

galaxy

ENTERTAINMENT CORPORATION LIMITED

Annual Report 2014-15

Annual Report 2014 - 2015



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BOARD OF DIRECTORS

Mr. Rajneesh Agarwal
Ms. Udita Jhunjhunwala
Mr. Sunil Biyani
Mr. Swapnil Kothari
Mr. Sharad Rustagi

AUDITORS

S A R A & Associates
Chartered Accountants

BANKERS

HDFC Bank Limited
AXIS Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

TSR Darashaw Private 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

REGISTERED OFFICE

3rd Floor, Block A,
Orchid City Centre Mall,
225, Belasis Road,
Mumbai Central
Mumbai – 400008.
Tel.: (022) 6620 1473
Fax: (022) 6620 1473

CIN: L51900MH1981PLC024988
E-mail: investors@thegalaxycorp.com
Website: www.thegalaxycorp.com

NOTICE is hereby given that the Thirty Third Annual General Meeting of the members of Galaxy Entertainment Corporation Limited will be held on Tuesday, September 29, 2015, at 1.30 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To appoint a director in place of Mr. Swapnil Kothari (DIN: 05235636), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s. S A R A & Associates, Chartered Accountants [Firm's Registration No. 120927W], be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration, in addition to reimbursement of out of pocket expenses incurred in connection thereto, as may be approved by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the best interest of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Sharad Rustagi (DIN: 07175393), in respect to whom the Company has received a notice in writing proposing his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for 3 (three) consecutive years from September 29, 2015 to September 28, 2018."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and sub-clause VII of the Clause 49 of the Listing Agreement amended vide SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 or subsequent modification/ amendments thereof, if any; and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties as detailed herein below with respect to financial assistance, payment of Rent, Common Area Maintenance Charges, Reimbursement of Expenses, Leave and License Arrangements or any other transactions of whatever nature.

Name of the Related Party	Future Market Networks Limited	
Nature of Relationship	Common Directors	
Name of the Director / KMP / who is related if any	Mr. Sunil Biyani Ms. Udita Jhunjhunwala	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ In Crores / Annum
	Rent / Common Area Maintenance Charges Payable	0.50
	Reimbursement of Expenses	0.20
	Interest bearing Inter Corporate Loan/ Security Deposit	5.00
Tenure of Contract	Upto 5 years	

Name of the Related Party	Future Retail Limited	
Nature of Relationship	Promoter	
Name of the Director / KMP / who is related if any	None	
Nature, Material Terms, monetary value and particulars of the contract or arrangement;		₹ In Crores / Annum
	Rent / Common Area Maintenance Charges Payable	2.00
	Reimbursement of Expenses	2.00
	Interest bearing Inter Corporate Loan / Security Deposit / Sale / Purchase of Assets	10.00
Tenure of Contract	Upto 5 years	

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to determine the actual sums to be involved in the transaction, to increase the value of the transactions (upto 10%) and to finalise the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Proxies, if any, in order to be effective must be received at the company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for the commencement of the meeting. Proxies submitted on behalf of the companies, etc, must be supported by appropriate resolution/authority, as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing given to the Company.

4. Any members proposes to seek any clarification on the accounts requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
5. The Register of Members and the Share Transfer Books of the company will remain closed from September 25, 2015 to September 29, 2015 (both days inclusive) for the purpose of Annual General Meeting.
6. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection of Members at the Annual General Meeting.
7. As per the provisions of the Companies Act, 2013, facility for making nomination is now available to shareholders in respect of shares held by them. Nomination forms can be obtained from the Company.
8. The Annual Reports will not be distributed at the Annual General Meeting. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting along with the Annual Report.
9. Members are requested to notify any change in their address:
 - to their depository participants [DPs] in respect of shares held in Demat form; and
 - to the Registrar and Share Transfer Agent of the Company, TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, in respect of shares held in physical form, quoting their folio numbers.

As members are aware, equity shares of the Company are mandatorily traded in electronic form for all shareholders. Members who still hold share in physical form may dematerialize the same. ISIN allotted to the Company for this purpose is INE403B01016.

As per SEBI Circular No. MRD / DOP / Cir -05 / 2009 dated May 20, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore the transferee[s] is required to submit the self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.

10. Appointment of Directors: The details of Director's Seeking re-appointment, in terms of Clause 49 of the Listing Agreement, are annexed hereto and form part of this Notice.
11. Members who have not registered his/her e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communications from the Company electronically.
12. Corporate Members intending to send their authorized representatives, pursuant to Section 113 of the Companies Act, 2013 are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting so as to reach the Company on or before September 27, 2015.
13. Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - i. Open email and open PDF file viz; "galaxy e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - iii. Click on Shareholder – Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - vii Select "EVEN" (Electronic Voting Event Number) of Galaxy Entertainment Corporation Limited.
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to krishnarathi@live.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy :

i.	Initial password is provided as below/at the bottom of the Attendance Slip for the AGM		
	EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN
ii.	Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.		

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The remote e-voting period commences on Friday, September 25, 2015 (9:00 am) and ends on Monday, September 28, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder by means of e-voting, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of September 21, 2015.

Any person who acquires shares of the Company and become member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e September 21, 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or issuer.

However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting vote. If you forget your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no: 1800-222-990.

A member may participate in the Annual General Meeting even after exercising his right to vote through remote voting but shall not be allowed to vote again at the AGM.

Mr. Krishna S. Rathi, of Krishna Rathi & Associates, Practicing Company Secretary (Membership No: 27903 and Certificate of Practice No: 10079), Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of the scrutinizer, by use of "Ballot Paper" for all those members, who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results declared along with the report of the scrutinizer shall be placed on the website of the Company, if any and on the website of NSDL immediately after the declaration of results by the Chairman or a person authorized by him in writing.

14. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Mode or e-Voting (In case of demand for poll). In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Mode shall be treated as invalid.
15. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p. m upto the date of Annual General Meeting

Registered Office:

3rd Floor, Block A,
Orchid City Center Mall,
225, Bellasis Road,
Mumbai - 400 008.

CIN: L51900MH1981PLC024988
E-mail: investors@thegalaxycorp.com
Website: www.thegalaxycorp.com

Place : Mumbai
Date : August 11, 2015

By Order of the Board
For Galaxy Entertainment Corporation Limited

Sunil Biyani
Director
DIN: 00006583

EXPLANATORY STATEMENT

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

Item 4:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, Mr. Sharad Rustagi has been appointed as an Independent Director of the Company and shall hold the office till the conclusion of this ensuing Annual General Meeting. The appointment of Mr. Sharad Rustagi as an Independent Director for a period of 3 years shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sharad Rustagi for the office of Director of the Company. Mr. Sharad Rustagi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Sharad Rustagi that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Sharad Rustagi fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Sharad Rustagi is independent of the management and possesses appropriate skills, experience and knowledge.

The brief profile of the said director is attached to this notice.

