improved marginally from ₹ (6.69) in previous financial year to ₹ (3.32) per share for the current financial year ended March 31, 2020.

**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 2019-2020

**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, 2020, 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, 2020, 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 there on.

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 2019-2020

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 2019-2020

## Report on Other Legal and Regulatory Requirements

1. 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, 2020 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2020 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**

**Dominic D'costa**  
**Partner**  
**Membership No: 143617**

**Place: Mumbai**  
**Date: June 30, 2020**



# Annexure A to Independent Auditor's Report

Annual Report 2019-2020

## 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, 2020

- 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, 2020 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, 2020 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount in Thousands (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax	Sales Tax	81.21	F.Y. 2011-12	Joint Commissioner of Sales Tax
Karnataka Sales Tax	Sales Tax	151.00	F.Y. 2014-15	Deputy Commissioner of Sales Tax
Service Tax	Service Tax	17922.00	F.Y. 2012-13	Additional Commissioner of Goods & Service 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.

# Annexure A to Independent Auditor's Report

Annual Report 2019-2020

- 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 explanation given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, however the Company has converted the Compulsory Convertible Debentures issued in earlier years into Equity Shares during the year.
- 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**

**Dominic D'costa**  
**Partner**  
**Membership No: 143617**

**Place: Mumbai**  
**Date: June 30, 2020**

# Annexure B to Independent Auditor's Report

Annual Report 2019-2020

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, 2020 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 2019-2020

## 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, 2020, 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**

**Dominic D'costa**  
**Partner**  
**Membership No: 143617**

**Place: Mumbai**  
**Date: June 30, 2020**

# Balance Sheet

Annual Report 2019-2020

as at 31st March, 2020

Particulars	Note Nos	(₹ in thousand)	
		As at March 30, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	3,13,731.54	1,69,148.77
Financial Assets			
Loans and Advances	4	-	-
Other Non Current Financial Assets	5	9,593.86	9,138.08
<b>Other Non Current Assets</b>	6	27,071.79	34,093.74
<b>Total Non- Current Assets</b>		<b>3,50,397.19</b>	<b>2,12,380.59</b>
Current Assets			
Inventories	7	30,128.69	36,373.78
Financial Assets			
Trade Receivables	8	92,625.74	84,100.92
Cash and Cash Equivalents	9	2,560.67	23,934.43
Loans and Advances	10	49,526.99	81,880.87
Other Current Assets	11	2,560.46	4,504.31
<b>Total Current Assets</b>		<b>1,77,402.55</b>	<b>2,30,794.31</b>
<b>Total Assets</b>		<b>5,27,799.74</b>	<b>4,43,174.90</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity Share Capital	12	4,15,226.74	3,85,826.03
Other Equity	13	(4,51,331.35)	(3,05,562.97)
Compulsorily Convertible Debentures	14	1,02,450.00	1,67,656.50
<b>Total Equity</b>		<b>66,345.39</b>	<b>2,47,919.56</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities :			
Non Current Provisions	15	6,179.38	4,891.24
Other non-current liabilities	16	1,82,702.34	-
<b>Total Non Current Liabilities</b>		<b>1,88,881.72</b>	<b>4,891.24</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Current Borrowings	17	19,797.41	11,279.07
Other Current Financial Liabilities	18	533.79	327.78
Trade Payable	19	2,46,970.90	1,75,299.16
Other Current Liabilities	20	5,149.68	3,367.72
Current Provisions	21	120.85	90.37
<b>Total Current Liabilities</b>		<b>2,72,572.63</b>	<b>1,90,364.10</b>
<b>Total Equity and Liabilities</b>		<b>5,27,799.74</b>	<b>4,43,174.90</b>

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

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As per our Report of even date

For S A R A & Associates

Chartered Accountants

Firm Regn No.120927W

Dominic D'Costa

Partner

Membership No. 143617

Place: Mumbai

Date: June 30,2020

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

Annual Report 2019-2020

for the year ended 31st March, 2020

(₹ in thousand)

Particulars	Note Nos	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from Operations	22	6,85,995.20	7,18,675.34
Other Income	23	32,942.68	15,845.41
<b>Total Income</b>		<b>7,18,937.88</b>	<b>7,34,520.75</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	4,14,557.37	4,44,723.63
Employee Benefits Expense	25	1,48,398.11	1,42,360.20
Finance Costs	26	24,140.79	3,049.01
Depreciation and Amortization Expense	27	60,953.19	14,053.54
Other Expenses	28	2,50,117.29	3,22,156.28
Total Expenses		<b>8,98,166.75</b>	<b>9,26,342.66</b>
Profit / (Loss) before exceptional items and tax		(1,79,228.87)	(1,91,821.91)
Exceptional Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(1,79,228.87)</b>	<b>(1,91,821.91)</b>
Tax expense :			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>(1,79,228.87)</b>	<b>(1,91,821.91)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(2,344.52)	(3,579.60)
Income tax relating to above		-	-
<b>Other Comprehensive Income / (Loss) for the year, Net of Tax</b>		<b>(2,344.52)</b>	<b>(3,579.60)</b>
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(1,81,573.39)</b>	<b>(1,95,401.51)</b>
<b>Earnings per equity share</b>			
Basic and Diluted (face value of ₹10 each) (Refer Note 41)		(3.32)	(6.69)

