



H K Shah & Co.

CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report To
The Board of Directors,
Gala Global Products Limited
CIN : L22219GJ2010PLC063243
Ahmedabad**

1. We have reviewed the accompanying statement of unaudited financial results of **Gala Global Products Limited** ("the Company") for the quarter ended 30th June 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION:



- i. A) Considerable payments made as advances to the supplier can be quantified subject to detailed investigation with the outcome of future events only. As per the information and explanations provided to us, this matter is sub-judice at present. ECL provisioning for the same will be done on the basis of detailed investigation with the outcome of future events only. Only some amounts have started to be received back in this.

The considerable value of stock is subject to acceptance by a customer and can be quantified with the out-come of future events only.

- b) There is a major amount of stock and it is not possible to value the stock, especially in the light of the obsolescence possibility due to the nature of goods. In light of the above, we are not in a position to quantify the effect on the Profit and Loss accounts and Balance Sheet of the company. Ind AS 2 is not followed.

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Uttar Pradesh



2. Ind AS adjustments are yet to be affected in the books. In light of this, we are not in a position to quantify the effect on the Profit and Loss accounts and Balance Sheet of the company.
3. During the year the company had made various transactions with Director/s and other related parties. We are unable to verify whether such transactions were carried out at arm's length price. With reference to the overall situation of the company, the company is running a current account with the Director/s and section 185 may be attracted, in spite of the fact that the prima-facie, the Director/s account is running in credit.
4. As required under Ind As 109, Financial Instruments, the company has not measured the loss allowance with regard to the provision of expected credit loss for a financial instrument.
5. As auditors, we observe the reasonable threat to the going concern status, however, visible efforts are seen to avert the threat.
6. As required under Ind AS 108, Operating Segments, the company has not reported the operating segment in respect of various segments. The company has entered into trading of many commodities other than paper.
7. The company carries Intangible assets which are not amortized and are subject to valuation and we are not in a position to quantify.

EMPHASIS MATTERS:

- i. We draw attention to the requirements of Ind AS 19 — Employee Benefits have not been complied with. Based on books of account and as per the explanations given by the management, the Company is in the process of finalization of structure for the employee benefits and hence, there were no employees who were eligible for the benefits yet. Accordingly, Employee Benefits have not been provided in the financial statements as per the criteria defined by the Company.
- ii. We draw attention to inability to pay income tax liabilities of Rs. 63.20 lakhs based on Tax Audit Assessment of the company on the due date as well as till date.
- iii. The company is required to maintain cost records and required to be audited u/s 148 of the Companies Act, 2013. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the Cost Records as per the Companies Act, 2013. However, cost records have not been maintained as prescribed, nor the same has been audited as prescribed. Hence, we are unable to review the same.
- iv. Bank Loan confirmations and certification are pending in some cases.
- v. As required under Section 138 of the Companies Act 2013 read with rule 13 of Companies (Accounts) Rules, 2014, every listed company is required to appoint Internal Auditor. However, the company has not appointed an Internal Auditor.
- vi. Various compliances of statutory requirements like; company law, PF, TDS, Income tax, GST etc; are subject to actual compliance.
- vii. Balances of Debtors, Creditors, Security Deposits, etc; are subject to confirmation.
- viii. Valuation of inventories is accepted on the basis of management evaluation.
- ix. The company has yet to book interest income on Fixed Deposits.

Our opinion is not modified in respect of these matters.

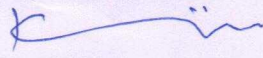


OTHER MATTERS:

- i. We are not informed about any separately issued limited review report by the retiring auditors. We are also not informed about the information required vide Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by SEBI. In absence of this, our conclusion will require reconciliation as and when they are made available.
- ii. We draw attention to Note 5 to Note 8.
- iii. We draw attention to Note 3 of the financial results, as regards the management's evaluation of COVID-19 impact on the future performance of the Company. To assess the recoverability of certain assets, investments and trade receivables, the Company has considered internal and external information up to the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Based on our review conducted as above, with the exception of the matters described in above sections, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For
H K Shah & Co.
Chartered Accountants
FRN.: 109583W


K M Shah
Partner
M.No.: 014711
Place: Ahmedabad
Date: 08/07/2023
UDIN: 23014711BGXGUZ4512



Unaudited Financial Results (Standalone) for the quarter ended June 30, 2023

Sr. No.	Particulars	Quarter Ended			(Rs. in Lakhs)
		30/06/2023	31/03/2023	30/06/2022	Year ended
		Unaudited	Audited	Unaudited	Audited
I.	Revenue from Operations	1,737.47	3,053.45	2,378.11	8,448.19
II.	Other Income	2.55	4.27	2.77	22.78
III.	Total Income (I + II)	1,740.02	3,057.72	2,380.88	8,470.98
IV.	Expenses:				
	Cost of Materials Consumed	1,860.80	3,105.52	2,217.73	8779.01
	Purchases of Stock-in-Trade	-	-	-	-
	Changes in inventories of finished goods work-in-	(194.45)	73.17	(0.05)	(680.11)
	Employee benefits expense	5.76	4.71	24.49	64.64
	Finance costs	25.44	23.67	54.34	161.54
	Depreciation and amortisation expense	4.52	4.54	5.21	23.77
	Other expenses	11.54	2.44	29.18	114.34
	Total expenses (IV)	1,713.61	3,214.05	2,330.90	8,463.19
V.	Profit before Exceptional Items and tax (III - IV)	26.42	(156.32)	49.99	7.80
VI.	Exceptional Items	-	-	-	-
VII.	Profit before Tax (V-VI)	26.42	(156.32)	49.99	7.80
VIII.	Tax expense:	8.66	(39.40)	12.84	4.91
	(1) Current tax	7.44	(39.78)	11.62	-
	(2) Deferred tax	1.23	0.38	1.22	4.91
	(3) MAT Credit Entitlement	-	-	-	-
IX.	Profit for the period (VII-VIII)	17.76	(116.92)	37.15	2.89
X.	Other Comprehensive Income/(Expense) (Net of Tax)				
	Items that will not be reclassified to profit or loss				
	Remeasurment of the net defined benefit liability/asset net				
	Fair Value changes on investment, Net				
	Item that will be reclassified subsequently to profit and loss				
	Total Other Comprehensive Income, net of tax				-
XI.	Total Comprehensive Income / (Expenses) (after Tax) (IX+X)	17.76	(116.92)	37.15	2.89
XII.	Paid up Equity Share Capital (Face value of Rs. 5/- per share)	2,729.40	2,729.40	2,729.40	2,729.40
XIII.	Earnings per equity share:				
	(1) Basic & Diluted	0.03	(0.21)	0.15	0.01

NOTES:

- The unaudited Financial Results for the quarter ended on 30 June, 2023 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on **08 July 2023**.
- The Unaudited Financial Results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015.
- The outbreak of COVID-19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's manufacturing operations have been partially functional during the lockdown. All the operations of the Company have resumed post lifting of lockdown. As per the current assessment of the situation based on the Internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company believes that the Impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material Impact on the carrying amounts of Inventories, trade receivables, Investments and other financial assets.
- All balances are subject to external confirmations/ physical verification.
- The figures for the corresponding previous period have been regrouped / reclassified wherever necessary, to make them comparable.
- The company is in the process of outsourcing its internal audit process. Currently, there are no formal reports prepared by the review team.
- EIR adjustments are yet to be effected in the books of accounts.
- ECL Provisioning for loss assets is yet to be done.

Place: Ahmedabad
Date: 08/07/2023



Brahmdeo Aggarwal
(MD & CFO)