Copy of the draft letter for appointment of Mr. Sharad Rustagi as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Save and except Mr. Sharad Rustagi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item 5:

The Company proposes to seek the approval of the Shareholders in terms of the provisions of Companies Act, 2013 read with Clause 49 of the Listing Agreement for the related party transactions which may be material in nature.

In the above context the necessary Special Resolution is proposed for the approval of the members. The transactions have been approved by the Audit Committee and the Board of Directors subject to the Company passing a Special Resolution as per the requirement of the Act.

The particulars as to the related party transactions are furnished in the Special Resolution as provided in the Notice as per the requirements of the prescribed rules and the reasons for having the transactions.

All the related party transactions are forming part of the ordinary course of business of the Company for operating its retail outlets in respect of gaming zones/ restaurants and all related party transactions are at an arms' length.

The Board recommends the Special Resolution(s) as set out in item No. 5 of the Notice for the approval of the Members who are not related party(s).

Directors, key managerial personnel of the Company or their relatives as mentioned as related parties above, may be deemed to be interested or concerned in the Resolution.

By Order of the Board
For Galaxy Entertainment Corporation Limited

Place : Mumbai
Date : August 11, 2015

Sunil Biyani
Director
DIN: 00006583

Brief Profile of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

Item No. 2 and 4 [Pursuant to Clause 49 of the Listing Agreement]

Name of the Director	Swapnil Kothari	Sharad Rustagi
Date of birth	March 14, 1971	October 13, 1978
Date of appointment	February 7, 2013	August 11, 2015
Director Identification Number	05235636	07232913
Qualification	L.L.M (International & Comparative Law)	Chartered Accountant & Company Secretary
Expertise in specific Functional Areas	An International corporate lawyer practicing in the areas of Banking Law, Property Law, Project Finance, Joint Ventures and Mergers & Acquisitions including litigation/arbitration, IT related matters and high profile NRI investments.	An aspute professional with more than a decate long experience in Risk and Management Assurance practice with strong working background and enriched knowledge into areas like Risk based internal audits, Operational Audits, Business process manuals, Sox Compliance Advisory, Due diligence reviews, System reviews, etc
Directorship held in other public companies	Pallazzo Hotels & Leisure Limited * Galaxy Rain Restaurants Private Limited	Nil
Chairmanship / Membership of Committees across other public companies, if any.	Nil	Nil
Relationship between Directors inter-se	None	None
Number of Equity Shares held in the Company	None	None

*Galaxy Rain Restaurants Private Limited is an wholly-owned subsidiary of Galaxy Entertainment Corporation Limited, hence it would be treated as public limited company.

To,

The Members of Galaxy Entertainment Corporation Limited

Your Directors have pleasure in presenting the Thirty Third Annual Report on the operations of the Company together with the Audited Statements of Accounts for the financial year ended March 31, 2015.

Financial Performance:

a. Standalone

(₹ in lacs)

Particulars	Current Year (2014-2015)	Previous year (2013-2014)
Revenue from operations	4055.67	3528.60
Other Income	492.75	443.60
Total Income	4548.42	3972.20
Personnel Cost	344.22	283.88
Operating and other expenses	3811.15	3108.78
Total Expenditure	4155.37	3392.66
Profit before Interest, Depreciation and Tax	-	-
Less: Interest	114.09	77.15
Less : Depreciation	264.57	472.86
Profit/(Loss) before tax	14.39	29.54
Less Provision for Tax	-	-
Profit/(Loss) after Tax	14.39	29.54

b. Consolidated

(₹ in lacs)

Particulars	Current Year (2014-2015)	Previous year (2013-2014)
Revenue from operations	4055.67	3528.60
Other Income	492.75	443.60
Total Income	4548.42	3972.20
Personnel Cost	344.22	283.88
Operating and other expenses	3811.15	3108.78
Total Expenditure	4155.37	3392.66
Profit before Interest, Depreciation and Tax	-	-
Less: Interest	114.09	77.15
Less : Depreciation	264.57	472.86
Profit/(Loss) before tax	14.39	29.54
Less: Provision for Tax	-	-
Profit/(Loss) after Tax	14.39	29.54

DIVIDEND

With a view to conserve the resources for the future operations, your Directors have thought it prudent not to recommend any dividend for the year ended March 31, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited consolidated financial statement is provided in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken 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. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirement set by SEBI. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from a Company Secretary in Practice confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. However, considering the business operations for the FY2015-16, the Board recommended certain related party transactions for the approval of the members, which may be material, as provided in the Notice of the ensuing Annual General Meeting.

RISK MANAGEMENT

The Board of Directors of the Company has formulated a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk reward trade off.

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.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness were observed.

SHARE CAPITAL

The Authorized Share Capital of the Company is ₹ 200,000,000/- (Rupees Twenty Crores) divided into 2,00,00,000 equity shares of ₹ 10/- each.

The paid up Equity Share Capital as on March 31, 2015 was ₹ 15,64,99,350/- divided into 1,56,49,935 equity shares of ₹ 10/- each.

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 Debentures) 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 Debentures) 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 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 has been furnished.

Disclosure 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

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

DEPOSITS FROM PUBLIC

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES:

Your Company has the following Subsidiaries as on the financial year ended March 31, 2015:

Sr. no.	Name of the Subsidiary	% of Holding
1	Galaxy Rain Restaurants Private Limited	Wholly owned Subsidiary
2	Rain Fruits and More Private Limited	72.19 %

The aforesaid subsidiaries are currently not operational. There has been no material change in the nature of the business of the subsidiaries. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 (Annexure – A) is attached to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL**Retirement by Rotation**

In accordance with the provisions of the Act, and the Articles of Association of the Company, Mr. Swapnil Kothari, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

The Board of Directors had appointed Mr. Sharad Rustagi as an Additional Director of the Company in the category of Independent Director with effect from August 11, 2015 and holds office up to the ensuing Annual General Meeting.

The Company has received a notice under Section 160 the Companies Act, 2013 from a member signifying the candidature of Mr. Sharad Rustagi for appointment as director of the Company.

During the year under review, Mr. Suman Lahiri resigned as the Manager of the Company with effect from November 30, 2014. The Board has placed on record its appreciation of the valuable services rendered by him as a Manager of the Company

Declarations by Independent Directors

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange.

The brief resume and other information as required under Clause 49 (VIII) (E) of the Listing Agreement relating to Mr. Swapnil Kothari and Mr. Sharad Rustagi, forms part of the Notice of ensuing Annual General Meeting.

AUDITORS AND AUDITORS' REPORT

M/s. S A R A & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditor's Report are self – explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

The Board has appointed Mr. Krishna Rathi, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-2015. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as 'Annexure B' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Meetings of the Board

Four (4) meetings of the Board were held during the year. For further details please refer to the corporate governance report, which forms part of Annual Report.