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

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

**Dominic D'Costa**  
Partner  
Membership No. 143617

**Arvind Agrawal**  
Managing Director  
DIN : 02268683

**Sharad Rustagi**  
Director  
DIN : 07232913

Place: Mumbai  
Date: June 30,2020

**Atul Joshi**  
Chief Financial Officer

**Suchita Rajput**  
Company Secretary

# Statement of Change in Equity

Annual Report 2019-2020

for the year ended 31st March, 2020

(₹ in thousand)

Particulars	Equity Share Capital	Other Equity				Total Equity
		Share premium	General Reserve	Retained Earnings	Compulsorily Convertible Debentures	
<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)
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>
<b>Balance as at March 31, 2019</b>	3,85,826.03	6,67,694.50	18,062.97	(9,91,320.44)	1,67,656.50	2,47,919.56
Changes in equity share capital during the year	29,400.71	35,805.79	-	-	(65,206.50)	-
Profit / (Loss) for the year	-	-	-	(1,79,229.65)	-	(1,79,229.65)
Other comprehensive income for the year	-	-	-	(2,344.52)	-	(2,344.52)
<b>Total Comprehensive income for the year</b>	<b>4,15,226.74</b>	<b>7,03,500.29</b>	<b>18,062.97</b>	<b>(11,72,894.61)</b>	<b>1,02,450.00</b>	<b>66,345.39</b>
<b>Balance as at March 31, 2020</b>	<b>4,15,226.74</b>	<b>7,03,500.29</b>	<b>18,062.97</b>	<b>(11,72,894.61)</b>	<b>1,02,450.00</b>	<b>66,345.39</b>

The above statement of changes 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**

**Dominic D'Costa  
Partner  
Membership No. 143617**

**Place: Mumbai  
Date: June 30,2020**

**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 Cash Flow

Annual Report 2019-2020

for the year ended 31st March, 2020

(₹ in thousand)

Particulars	Year Ended March 31, 2020 (Audited)	Year Ended March 31, 2019 (Audited)
<b>A Cash Flow from operating activities</b>		
Profit before income tax	(1,79,228.87)	(1,91,821.91)
Interest received	(628.55)	(1,289.28)
Credit Balance Written Bank	17,558.25	-
Depreciation and amortization expenses	60,953.19	14,053.54
Finance costs	1,505.32	3,049.01
Loss on Sales of Fixed Assets	3,358.63	1,536.87
Provision for Custom Duty Payable Reversed	-	(65,336.37)
<b>Operating Cash Profit before Working Capital Changes</b>	<b>(96,482.03)</b>	<b>(2,39,808.14)</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	(8,524.82)	(667.79)
(Increase)/decrease in loans and advances	32,353.88	(67,188.65)
(Increase)/decrease in other current assets	8,965.80	(27,192.29)
(Increase)/decrease in Other Financial Assets	(455.78)	11,966.42
(Increase)/decrease in inventories	6,245.09	(12,144.22)
Increase/(decrease) in trade payables	54,113.49	27,801.62
Increase/(decrease) in other financial liabilities	1,82,908.35	(6,454.64)
Increase/(decrease) in provisions	(1,025.90)	(747.29)
Increase/(decrease) in other liabilities	1,781.96	(3,111.66)
<b>Cash outflow from operations</b>	<b>1,79,880.04</b>	<b>(3,17,546.64)</b>
Income taxes paid	-	-
<b>Net cash outflow from operating activities</b>	<b>1,79,880.04</b>	<b>(3,17,546.64)</b>
<b>B Cash inflow from investing activities:</b>		
Sale proceeds of property, plant and equipment	1,183.85	497.28
Purchase of property, plant and equipment	(2,10,079.22)	(85,090.30)
Proceeds from issue of Equity Shares	65,206.50	3,36,000.00
Proceeds / Conversion of Compulsorily Convertible Debentures	(65,206.50)	1,14,000.00
Interest received	628.55	1,289.28
Share Capital Issue Expenses	-	(1,512.45)
<b>Net cash inflow from investing activities</b>	<b>(2,08,266.82)</b>	<b>3,65,183.81</b>
<b>C Cash outflow from financing activities</b>		
Proceeds from / ( Repayment of ) Borrowings	(11,279.07)	(21,728.63)
Interest paid	(1,505.32)	(3,049.01)
<b>Net cash outflow from financing activities</b>	<b>(12,784.39)</b>	<b>(24,777.64)</b>



# Statement Of Cash Flow

Annual Report 2019-2020

for the year ended 31st March, 2020

(₹ in thousand)