Audit Committee

The Audit Committee comprises Independent Directors namely, Mr. Rajneesh Agarwal, Ms. Uditia Jhunjhunwala and Mr. Sharad Rustagi. Mr. Swapnil Kothari, Non-Executive Director is another member of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination, Remuneration & Compensation Committee

The Nomination, Remuneration & Compensation Committee comprises of two (2) Independent Directors i.e. Mr. Rajneesh Agarwal, Ms. Uditia Jhunjhunwala and a Non-Executive Director, Mr. Swapnil Kothari.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of Mr. Rajneesh Agarwal, Mr. Sunil Biyani and Mr. Swapnil Kothari as members.

Vigil Mechanism

In compliance with the provisions of Section 177(9) the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism may be accessed on the Company's website.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements (Refer Page No. 47).

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of the Company (Refer Page No. 56).

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

The Nomination, Remuneration and Compensation Committee of the Board has formulated a Performance Evaluation Framework, under which the Committee has identified the criteria upon which every Director shall be evaluated. The Policy also provides the manner in which the Directors, as a collective unit in the form of Board Committees and the Board function and perform.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has, in compliance with Section 178 of the Companies Act, 2013 and on the recommendation of the Nomination, Remuneration & Compensation Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of the said policy are stated in the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2015 made under the provisions of Section 92 (3) of the Act is attached as 'Annexure C' which forms part of this Report.

LISTING

The equity shares of the Company are listed on the BSE Limited, Mumbai (BSE) and the listing fee for the year 2015-16 has been paid.

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure D'.

PARTICULARS OF EMPLOYEES

For the financial year under review, none of the employees of the Company fall under the revised ceiling limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel Rules, 2014 has been provided under 'Annexure E'.

REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors takes the opportunity to express their deep sense of gratitude to the bankers, government authorities, employees, customers, vendors and suppliers.

Your Director would also like to thank the Members for reposing their confidence and faith in the Company and its Management.

For and behalf of the Board of Directors

Sunil Biyani
(Director)
DIN: 00006583

Udita Jhunjunwala
(Director)
DIN: 00120951

Place: Mumbai
Date: August 11, 2015

Annexure "A"

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2
1.	Name of the subsidiary	Rain Fruits & More Private Limited	Galaxy Rain Restaurants Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
4.	Share capital	17,345,920	100,000
5.	Reserves & surplus	(37,871,042)	(384,249)
6.	Total assets	1,067,681	56,993
7.	Total Liabilities	21,592,803	341,242
8.	Investments	-	-
9.	Turnover	-	-
10.	Profit before taxation	(2,427,063)	(16,088)
11.	Provision for taxation	-	-
12.	Profit after taxation	(2,427,063)	(16,088)
13.	Proposed Dividend	-	-
14.	% of shareholding	72.19%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year. – Nil

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associate Companies /Joint Ventures	Nil
1. Latest audited Balance Sheet Date	-
2. Shares of Companies Associate/Joint Ventures held by the company on the year end	-
3. Amount of Investment in Associate Companies/Joint Venture	-
4. Extend of Holding%	-
5. Description of how there is significant influence	-
6. Reason why the associate Companies / joint venture is not consolidated	-
7. Net worth attributable to shareholding as per latest audited Balance Sheet	-
8. Profit/Loss for the year	
i. Considered in Consolidation	-
ii. Not Considered in Consolidation	-

- Names of associate Companies or joint ventures which are yet to commence operations. - NIL
- Names of associate Companies or joint ventures which have been liquidated or sold during the year - NIL

For and behalf of the Board of Directors

Sunil Biyani
(Director)
DIN: 00006583

Udita Jhunjunwala
(Director)
DIN: 00120951

Place: Mumbai
Date: August 11, 2015

**ANNEXURE "B" TO THE BOARD'S REPORT
SECRETARIAL AUDIT REPORT
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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 ENTERTAINMENT CORPORATION LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Galaxy Entertainment Corporation Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Galaxy Entertainment Corporation Limited for the financial year ended on 31st March, 2015 as given in the **Annexure**, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period);

- f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period);
- (vi) We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by "The Institute of Company Secretaries of India" (Had not been notified during the audit period, hence not applicable to the Company); and
 - (ii) The Listing Agreement entered into by the Company with Stock Exchange.

During the period under review the Company has, in our opinion, complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. Based on the representations made by the Officers of the Company, we have been given to understand that the Company has initiated the process of searching for Key Managerial Personnel pursuant to the requirements of Section 203 of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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.

We further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **KRISHNA RATHI & ASSOCIATES**
COMPANY SECRETARIES

Krishna S. Rathi
Proprietor
ACS No. 27903
C.P. No.10079

Place: Mumbai
Date: 29th July, 2015

**ANNEXURE "C" TO THE BOARD'S REPORT
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2015
[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	L51900MH1981PLC024988	
Registration Date	13/08/1981	
Name of the Company	Galaxy Entertainment Corporation Limited	
Category / Sub-Category of the Company	Company having Share Capital	
Address of the Registered Office and contact details.	3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai - 400 008. Tel. No: 022-66201456	
Whether Listed Company	Yes	
Name, address and contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel No.: 022-66568484 Email Id: csg-unit@tsrdarashaw.com	
II. Principal Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Entertainment & Leisure	90	53.31
Merchandise Trading	13	46.69

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
Galaxy Rain Restaurants Private Limited 3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai - 400008	U72100MH2000PTC125840	Wholly-Owned Subsidiary	100	2 (87)
Rain Fruits and More Private Limited 3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai - 400008	U15130MH2005PTC156326	Subsidiary	72.18	2 (87)

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

i. Category-wise Shareholding -

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	--	50,000	50,000	0.32	50,000	--	50,000	0.32	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	58,27,363	32,91,800	91,19,163	58.27	87,69,163	3,50,000	91,19,163	58.27	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(1)	58,27,363	33,41,800	91,69,163	58.59	88,19,163	3,50,000	91,69,163	58.59	--
2) Foreign									
a) NRI's- Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--

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	
e) Any Other	--	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	58,27,363	33,41,800	91,69,163	58.59	88,19,163	3,50,000	91,69,163	58.59	--
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Foreign Portfolio Investors	--	--	--	--	--	--	--	--	--
Sub-Total (B) (1)	--	--	--	--	--	--	--	--	--
2) Non - Institutions									
a) Bodies Corporate									
i. Indian	31,21,462	100	31,21,562	19.94	29,51,545	100	29,51,645	18.86	-1.09
ii. Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	16,38,566	42,166	16,80,732	10.74	18,90,495	42,166	19,32,661	12.35	1.61
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	16,60,478	18,000	16,78,478	10.73	13,94,348	18,000	14,12,348	9.02	-1.71
c) Others (specify)									
i. Non-Resident Indian (Repat)	--	--	--	--	87,460	--	87,460	0.56	0.56
ii. Non-Resident Indian (Non-Repat)	--	--	--	--	96,658	--	96,658	0.62	0.62
iii. Clearing Member	--	--	--	--	--	--	--	--	--
iv. Directors & Relative	--	--	--	--	--	--	--	--	--
v. Trusts	--	--	--	--	--	--	--	--	--
Sub-Total (B) (2)	64,20,506	60,266	64,80,772	41.41	64,20,506	60,266	64,80,772	41.41	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	64,20,506	60,266	64,80,772	41.41	64,20,506	60,266	64,80,772	41.41	-
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grant Total (A+B+C)	1,22,47,869	34,02,066	1,56,49,935	100.00	1,52,39,669	4,10,266	1,56,49,935	100.00	--

ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
Future Retail Limited	49,37,935	31.55	Nil	49,37,935	31.55	Nil	--
Bellona Finvest Ltd	36,86,491	23.56	Nil	36,86,491	23.56	Nil	--
Ashbee Investments & Finance Pvt Ltd	3,50,000	2.24	Nil	3,50,000	2.24	Nil	--
Senior Holding Pvt Ltd	97,237	0.62	Nil	97,237	0.62	Nil	--
Atul Ashok Ruia	50,000	0.32	Nil	50,000	0.32	Nil	--
Ashok Apparels Pvt Ltd	47,500	0.30	Nil	47,500	0.30	Nil	--
Total	91,69,163	58.59	0.00	91,69,163	58.59	0.00	--

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Number of Shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
At the beginning of the year	91,69,163	58.59	91,69,163	58.59
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	-----	-----	-----	-----
At the end of the year	91,69,163	58.59	91,69,163	58.59

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. Eclipse Trades Private Ltd.	10,29,432	6.58	10,29,432	6.58
2. Merlin Enclaves Private Ltd.	8,95,626	5.72	8,95,626	5.72
3. Sudha Commercial Company Limited	7,75,098	4.95	7,04,792	4.50
4. Shivanand Shankar Mankekar	3,24,302	2.07	3,24,302	2.07
5. Coppola Holdings Private Ltd.	1,24,255	0.79	1,24,255	0.79
6. Kedar Shivanand Mankekar	1,04,600	0.67	1,04,600	0.67
7. Rajesh V Dhanki	10,000	0.06	60,020	0.38
8. Naveen Kumar S Chadalavada	-	0.00	60,000	0.38
9. Rekha Jain	-	0.00	50,110	0.32
10. Parth Kaushik Mehta	50,000	0.32	50,000	0.32

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 –**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness (In Crores)
Indebtedness at the beginning of the financial year				
i. Principal Amount	9.41	4.91	-	14.32
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.09	-	-	0.09
Total (i + ii + iii)	9.50	4.91	-	14.41
Change in Indebtedness during the financial year				
i. Addition	5.00	-	-	5.00
ii. Reduction	1.98	2.13	-	4.11
Net Change	3.02	-2.13	-	0.89
Indebtedness at the end of the financial year				
i. Principal Amount	13.25	2.78	-	16.03
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.10	-	-	0.10
Total (i + ii + iii)	13.35	2.78	-	16.13

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
S. No	Particulars of Remuneration	Amount (₹ In Lakhs)	Total Amount (₹ In Lakhs)
	Gross Salary	-	-
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21,14,381	-
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
	Stock Options	-	-
	Sweat Equity	-	-
	Commission	-	-
	- as % of profit	-	-
	- as others specify	-	-
	Others , Please specify	-	-
	Total A	21,14,381	-

B. Remuneration to other Directors					
S. No	Particulars of Remuneration	Fee for attending board/committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	1. Rajneesh Agarwal	60,000	-	-	60,000
	2. Udit Jhunjhunwala	60,000	-	-	60,000
	Total (1)	1,20,000	-	-	1,20,000
2.	Other Non- Executive Directors				
	1. Sunil Biyani	40,000	-	-	40,000
	2. Swapnil Kothari	60,000	-	-	60,000
	Total (2)	1,00,000	-	-	1,00,000
	Total (B) = (1+2)	2,20,000	-	-	2,20,000
	Total Managerial Remuneration	23,34,381	-	-	23,34,381
	Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD		
Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary	-
	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	-
	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	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

ANNEXURE "D" 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

- a) Energy Conservation Measures Taken
- b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy, and
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Disclosure for (a) to (c): The operations of the Company do not involve high energy consumption. However the Company has been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- d) Particulars of Energy consumption etc in respect of specified industries.

The disclosure on particulars regarding consumption of energy etc are not applicable to the Company since industry to which the Company belongs is not covered under the schedule prescribed by the said Rules.

B. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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	Nil
a. Capital	
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

Technology absorption, adaptation and innovation:

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived as a result of the above efforts e.g. 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	93,891	30,515

ANNEXURE "E" 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 percentage increase in remuneration of key managerial personnel during the financial year 2014-15 and ratio of the remuneration of each Director/key managerial remuneration to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of KMP* and Designation	Remuneration of Director/ KMP for financial year 2014-15	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to MRE for Financial Year 2014-15
Nil	Nil	Nil	Nil

*Mr Suman Lahiri, Manager resigned from the services of the Company with effect from November 30, 2014 whose remuneration/months was ₹ 3,00,000/- per month (Gross)

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 10,733/-, previous period it was ₹ 10,070/-
- III. The increase in MRE in the financial year 2015, as compared to the financial period 2014 is 6.58%;
- IV. There are 87 permanent employees on the rolls of Company as on March 31, 2015;
- V. Relationship between average increase in remuneration and company performance: -

The total turnover of the Company has been increased by 14.51 % and the Profit before Tax has been decreased by 51.28% for the financial year ended March 31, 2015 as compared to the previous financial period, whereas the increase in median remuneration was 6.58%. The average increase in median remuneration was in line with the operation of the Company and general industry standards.

- VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP)	N.A
Revenue	
Remuneration of KMPs (as % of revenue)	
Profit before tax (PBT)	
Remuneration of KMP (as% of PBT)	

- VII. a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2015 was Rs.38.19 Crore (₹ 16.35 Crore as on March 31, 2014)
- b) Price Earnings ratio of Equity Shares of the Company was 0.09 as on March 31, 2015 and was 0.19 as on March 31, 2014.
- VIII. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2013-14 was in the range of 5-7% whereas there was no increase in the managerial remuneration for the same financial period.
- IX. The key parameters for the variable component of remuneration to KMP and/or Directors etc are not applicable.
- X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director: N.A.
- XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

For and behalf of the Board of Directors

Sunil Biyani
(Director)
DIN: 00006583

Udita Jhunjunwala
(Director)
DIN: 00120951

Place: Mumbai
Date: August 11, 2015

The Equity shares of the Company have been listed on the BSE Limited. In accordance with Clause 49 of the Listing Agreement on Corporate Governance (Clause 49) with the BSE Limited (BSE), the report containing the details of corporate governance systems and processes at Galaxy Entertainment Corporation Limited are as under:

I. Corporate Governance Philosophy

The Company firmly believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, customers, vendors and society at large.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders.