Particulars	Year Ended March 31, 2020 (Audited)	Year Ended March 31, 2019 (Audited)
Net increase/(decrease) in cash and cash equivalents	(41,171.17)	22,859.53
Add: Cash and cash equivalents at the beginning of the financial year	23,934.43	1,074.90
Cash and cash equivalents at the end of the year	<b>(17,236.74)</b>	<b>23,934.43</b>
Cash and Cash Equivalents (Note 9)	2,560.67	23,934.43
Bank Overdraft	(19,797.41)	-
Balance as per statement of Cash Inflows	<b>(17,236.74)</b>	<b>23,934.43</b>

As per our Report of even date  
For S A R A & Associates  
Chartered Accountants  
Firm Regn No.120927W

For and on behalf of the Board of Directors

Dominic D'Costa  
Partner  
Membership No. 143617

Arvind Agrawal  
Managing Director  
DIN : 02268683

Sharad Rustagi  
Director  
DIN : 07232913

Place: Mumbai  
Date: June 30,2020

Atul Joshi  
Chief Financial Officer

Suchita Rajput  
Company Secretary

forming part of the financial statements for the year ended 31st March, 2020

## 1) Company Overview

Galaxy Cloud Kitchens Limited (formerly known 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 June 30, 2020.

## 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

forming part of the financial statements for the year ended 31st March, 2020

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).

forming part of the financial statements for the year ended 31st March, 2020

**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.

forming part of the financial statements for the year ended 31st March, 2020

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.

forming part of the financial statements for the year ended 31st March, 2020

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 a substantial portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

With effect from 1 April 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing rate as on date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019.

Leases on which Ind AS 116 does not apply, 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.

forming part of the financial statements for the year ended 31st March, 2020

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.

# Notes

Annual Report 2019-2020

forming part of the financial statements for the year ended 31st March, 2020

## Note 3 : Property, Plant and Equipment

(₹ in thousand)

Particulars	Improvement to Licensed Premises	Plant & Machinery	Furniture & Fixtures	Computer	Right to Use assets	Total
<b>As at March 31, 2019</b>						
Gross Carrying Amount	31,066.85	67,885.54	1,178.85	14.92	-	1,00,146.16
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>1,36,482.31</b>	<b>16,921.73</b>	<b>765.57</b>	<b>-</b>	<b>1,85,236.46</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>-</b>	<b>16,087.69</b>
<b>Net Carrying Amount as at March 31, 2019</b>	<b>26,536.58</b>	<b>1,25,422.18</b>	<b>16,467.63</b>	<b>722.38</b>	<b>-</b>	<b>1,69,148.77</b>
<b>As at March 30, 2020</b>						
Gross Carrying Amount	26,536.58	1,25,422.18	16,467.63	722.38	-	1,69,148.77
Transition impact on account of adoption of Ind As 116 'Leases'(Refer note 2 (l) & 35)	-	-	-	-	2,07,493.88	2,07,493.88
Additions	1,172.00	1,678.72	349.95	16.44	-	3,217.11
Disposals	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>27,708.58</b>	<b>1,27,100.90</b>	<b>16,817.58</b>	<b>738.82</b>	<b>2,07,493.88</b>	<b>3,79,859.76</b>
Accumulated Depreciation						
Depreciation charge for the year	4,265.20	12,444.82	1,843.68	243.44	-	18,797.14
Amortization	-	-	-	-	42,156.05	42,156.05
Sales of Assets	-	4,129.98	1,045.05	-	-	5,175.03
Deductions and Adjustments	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>4,265.20</b>	<b>16,574.80</b>	<b>2,888.73</b>	<b>243.44</b>	<b>42,156.05</b>	<b>66,128.22</b>
<b>Net Carrying Amount as at March 31, 2020</b>	<b>23,443.38</b>	<b>1,10,526.10</b>	<b>13,928.85</b>	<b>495.38</b>	<b>1,65,337.83</b>	<b>3,13,731.54</b>

### Note:

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



# Notes

Annual Report 2019-2020

forming part of the financial statements for the year ended 31st March, 2020

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<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)	8,456.14	8,547.42
Interest accrued on Bank Deposit	1,137.72	590.66
<b>Total Other Non Current Financial Assets</b>	<b>9,593.86</b>	<b>9,138.08</b>
<b>Note 6 : Other Non Current Assets</b>		
Balances with Government Authorities	27,071.79	34,093.74
<b>Total Other Non Current Assets</b>	<b>27,071.79</b>	<b>34,093.74</b>
<b>Note 7 : Inventories</b>		
(Valued at cost or NRV, whichever is lower)		
Food & Beverages Supplies and Consumables	30,128.69	36,373.78
<b>Total Inventories</b>	<b>30,128.69</b>	<b>36,373.78</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	22,532.45	23,735.70
Others	71,305.69	61,577.62
Less: Allowance for bad and doubtful debts	(1,212.40)	(1,212.40)
<b>Total Trade receivables</b>	<b>92,625.74</b>	<b>84,100.92</b>
Refer Note 38 for information about credit risk of trade receivable		
<b>Note 9 : Cash and Cash Equivalents</b>		
Cash on hand	1,948.88	301.59
Balances with Banks		
In current accounts	611.79	23,632.84
<b>Total Cash and Cash Equivalents</b>	<b>2,560.67</b>	<b>23,934.43</b>
<b>Note 10 : Current Loan and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Other</b>		
Security Deposits	18,787.62	17,376.62
Advance against salary	739.37	1,004.25
Advance Given	30,000.00	63,500.00
<b>Total Current Loan and Advances</b>	<b>49,526.99</b>	<b>81,880.87</b>

# Notes

Annual Report 2019-2020

forming part of the financial statements for the year ended 31st March, 2020

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 11 : Other Current Assets</b>		
Advances to Suppliers	2,117.80	3,330.49
Prepaid Expenses	442.66	1,173.82
<b>Total Other Current Assets</b>	<b>2,560.46</b>	<b>4,504.31</b>
<b>Note 12 : Equity Share Capital</b>		
<b>Equity Share capital</b>		
<b>Authorized</b>		
50,000,000 [March 31, 2019: 50,000,000] Equity Shares of ₹ 10 each	5,00,000.00	5,00,000.00
Issued, subscribed and fully paid up		
4,15,22,674 [March 31, 2019: 3,85,82,603] Equity Shares of ₹ 10 each	4,15,226.74	3,85,826.03
<b>Total Equity Share Capital Issued, Subscribed and Fully Paid Up</b>	<b>4,15,226.74</b>	<b>3,85,826.03</b>
<b>a) Reconciliation of number of shares</b>		
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,85,82,603	2,52,29,370
Add: Conversion of Compulsory Convertible Debentures in fully paid Equity Shares during the year	29,40,071	21,53,233.00
Add: Shares issued during the year	-	1,12,00,000
<b>Balance as at the end of the year</b>	<b>4,15,22,674</b>	<b>3,85,82,603</b>
<b>b) Rights, preferences and restrictions attached to shares</b>		
<b>Equity shares:</b> 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.		
<b>c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Nos of Shares</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Central Departmental Stores Private Limited	81,89,794	64,34,723
Future Enterprises Limited	61,22,935	49,37,935
Habitat Apartments Private Limited	56,00,000	56,00,000.00
Abacus Realty Logistics Private Limited	49,00,000	49,00,000.00
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	19.72%	16.68%
Habitat Apartments Private Limited	14.75%	14.51%
Future Enterprises Limited	13.49%	12.80%
Abacus Realty Logistics Private Limited	11.80%	12.70%
Bellona Hospitality Services Limited	8.88%	9.55%
Darshita Landed Property LLP	8.03%	8.64%

forming part of the financial statements for the year ended 31st March, 2020

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 13 : Other Equity</b>		
Share Premium	7,03,500.29	6,67,694.50
General Reserve	18,062.97	18,062.97
Retained Earnings	(11,72,894.61)	(9,91,320.44)
	<b>(4,51,331.35)</b>	<b>(3,05,562.97)</b>
<b>Share Premium</b>		
Opening Balance	6,67,694.50	4,21,520.38
Add : Increase during the year	35,805.79	2,47,686.57
Less : Share Issue Expenses	-	(1,512.45)
Closing Balance	<b>7,03,500.29</b>	<b>6,67,694.50</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	(9,91,320.44)	(7,95,918.93)
Net Profit / (Loss) during the year	(1,79,229.65)	(1,91,821.91)
<b>Items of other comprehensive income recognized directly in retained earnings</b>		
Remeasurements of post-employment benefit obligation, net of tax	(2,344.52)	(3,579.60)
Closing Balance	<b>(11,72,894.61)</b>	<b>(9,91,320.44)</b>
<b>Note 14 : Compulsorily Convertible Debentures</b>		
Compulsorily Convertible Debentures	1,02,450.00	1,67,656.50
	<b>1,02,450.00</b>	<b>1,67,656.50</b>
<b>Compulsorily Convertible Debentures :</b>		
Balance as at the beginning of the year	1,67,656.50	98,874.40
Less: Conversion of Compulsory Convertible Debentures in fully paid Equity Shares during the year	65,206.50	45,217.90
Add: Issued during the year	-	1,14,000.00
<b>Balance as at the end of the year</b>	<b>1,02,450.00</b>	<b>1,67,656.50</b>
i) a. 25,55,071 Equity shares of ₹ 10/- each fully paidup has been allotted pursuant to conversion of outstanding 5,36,565 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 July 1, 2019.		
b. 3,85,000 Equity shares of ₹ 10/- each fully paidup has been allotted pursuant to conversion of 3,85,000 CCDs out of 38,00,000 CCDs by Board of Director at their meeting held on February 12, 2020.		
ii) 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.		
iii) The Conversion Shares shall rank pari passu with the existing equity shares of the Company in all respects, including as to dividend.		
iv) 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 Requirments) Regulations, 2018. Subject to the aforesaid lock-in requirements, the CCDs, Conversion Shares and Investor Shares shall be freely transferable.		