II. Board of Directors

A. Composition and category of Board

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business & industry, finance, law and management. Your Company's policy is to maintain optimum combination of executive, non executive and woman directors in compliance with the requirements of Clause 49 (I) (A) of the Listing Agreement and Section 149 of Companies Act, 2013.

As on the date of this report, the strength of the Board of Directors is Four (4) out of which two are Independent Directors. Composition of the Board and category of the Directors is as below. The Chairman of your Company is Non-Executive, Independent Director.

Sr. no.	Name of the Director	DIN	Category
1.	Mr. Rajneesh Agarwal	01273010	Non- Executive Chairman and Independent Director
2.	Ms. Udita Jhunjhunwala	00120951	Independent Director
3.	Mr. Sunil Biyani	00006583	Non-Executive Director
4.	Mr. Swapnil Kothari	05235636	Non Executive Director
5.	Mr. Sharad Rustagi*	07232913	Independent Director

* Mr. Sharad Rustagi was appointed with effect from August 11, 2015 on the Board of Directors of the Company.

B. Board Meetings

The Board of Directors met Four (4) times during the year ended March 31, 2015. The dates on which the Board Meetings were held during the year are as follows:

i)	May 28, 2014	ii)	August 11, 2014
iii)	November 13, 2014	iv)	February 7, 2015

The provisions relating to the time period between two Board meetings not exceeding 4 months have been complied. The necessary quorum was present for all the meetings. None of the non-executive directors have any pecuniary relationship or transaction with the company.

During the year 2014-15, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration and review.

C. Directors' attendance record and other Directorships held

The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting held during the year, the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2015 are given herein below.

Name of Director	Position	Meetings held during the year	Meetings attended	Whether attended last AGM	Number of Directorship of other public companies (excluding private limited companies, foreign companies and Section 8 companies) to be checked from MBP-1	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman / Chairpeson	Member	
Mr. Rajneesh Agarwal	Independent Director	4	4	Yes	-	Nil	Nil	None
Ms. Udita Jhujhunwala	Independent Director	4	4	Yes	1	Nil	Nil	None
Mr. Swapnil Kothari	Non-Executive Director	4	4	Yes	2	2	3	None
Mr. Sunil Biyani	Non-Executive Director	4	4	Yes	2	Nil	2	None
Mr. Sharad Rustagi	Independent Director	-	-	No	-	Nil	Nil	None

Notes:

- Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India.
- None of the Directors is a Member of the Board of more than 10 Limited Companies in terms of Section 165 of the Companies Act, 2013; Member of more than 10 committees and Chairman of more than 5 committees, across all the companies in which he/she is a director.
- In accordance with Clause 49, Membership/Chairmanship of only Audit Committees and Shareholder's/Investor's Grievance Committees of 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. Attendance of Directors includes participation in the meeting(s) through video conference.

Details of Directors seeking appointment at the forthcoming Annual General Meeting**Mr. Swapnil Kothari : Non-Executive Director**

Mr. Swapnil Kothari is an International Corporate Lawyer with a degree of L.L.M (International & Comparative Law) from Georgetown since 1995. He is admitted as an Advocate in Mumbai and as a Solicitor in England and Wales. He has been practicing in the areas of Banking Law, Property Law, Project Finance, Joint Ventures and Mergers & Acquisitions including litigation/arbitration, IT related matters and high profile NRI investments. He has worked with Slaughter And May, London and Jones Day which are premier international law firms with Fortune 500 companies and other major international conglomerates as its clients – Barclays Bank PLC, ABN AMRO, Detroit Edison, Harman International, JP Morgan Securities Asia, Toyota to name a few. Also, he was associated with Amarchand & Mangaldas, Mumbai for two years. He started his own corporate practice in Mumbai in 2001.

Mr. Sharad Rustagi: Independent Director

Mr. Sharad Rustagi is a qualified Chartered Accountant from ICAI and Company Secretary from ICSI. Prior to joining as an Associate Partner in the firm R. Devendra Kumar Associates and Shambhu Gupta & Co, he worked at senior positions in leading firms like Mahajan & Aibara, Protiviti Consulting (erstwhile Arthur Anderson) and Price Waterhouse Coopers. He almost spent 11 years into Risk and Management Assurance practice with strong working background and enriched knowledge into areas like Risk based internal audits, Operational Audits, Business process manuals, Sox Compliance Advisory, Due diligence reviews, System reviews, etc. He has handled a large range of clients across several industrial sectors.

None of the Directors above holds any shares in the Company.

As mandated under Clause 49, the Independent Directors on the Board:

- don't have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been executive of the Company in the immediately preceding three financial years.
- are not partners or executives or were not partners or executives during the preceding three years of the:
 - (i) Statutory audit firm or the internal audit firm that is associated with the Company.
 - (ii) Legal firm (s) and consulting firm(s) that have a material association with the Company
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director
- are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares
- are not less than 21 years of age

D. Code of Conduct

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company's website www.thegalaxycorp.com. The code has been circulated to all the members of the Board and senior management and the compliance of the same have been affirmed by them. There are no commercial or material financial transactions, with the senior management personnel, where there is a personnel interest that may have in a potential conflict with the interest of the Company at large.

E. Remuneration Paid or Payable to Director

Details of the remuneration paid / payable to the Directors for the financial year 2014-15 is as below:

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	40,000	-	40,000
Rajneesh Agarwal	60,000	-	60,000
Udita Jhunjhunwala	60,000	-	60,000
Swapnil Kothari	60,000	-	60,000

Notes:

Sitting fees include payment to the Directors for attending meetings of Board and Audit Committee.

Service Tax is not included

III. Board Committees

The Company has Three (3) Board level Committees: Audit Committee, Stakeholders Relationship Committee and Nomination, Remuneration and Compensation Committee. 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:

• Audit Committee

The composition, role and power of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement entered into with Stock Exchange as well as Section 177 of the Companies Act, 2013.

A. Audit Committee

- i. As on March 31, 2015, the Committee comprises of three non-executive directors out of which two are independent. All the members of the Audit Committee have good knowledge of finance, accounts and corporate law. Mr. Rajneesh Agarwal, the Chairman of the Audit Committee is an eminent Chartered Accountant and has expertise in the accounting and financial management domain.

- ii. During the Financial year 2014-15, 4 (four) Audit Committee Meetings were held on May 28, 2014, August 11, 2014, November 13, 2014 and February 7, 2015. The composition of the Audit Committee during the year ended March 31, 2015 and the number of meetings attended were as under:

Name of the Committee Members	Designation	Meetings Attended
Mr. Rajnesh Agarwal	Chairman	4
Mr. Swapnil Kothari	Member	4
Ms. Udita Jhunjhunwala	Member	4
Mr. Sharad Rustagi*	Member	-

- iii. The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Statutory Auditors and Internal Auditors are also invited to attend these meetings.