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Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 15 : Non Current Provisions</b>		
Gratuity	3,418.05	2,508.08
Leave entitlement	2,761.33	2,383.16
<b>Total Non Current Provisions</b>	<b>6,179.38</b>	<b>4,891.24</b>
<b>Note 16 :Other Non Current Liabilities</b>		
Lease Liability	1,82,702.34	-
<b>Total Other Non Current Liabilities</b>	<b>1,82,702.34</b>	-

## Note 17 : Current Borrowings

### Secured

Bank Overdraft	19,797.41	-
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### Unsecured

Loans from Related Party	-	11,279.07
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<b>Total Current Borrowings</b>	<b>19,797.41</b>	<b>11,279.07</b>
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### Secured borrowings and assets pledged as security

Interest Rate :

The rate of interest on bank overdraft ranges between 10.60% to 11.20% during the year (Previous Year - 11.25% p.a.)

Overdraft Facility from Bank secured against hypothecation charges on entire present and future movable fixed 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

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 18 : Other Current Financial Liabilities</b>		
Other Payables	533.79	327.78
<b>Total Other Current Financial Liabilities</b>	<b>533.79</b>	<b>327.78</b>
<b>Note 19 : Trade Payables</b>		
Trade payables	2,10,879.99	1,64,768.44
Trade Payable - Micro, Small & Medium Enterprises	36,090.91	10,530.72
<b>Total Trade Payables</b>	<b>2,46,970.90</b>	<b>1,75,299.16</b>
<b>Note 20 : Other Current Liabilities</b>		
Statutory dues	3,710.35	2,525.42
Advance from customers	1,439.33	842.30
<b>Total Other Current Liabilities</b>	<b>5,149.68</b>	<b>3,367.72</b>

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Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 21 : Current Provisions</b>		
Gratuity	14.49	21.46
Leave entitlement	106.36	68.91
<b>Total Current Provisions</b>	<b>120.85</b>	<b>90.37</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 in the financial year 2018-19.

### Movements in provisions :

Provision for Custom Duty Payable

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

Particulars	(₹ in thousand)	
	<b>Gratuity</b>	
	As at 31st March, 2020	As at 31st March, 2019
Opening defined benefit obligation	2,529.54	1,004.62
Current service cost	2,000.18	792.91
Interest expense/(income)	193.95	74.68
Total amount recognised in profit and loss	2,194.12	867.59
Remeasurements	-	-
(Gain )/loss from change in demographic assumptions	(2.94)	-
(Gain )/loss from change in financial assumptions	400.41	(72.34)
Experience (gains)/losses	(1,381.22)	1,047.58

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Particulars	(₹ in thousand)	
	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Total amount recognised in other comprehensive income	(983.76)	975.24
Employer contributions	(307.36)	(317.92)
Benefit payments	-	-
Closing defined benefit obligation	3,432.55	2,529.54
<b>The net liability disclosed above relates to unfunded plans are as follows:</b>		
Defined benefit obligation	3,432.55	2,529.54
Fair value of plan assets	-	-
Surplus /(Deficit)	3,432.55	2,529.54
Effect of assets ceiling	-	-
Net Defined Benefit Liability/(Assets)	3,432.55	2,529.54
Significant estimates: Actuarial assumptions		
The significant actuarial assumptions were as follows:		
Discount rate	6.78%	7.70%
Salary growth rate	5.00%	5.00%

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 22 : Revenue from Operations</b>		
<b>Sale of Services</b>		
Games	883.76	4,766.46
Food & Beverages	6,52,836.93	6,87,795.28
Other Operating Income	32,274.51	26,113.60
<b>Total Revenue from Operations</b>	<b>6,85,995.20</b>	<b>7,18,675.34</b>
<b>Note 23 : Other income</b>		
Interest on Fixed Deposit	628.55	1,289.28
Credit Balance Written Back	17,558.25	-
Lease Income	2,213.03	3,199.00
Interest on ICD	-	1,410.41
Interest on SD Rent	1,136.19	940.11
Other Income	10,926.12	9,006.61
Interest on Income Tax Refund	480.54	-
<b>Total Other income</b>	<b>32,942.68</b>	<b>15,845.41</b>
<b>Note 24 : Cost of materials consumed</b>		
Raw materials consumed	4,14,557.37	4,44,723.63
<b>Total Cost of materials consumed</b>	<b>4,14,557.37</b>	<b>4,44,723.63</b>

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forming part of the financial statements for the year ended 31st March, 2020