Notes:

- The members of the Audit Committee are paid sitting fees of ₹ 5,000/- for every meeting of the Committee attended by them. The Chairman of the Committee is Mr. Rajneesh Agarwal, an Independent Director of the Company. The terms of reference of the Audit Committee is in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as Section 177 of the Companies Act, 2013.
- The previous Annual General Meeting (AGM) of the Company was held on September 18, 2014 and was attended by Mr. Rajneesh Agarwal, Chairman of the Audit Committee.
- * Mr. Sharad Rustagi was appointed as a member of the Audit Committee with effect from August 11, 2015

Terms and Reference of the Audit Committee

The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(II)(D) and (E) of the listing agreement and applicable sections of the Act as follows:

- a) Hold discussions with the Auditors periodically about internal control systems, the scope of audit including the observations and review of the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- b) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- c) Recommending to the board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- d) Approve payment for any other services rendered by the statutory auditors.
- e) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement is included in the Board's Report in terms of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries 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.
 - Qualifications in the draft Audit Report.
- f) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- g) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- h) 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.
- i) Discussion with Internal Auditors on any significant findings and follow up there on.
- j) 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.
- k) 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.
- l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.
- m) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

B. Nomination, Remuneration and Compensation Committee

Composition:

Presently, the Committee comprises of three members. The composition of the Nomination, Remuneration & Compensation Committee as on 31st March, 2015 is as under:

Name of the Committee Members	Designation
Mr. Rajneesh Agarwal	Chairman
Ms. Uditia Jhunjhunwala	Member
Mr. Swapnil Kothari	Member

One meeting of Nomination, Remuneration and Compensation Committee was held on February 7, 2015 during the financial year 2014-15.

No sitting fee is paid to the members of the Nomination, Remuneration and Compensation Committee.

Terms of Reference of Nomination, Remuneration & Compensation Committee

The Committee determines, reviews and recommends managerial remuneration in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company’s employees vis-à-vis other companies and industry in general. The policy formulated by the Board is in compliance of the provision of the Section 178 of the Companies Act, 2013.

C. Shareholder’s / Investor’s Grievance Committee

The Shareholder’s/Investor’s Grievance Committee has been constituted to look into investor’s complaints like transfer of shares, non-receipt of declared dividends, etc. and take necessary steps for redressal thereof. The Committee is a Board level committee under the Chairmanship of Mr. Rajneesh Agarwal, a Non-Executive Director.

There were no meetings of Shareholder’s/Investor’s Grievance Committee Meeting held during the financial year 2014-15. The present composition of the Shareholders/Investors’ Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation
Mr. Rajneesh Agarwal	Chairman
Mr. Sunil Biyani	Member
Mr. Swapnil Kothari	Member

During the year under review, Mr. Vikas Kedia was appointed as the Compliance Officer of the Company.

During the year 2014-15, the Company has not received any complaints from shareholders/ investors. There were no complaints pending as at end of the year.

Shares received for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects. The Shareholder’s/Investor’s Grievance Committee of the Company meets as and when required.

D. Subsidiary Monitoring Frame Work

As on March 31, 2015, it has Two (2) subsidiary companies. The subsidiary companies are currently not operational. There has been no material change in the nature of the business of the subsidiaries and hence they are not considered as material subsidiaries.

E. Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations 1992, read with relevant provisions of the Companies Act, a comprehensive code for prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company’s shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code.

F. Independent Directors’ Meeting

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015 and all the Independent Directors were present at the meeting.

Performance evaluation of Independent Directors

- a. The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

- b. The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.
- c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
- d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

IV. General Body Meeting

The Company convenes Annual General Meeting (AGM) within the stipulated time period. The details of the Special Resolutions passed at in the previous three AGM are given below:

a. Details of the Special Resolutions passed at in the previous three Annual General Meeting:

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2011-2012	Friday, September 28, 2012 at 11:30 A.M.	Kohinoor Hall, 3 rd Floor, Kohinoor Corner, Opp. Siddhivinayak Mandir, Veer Sawarkar Marg, Prabhadevi, Mumbai – 400 025.	None
2012-13	Friday, September 27, 2013 at 1:00 P.M.	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018	Appointment of Mr. Suman Lahiri as a Manager for period of 3 years w.e.f. 1 st August, 2013
2013-14	Thursday September 18, 2014 at 1.30 P.M.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018.	None

b. Details of Special Resolutions passed at the Extraordinary General Meetings for the last 3 years.

No extra ordinary general meeting of the company was held during the last 3 (three) years.

- c. The Company has not passed any special resolutions through postal ballot pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (Passing of the Resolution by Postal Ballot) Rules 2001.

V. Additional Shareholders Disclosure/ information

- a. During the financial year 2014-15, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- b. The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or structure have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.
- c. At present, the Equity Shares of the Company are listed on the BSE Limited (BSE). The Annual Listing fees for the year 2015-16 have been paid to BSE.
- d. The Company has paid custodial fees for the year 2014-15 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.
- e. During the year under review, Mr. Vikas Kedia has been appointed as the Compliance Officer of the Company with effect from May 29, 2015.
- f. There is no outstanding GDR/ADR/Warrants or any convertible instruments as on the date of this report.

VI. Means of Communication:

- a) Financial Results were published in newspapers, viz., Business Standard and Mumbai Lakshadweep.
The Company has its own web site and all vital information relating to the Company and its products etc. have been uploaded on the web site for the benefit of the public at large. Company's web site address is www.thegalaxycorp.com
- b) Management Discussion and Analysis forms part of the Annual Report.

VII. General Shareholders information:

a. Annual General Meeting

- i. AGM Date : September 29, 2015
- ii. Time & Venue : 1.30 P.M, Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018.

b. Financial Year : 1st April to 31st March

c. Book Closure : September 25, 2015 to September 29, 2015

d. Financial Calendar (tentative):

First Quarterly Result	:	on or before 14 th August
Second Quarterly Result	:	on or before 14 th November
Third Quarterly Result	:	on or before 14 th February
Financial year ending	:	on or before 30 th May

e. Listing on Stock Exchanges

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code: 506186

f. CIN : L51900MH1981PLC024988

g. Stock Market Data

High, lows and Volumes of GECL from April 1, 2014 to March 31, 2015 at BSE.

Month	BSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2014	14.73	9.50	54,758
May 2014	24.77	14.60	1,72,650
June 2014	36.90	25.25	2,22,148
July 2014	42.70	33.80	3,68,645
August 2014	48.30	29.45	1,57,695
September 2014	38.40	27.10	2,50,363
October 2014	48.15	27.65	4,13,811
November 2014	56.80	41.45	1,36,364
December 2014	42.25	32.00	2,03,411
January 2015	43.85	30.50	2,01,364
February 2015	38.00	29.50	1,62,858
March 2015	33.75	22.00	2,45,391

h. 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, 2015 is as below:

i. Distribution of shareholding as on March 31, 2015

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	469,587	3.00	2,875	75.80
501 – 1000	333,517	2.13	399	10.52
1001 – 2000	358,390	2.29	238	6.27
2001 – 3000	213,626	1.37	82	2.16
3001 – 4000	139,723	0.89	39	1.03
4001 – 5000	143,519	0.92	30	0.79
5001 – 10000	451,016	2.88	64	1.69
Greater than 10000	13,540,557	86.52	66	1.74
Total	15,649,935	100.00	3,793	100.00

ii. Shareholding pattern by ownership as on March 31, 2015

Categories	As on March 31, 2015	
	No. of Shares	Percentage
Promoters, Directors, Relatives and Associates	9,169,163	58.59
Foreign Institutional Investor/ Mutual Funds	-	-
Public Financial Institutions / State Financial Corporation / Insurance Companies	-	-
Mutual Funds (Indian) and UTI	-	-

Nationalized and other Banks	-	-
NRI / OCBs	3,135,763	20.04
Public	3,345,009	21.37
Others (CBP/CM)	-	-
Total	15,649,935	100.00

i. Dematerialization of Shares

As on March 31, 2015, 1,52,39,669 Equity Shares representing 97.38% 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, 2015, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	4,10,266	2.62
Demat Segment	-	-
NSDL	1,05,82,374	67.62
CSDL	46,57,295	29.76
Total	1,56,49,935	100.00

Physical Shares are transferred at the office of M/s. **TSR Darashaw Limited** 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011, the Registrar & Transfer Agent of the Company. Any query or complaint may be referred to the said address.

j. Share Transfer system:

Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. They Processed and returned to shareholders within 10- 15 days from the date of receipt.

Shares held in the dematerialized form are electronically traded in the Depository and the Registrar and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records for sending all corporate communications, dividend warrants, etc.

Physical shares received for dematerialisation are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

k. Address for correspondence:

i. Any Query on Annual Report:

M/s Galaxy Entertainment Corporation Limited

3rd Floor, Block A,
Orchid City Center Mall,
225, Bellasis Road,
Mumbai - 400 008.
Phone: 022 66201456
Fax: 022 66201462
Email id for investors: investors@thegalaxycorp.com

ii. Shareholders correspondence should be addressed to:

M/s **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

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

VIII. Compliance on Clause 49 of the Listing Agreement

In so far as compliance with the requirements of Clause 49 of the listing Agreement with the stock exchanges for the year ended March 31, 2015, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report. The Company has not adopted any non mandatory requirements suggested under the Corporate Governance. The Statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

Galaxy Entertainment Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Galaxy Entertainment Corporation Limited ("the Company") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

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

For Krishna Rathi & Associates

Company Secretaries

Sd/-

Krishna S. Rathi

Proprietor

CP No.:10079

Place: Mumbai

Date: August 11, 2015

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the BSE Limited, I hereby declared that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Sd/-

Sunil Biyani

Director

Place: Mumbai

Date: August 11, 2015

Overview of the Indian Economy:

During the fiscal, India's GDP growth forecast was around 7.4% and is expected to grow at around 8.1% in 2015-16 as said by UN Report, benefitting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and monetary easing and gradual improvements in market sentiments. The International Monetary Fund (IMF) and the World Bank have projected India's growth at 7.5% for the current fiscal where as Reserve Bank of India forecasted the same at 7.8%.

Overall, there could be greater opportunities for businesses across all sectors.

The Food Service Industry:

The Food & Beverage service market is worth ₹ 2,04,438 Crores and is expected to reach ₹ 3,80,000 Crores by 2017. The Indian economy is expected to add another trillion dollars to its GDP in next 5-6 years, enabling per capita CAGR of 12%. The resultant income growth would lead to rise of middle class customers.

Business Environment:

The food service in food courts and restaurants allow customers to experience food that is aesthetically cooked and appealingly presented with ample food portions. An industry as big as the food service provides large direct and indirect employment opportunities and generates revenue for the Government.

Competitive Positioning:

SBX: The Company continues to enjoy the premium brand equity with SBX, as the expansion plan is on track and efforts to innovate and delight consumers continue. The Company continues to focus on increasing its reach geographically and tapping new areas with high potential.

Food Stop: The Food courts still play the role of mini anchor tenant in a mall. As shopping malls evolved, so did food courts. The latest designs are geared towards entertainment, relaxation and leisurely dining. As a result, people of all age now go to malls specifically for what food courts offer. Out of the total spend of any family shopping basket, the total spending on eating out has gone up significantly.

Cos: To address the ever changing consumer demand and also to keep up with the fast evolving technology the company has started the process of rebranding all the gaming zone and getting new gaming machines which adopts the current technology and appeals to the target group.

Opportunities:

Increase in the Standard of Living: With the high standard of living and the change in the lifestyle of people, more and more consumers are patronizing various restaurants. Restaurants have evolved as places for social gatherings and outings resulting in good opportunities given the evolving dining culture.

Consumer Awareness: With an increase in the number of Indians going abroad and the flurry in domestic tourism, Indian have enjoyed global experiences and cuisines from across the world. Resultantly, Fine Dining restaurants are preferred as they offer better ambience, service and presentation, often on par with global standards.

Disposable Income of the Young Working population: With the young population in the urban areas now having access to large sums of disposable wealth and the advent of the many cuisines, the food trend has shifted from traditional food to upbeat cuisines of the world.

Changing consumer lifestyles: Preferences with an increasing number of women in the workforce, increase in double income households, rising disposable income, growth in nuclear families particularly in urban India, increasing urbanization and higher frequency of eating out, exposure to global media and cuisine, mall and the multiplex boom have all fuelled the growth of the dining business in India.

Challenges:

Rising Food Costs: Food price inflation is a key factor affecting the food services market in India, and is impacted by irregular monsoons and unfavorable demand-supply conditions. It keeps fluctuating and while it affects consumer indulgence across all formats, it also hits the margins realized by players.

Across all food services formats, food costs (raw materials) account for 30-35% of the revenue. The perpetual rise in food costs narrows the players' margins, compelling them to increase menu prices. This in turn accentuates the challenge of retaining customers who are already value-conscious and tend to evaluate all available eating out options carefully.

Fragmented Market, Increasing Competition: The Indian food services market has many small and mid-size unorganized players competing with large chain players. This fragmented market reflects a number of challenges, including the unclear format segmentation, varied consumer options for eating out, and the lack of best practices for food services outlets. There are a number of players who offer products that are more or less similar, at competitive prices. No single player leads the market; and also low consumer loyalty exists.

Shortage of Quality Staff, High Attrition and Increasing Labor Cost: The Indian hospitality industry is highly labor-intensive, but the availability of trained chefs, managerial staff and other support staff is low. According to a study by the Ministry of Tourism, the current supply of skilled/professionally trained manpower is estimated to be ~9% of the

total manpower requirement. Given this shortfall of quality manpower and the industry's high attrition rate of 20-25%, the cost of labor is high. To bridge the demand and supply gap, currently players are hiring in huge numbers and increasingly investing in in-house training programs.