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Note 25 : Employee benefits expense</b>		
Salaries and wages	1,35,751.65	1,31,012.70
Contribution to provident funds and other funds	10,322.06	9,248.68
Workmen and Staff welfare expenses	2,324.40	2,098.82
<b>Total Employee benefits expense</b>	<b>1,48,398.11</b>	<b>1,42,360.20</b>
<b>Note 26 : Finance costs</b>		
Interest on Overdraft	1,411.56	999.24
Interest on Term Loan	-	616.95
Interest on Inter Corporate Deposit	-	1,410.41
Other Borrowing Cost	93.76	22.41
Interest on Ind AS 116	22,635.47	-
<b>Total Finance costs</b>	<b>24,140.79</b>	<b>3,049.01</b>
<b>Note 27 : Depreciation and amortization expense</b>		
Depreciation on Property, Plant and Equipment	18,797.14	14,053.54
Amortization	42,156.05	-
<b>Total Depreciation and amortization expense</b>	<b>60,953.19</b>	<b>14,053.54</b>
<b>Note 28 : Other expenses</b>		
Power, Fuel, Light and Water	49,461.36	56,756.11
Communication Expenses	480.46	819.88
Rent - Building	16,785.68	33,731.29
Rent - Plant & Equipment	-	35,401.85
Hire Charges	72,448.05	77,463.54
Repairs to Plant and Equipment	11,112.04	9,931.46
Insurance	1,800.50	1,079.51
Rates & taxes *(a)	21,350.00	36,043.90
Advertising and sales promotion	215.08	39.68
Carriage and freight	46,434.21	43,338.96
Printing & Stationery	2,480.68	3,233.98
Audit Committee Fees	350.00	302.50
Director Sitting Fees	400.00	412.50
Nomination, Remuneration & Compensation Directors Fees	70.00	81.00
Professional & Consultancy Charges	7,284.35	6,309.51
Legal Fees	36.00	95.20
Postage & Courier Charges	61.70	137.55
Security Charges	7,311.57	6,773.74

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Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
Miscellaneous Expenses	4,605.57	3,457.16
Travelling and Local Conveyance Expenses	3,386.41	4,660.14
Loss on Sale of Fixed Assets	3,358.63	1,536.87
Payment to Statutory Auditors *(b)	685.00	549.95
<b>Total Other expenses</b>	<b>2,50,117.29</b>	<b>3,22,156.28</b>
<b>* (a) Rates &amp; Taxes</b>		
Rate & Taxes	1,938.15	19,501.30
Reversal of Input Tax Credit	19,411.85	16,542.60
<b>Total Rates &amp; taxes</b>	<b>21,350.00</b>	<b>36,043.90</b>
<b>* (b) Payment to Statutory Auditors</b>		
For Audit Fees	200.00	159.00
For Tax Audit Fees	150.00	80.00
For Limited Review Fees	75.00	60.00
For Other Services	260.00	241.00
For Reimbursement of Expenses	-	9.95
<b>Total Payment to Statutory Auditors</b>	<b>685.00</b>	<b>549.95</b>

## Note 30 : Contingent Liabilities not provided for :

- In respect of guarantees provided by Company's Bankers on behalf of the Company ₹2,680.00 thousands (Previous Year ₹ 7,312.46 thousands)
- In respect of disputed tax demand not provided as following:

Particulars	(₹ in thousand)	
	As at 31st March, 2020	As at 31st March, 2019
Sales Tax Demand:		
2011-2012 (West Bengal)	81.21	81.21
2012-2013 (Karnataka)	-	3,364.06
2014-2015 (Karnataka)	151.00	-
<b>Claims not acknowledged as debt.</b>		
<b>Service Tax</b>		
A.Y. 2012-13 (Excluding Interest)	17,922.00	22,639.51

- 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.



forming part of the financial statements for the year ended 31st March, 2020

### Note 31 : 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 32 : Going Concern Assumption

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

### Note 33 : 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 34 : Related Party Disclosure

In accordance with the Ind AS - 24 on "Related Party Disclosure" the relevant information for the year ended March 31, 2020 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 Retail Limited	Other Body Corporate
2	Future Consumer Limited	Other Body Corporate
3	Future Lifestyle Fashion Limited	Other Body Corporate
4	Future Generali India Life Insurance Company Limited	Other Body Corporate
5	Future Sharp Skills Limited	Other Body Corporate
6	Nufuture Digital (India) Limited	Other Body Corporate
7	Nilgiris Mechanised Bakery Private Limited	Other Body Corporate
8	The Nilgirs Dairy Farm Private Limited	Other Body Corporate
9	Appu Nutritions Private Limited	Other Body Corporate
10	Affluence Food Processors Private Limited	Other Body Corporate
11	Future Coupons Limited	Other Body Corporate
12	Future Market Networks Limited	Enterprises in which a director is a member / Director
13	Splendor Fitness Private Limited	Enterprises in which a director is a member / Director
14	Future Enterprise Limited	Other Significant influence
15	Mr Arvind Agrawal	Key Managerial Personnel
16	Mr Atul Joshi	Key Managerial Personnel
17	Ms Suchita Rajput	Key Managerial Personnel

- (ii) Key management personnel compensation

(₹ in thousand)

Particulars	As at	
	31st March, 2020	31st March, 2019
Short-term employee benefits	14198.08	14,786.99
Post-employment benefits	-	-
Long-term employee benefits	2738.66	2,851.43
Termination benefits	-	-
<b>Total</b>	<b>16,936.74</b>	<b>17,638.42</b>

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(iii) The Following transactions were carried out with the Related Parties in the ordinary course of Business:

(₹ in thousand)

Sr. No.	Nature of Transaction	Other Significant influence	Enterprises in which a director is a member / Director	Total
1	Lease Income	-	531.67	531.67
		(-)	(600.00)	(600.00)
<b>Outstanding Balance as at March 31,2020</b>				
1	Loans and Advances Taken	-	-	-
		(-)	(11,279.07)	(11,279.07)
2	Trade Payable	4,903.32	-	4,903.32
		(-)	(-)	(-)
3	Trade Receivables	8,202.77	-	8,202.77
		(-)	(-)	(-)

(iv) Transactions during the year with related parties :

(₹ in thousand)

Sr. No.	Nature of Transaction	Other Significant influence	Enterprises in which a director is a member / Director	Total
1	Business Support Service	9,000.00	-	9,000.00
		(-)	(-)	(-)
2	Sales of Goods	4,82,984.03	-	4,82,984.03
		(-)	(-)	(-)
3	Purchase of Goods	31,171.19	-	31,171.19
		(-)	(-)	(-)
4	Rent - Others	13,717.05	-	13,717.05
		(-)	(-)	(-)
5	Rent - Building	27,128.51	-	27,128.51
		(-)	(-)	(-)
6	Rent - Plant & Machinery	60.45	-	60.45
		(-)	(-)	(-)
7	Electricity Charges	6,813.08	-	6,813.08
		(-)	(-)	(-)
8	Insurance Premium	1,048.06	-	1,048.06
		(-)	(-)	(-)
9	Professional & Consultancy Charges	206.53	-	206.53
		(-)	(-)	(-)
10	Lease Income	1,806.00	531.67	2,337.67
		(-)	(600.00)	(600.00)
11	Electricity Charges -Income	1,019.79	-	1,019.79
		(-)	(-)	(-)
12	Staff Hire Charges-Income	164.70	-	164.70
		(-)	(-)	(-)
13	Transportation Charges-Income	5,569.73	-	5,569.73
		(-)	(-)	(-)

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(v) Balance as at March 31, 2020

(₹ in thousand)

Sr. No.	Nature of Transaction	Other Significant influence	Other Body Corporate	Enterprises in which a director is a member / Director	Total
1	Loans and Advances Taken	-	-	-	-
		(-)	(-)	(11,279.07)	(11,279.07)
2	Loans and Advances Given	-	30,000.00	-	30,000.00
		(-)	(-)	(-)	(-)
3	Trade Payable	4,903.32	85,264.66	-	90,167.98
		(-)	(-)	(-)	(-)
4	Trade Receivables	8,202.77	28,062.42	-	36,265.19
		(-)	(324.00)	(-)	(324.00)

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

## Note 35 : Transitional Provision - Ind As 116 Leases

The followings is the summary of practical expedients elected on initial application as at 1st April, 2019:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment
- With effect from 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended 31 March, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments.

Adjustment to increase / decrease	Quarter ended 31/03/2020 Comparable Basis	Changes due to IND AS 116 Increase / (Decrease)	Quarter ended 31/03/2020 as reported	Year ended 31/03/2020 Comparable Basis	Changes due to IND AS 116 Increase / (Decrease)	Year ended 31/03/2020 as reported
Rent Including Lease Rental	130.23	23.13	153.36	478.77	169.15	647.92
Finance Cost	5.00	53.70	58.70	15.05	226.35	241.41
Depreciation and amortisation expense	45.34	103.91	149.25	187.97	421.56	609.53
Loss for the year	335.60	180.73	516.33	975.22	817.06	1,792.28

# Notes

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forming part of the financial statements for the year ended 31st March, 2020

Particulars	(₹ in thousand)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Note 36 : Assets Pledged as Security</b>		
The carrying amounts of assets pledged as security for current borrowings are :		
<b>Current Assets</b>		
Inventories	30,128.69	36,373.78
Financial Assets		
Trade Receivables	92,625.74	84,100.92
Cash and Cash Equivalents	2,560.67	23,934.43
Loans and Advances	49,526.99	81,880.87
Other Current Assets	2,560.46	4,504.31
<b>Total Current Assets</b>	<b>1,77,402.55</b>	<b>2,30,794.31</b>
Non Current Assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>1,77,402.55</b>	<b>2,30,794.31</b>
Non Current Assets		
Property, Plant and Equipment	3,13,731.54	1,69,148.77
Other Non Current Financial Assets	9,593.86	9,138.08
<b>Total Non Current Assets</b>	<b>3,23,325.40</b>	<b>1,78,286.85</b>
<b>Total Assets pledged as security</b>	<b>5,00,727.95</b>	<b>4,09,081.16</b>

## Note 37 : Offsetting Financial Assets and Financial Liabilities

There are no offset for the recognised financial instruments as at March 31, 2020 and March 31, 2019

## Note 38 : Fair Value Measurements

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

Particulars	(₹ in thousand)	
	Year Ended March 31, 2020 Amortised cost	Year Ended March 31, 2019 Amortised cost
<b>Financial Assets</b>		
Loans and Advances	49,526.99	81,880.87
Trade receivables	92,625.74	84,100.92
Cash and Cash Equivalents	2,560.67	23,934.43
Other Financial Assets	9,593.86	9,138.08
<b>Total Financial Assets</b>	<b>1,54,307.26</b>	<b>1,99,054.30</b>
<b>Financial Liabilities</b>		
Borrowings	19,797.41	11,279.07
Trade Payable	2,46,970.90	1,75,299.16
Other Financial Liabilities	533.79	327.78
<b>Total Financial Liabilities</b>	<b>2,67,302.10</b>	<b>1,86,906.01</b>

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**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.

Particular	(₹ in thousand)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Financial Assets</b>		
Loans and Advances	49,526.99	81,880.87
Trade receivables	92,625.74	84,100.92
Cash and Cash Equivalents	2,560.67	23,934.43
Other Financial Assets	9,593.86	9,138.08
<b>Total Financial Assets</b>	<b>1,54,307.26</b>	<b>1,99,054.30</b>
<b>Financial Liabilities</b>		
Borrowings	19,797.41	11,279.07
Trade Payable	2,46,970.90	1,75,299.16
Other Financial Liabilities	533.79	327.78
<b>Total Financial Liabilities</b>	<b>2,67,302.10</b>	<b>1,86,906.01</b>

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**

Particular	(₹ in thousand)			
	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loans and Advances	49,526.99	49,526.99	81,880.87	81,880.87
Trade receivables	92,625.74	92,625.74	84,100.92	84,100.92
Cash and Cash Equivalents	2,560.67	2,560.67	23,934.43	23,934.43
Other Financial Assets	9,593.86	9,593.86	9,138.08	8,713.08
<b>Total Financial Assets</b>	<b>1,54,307.26</b>	<b>1,54,307.26</b>	<b>1,99,054.30</b>	<b>1,98,629.30</b>

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(₹ in thousand)

Particular	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Liabilities</b>				
Borrowings	19,797.41	19,797.41	11,279.07	11,279.07
Trade Payable	2,46,970.90	2,46,970.90	1,75,299.16	1,75,299.16
Other Financial Liabilities	533.79	533.79	327.78	327.78
<b>Total Financial Liabilities</b>	<b>2,67,302.10</b>	<b>2,67,302.10</b>	<b>1,86,906.01</b>	<b>1,86,906.01</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 underlying 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.”

#### (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:

Particular	(₹ in thousand)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Variable rate borrowings	19,797.41	11,279.07
Percentage of variable rate borrowings to total borrowings	100%	100%
<b>Total Borrowings</b>	<b>19,797.41</b>	<b>11,279.07</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*	19,797.41	11,279.07
Interest rates – decrease by 20 basis points*	100%	100%

\*Holding all other variables constant

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## 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

Particular	(₹ in thousand)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<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>
<b>Movement in provisions of doubtful Loans &amp; Advance</b>		
<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

## 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:

Particular	(₹ in thousand)		
	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2020</b>			
Trade payables	2,46,970.90	-	2,46,970.90
Borrowings	19,797.41	-	19,797.41
Other Non Financial liabilities	5,149.68	-	5,149.68
<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

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#### 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.

#### (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.

Particulars	(₹ in thousand)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Segment Revenue</b>		
Food & Beverages	6,85,995.20	7,18,675.34
Trading Merchandise	-	-
<b>Total Segment Revenue</b>	<b>6,85,995.20</b>	<b>7,18,675.34</b>
<b>Segment Result</b>		
Food & Beverages	(1,55,088.08)	(1,88,777.16)
Trading Merchandise	-	4.26
<b>Total</b>	<b>(1,55,088.08)</b>	<b>(1,88,772.90)</b>
Less: Other un-allocable expenditure net off un-allocable income	24,140.79	3,049.01
<b>Total Profit Before Tax</b>	<b>(1,79,228.87)</b>	<b>(1,91,821.91)</b>



# Notes

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(₹ in thousand)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Segment Assets</b>		
Food & Beverages	5,27,799.74	4,39,915.19
Trading Merchandise	-	3,259.71
<b>Total Segment Assets</b>	<b>5,27,799.74</b>	<b>4,43,174.90</b>
<b>Segment Liabilities</b>		
Food & Beverages	4,61,454.35	1,95,255.34
<b>Total Segment Liabilities</b>	<b>4,61,454.35</b>	<b>1,95,255.34</b>

## Note 41 : Earnings per share

(₹ in thousand)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	-1,79,228.87	-1,91,821.91
<b>Total basic earnings per share attributable to the equity holders of the company</b>	<b>-1,79,228.87</b>	<b>-1,91,821.91</b>
<b>(b) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	5,39,62,917	2,86,83,212
Earning Per Share - Basic and diluted ( Face value of ₹ 10 Per Share)	(3.32)	(6.69)

**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)

Registered Office: Eyelet House, M. S. Patel Compound, Near John Baker Bus Stop,  
Opp. Shah Industrial Estate, Saki - Vihar Road, Sakinaka, Andheri (E), Mumbai - 72.

Tel. : 022 2803 9405 E-mail: investors@galaxycloudkitchens.in

web: www.galaxycloudkitchens.in



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