High real estate and labor costs impacting store profitability: For over a decade, India has been experiencing an escalation in real estate prices amplified by increasing demand and the availability of easy credit. For food services outlets, real estate (rentals) is the second major cost component after raw materials and accounts for ~12-15% and sometimes even 20% of total revenues.

Liquor Sourcing / Long gestation period / Huge and recurring Licensing fees: Every player offering alcoholic beverages has to obtain a series of licenses to sell alcohol, and also adhere to the prescribed permitted hours, eligible age limit, etc. It takes anywhere between 1 month to 1 year to get a liquor license, with additional paperwork, and approvals from multiple departments, adding to the latency.

High tax burden: Many indirect taxes like customs duties, excise permits, and additional fees like government education tax are levied on imports and especially on the import of alcohol. In addition, interest is also payable. For example, a 150% tariff is levied on imported wine upon which the federal government imposes an Extra Additional Duty (EAD) of 4%.

Over- Licensing: In India, obtaining the requisite licenses, e.g. health license, food safety license, police license, No Objection Certificate (NOC), from the fire department and the state pollution control board, etc. is a major obstacle hindering the smooth operations of a restaurant. The process is not centralized as yet and requires filing applications with individual stakeholders, which involves a lot of paperwork and is a time-consuming activity. The licenses required to start a restaurant are the same throughout India, except in some states like Maharashtra. A player needs approximately 12-15 licenses just to open a restaurant each from a government department. In comparison, the licensing requirements internationally are not as intricate as shown below.

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

Financial performance and out look

Total Income: The Company achieved total revenue of ₹ 4548.42 Lacs during the financial year ended March 31, 2015.

Profit/Loss after Tax: The Company recorded profit of ₹ 14.39 Lacs for financial year ended March 31, 2015.

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 may 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.

Internal Control Systems and their Adequacy: At GECL, 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.

Human Resources:

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, 2015 stood at 87.

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; 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.

**TO THE MEMBERS OF
GALAXY ENTERTAINMENT CORPORATION LIMITED
REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Galaxy Entertainment Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the 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 March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

For S A R A & Associates

Chartered Accountants
Firm Regn No: 120927W

Alok Bairagra

Partner
Membership No: 105153

Place: Mumbai
Date: 29/05/2015

THE ANNEXURE REFERRED TO IN OUR INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

- (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.
- (ii) a. As explained to us, inventory consisting of consumables and supplies has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there exist no weakness in internal control system and commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have observed no continuing failures and weakness in internal control system of the company.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from the public.
- (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 on the basis of our examination of the records of the Company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us, the disputed dues in respect of the following have not been deposited as the matters are pending before the respective appellate authorities:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax Act	Sales Tax	16,68,316	F.Y. 2003-04	Sales Tax Commissioner
Maharashtra Sales Tax Act	Sales Tax	74,92,720	F.Y. 2008-09	Sales Tax Commissioner
Income Tax Act	Income Tax	33,56,688	A.Y. 2009-10	ITAT
Bangalore Sales Tax Act	Entertainment Tax	20,04,648	November 2006 to August 2007	Sales Tax

- c. In our opinion and according to information and explanation given to us, there are no amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under. Therefore paragraph 3(vii) (c) of the Order is not applicable.
- (viii) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further, the company has not incurred cash losses in the current financial year and in preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to banks.
- (x) According to the information and explanations given to us, during the year the company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, paragraph 3(x) of the Order is not applicable.
- (xi) In our opinion and according to the information and explanations given to us, the term loan taken by the company has been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For S A R A & Associates

Chartered Accountants
Firm Regn No: 120927W

Alok Bairagra

Partner
Membership No: 105153

Place: Mumbai
Date: 29/05/2015

Balance Sheet

Annual Report 2014-2015

as at March 31, 2015

(Amount in ₹)

	Note No.	As at 31.03.2015	As at 31.03.2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	156,499,350	156,499,350
(b) Reserves & Surplus	4	(148,191,430)	(149,280,992)
		8,307,920	7,218,358
2 Share Application Money Pending Allotment			
		-	-
3 Non-Current Liabilities			
(a) Long Term Borrowings	5	95,252,000	47,519,090
(b) Deferred Tax Liabilities (Refer Note No. 34)		-	-
(c) Other Long Term Liabilities	6	27,779,074	27,862,406
(d) Long Term Provisions	7	1,636,002	784,604
		124,667,076	76,166,100
4 Current Liabilities			
(a) Short Term Borrowings	8	17,115,087	30,134,162
(b) Trade Payables	9	95,594,870	111,535,864
(c) Other Current Liabilities	10	92,455,010	293,512,307
(d) Short Term Provisions	11	273,406	151,848
		205,438,374	435,334,181
Total		338,413,369	518,718,638
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	272,696,544	197,316,368
(ii) Intangible Assets	13	195,354	167,125
(iii) Capital Work-in-Progress		-	45,453,675
(b) Non Current Investments	14	-	63,000
(c) Deferred Tax Assets (Refer Note No. 34)		-	-
(d) Long Term Loans and Advances	15	16,558,969	21,163,421
(e) Other Non Current Assets	16	17,809,115	15,275,760
		307,259,982	279,439,349
2 Current Assets			
(a) Inventories	17	2,544,889	3,136,877
(b) Trade Receivables	18	11,178,693	175,582,125
(c) Cash and cash equivalents	19	1,035,029	5,427,330
(d) Short Term Loans and Advances	15	14,989,158	52,990,157
(e) Other Current Assets	20	1,405,617	2,142,799
		31,153,387	239,279,289
Total		338,413,369	518,718,638
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 42		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place: Mumbai
Dated: May 29, 2015

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

Statement of Profit and Loss

for the year ended March 31, 2015

Annual Report 2014-2015

(Amount in ₹)

Particulars	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
I REVENUE			
(a) Revenue From Operations	21	405,567,082	352,860,697
(b) Other Income	22	49,274,665	44,359,931
Total Revenue		454,841,747	397,220,628
II EXPENSES			
(a) Cost of Materials Consumed	23	261,338,250	226,754,470
(b) Employee Benefits Expense	24	34,422,326	28,387,649
(c) Finance Costs	25	11,408,549	7,715,791
(d) Depreciation and Amortisation Expense	26	26,457,265	47,286,097
(e) Other Expenses	27	119,776,754	84,122,350
Total Expenses		453,403,144	394,266,357
Profit before exceptional items and tax		1,438,603	2,954,271
Add : Exceptional Items		-	-
Profit before tax		1,438,603	2,954,271
Tax Expenses		-	-
Profit /(Loss) for the year		1,438,603	2,954,271
Earnings per Equity Share (₹)			
Basic and Diluted - Par Value of ₹ 10/- per share	36	0.09	0.19
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 42		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place: Mumbai
Dated: May 29, 2015

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

Cash Flow Statement

for the year ended March 31, 2015

Annual Report 2014-2015

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
A. Cash Flow arising from Operation Activities :		
Profit before Exceptional Items and Tax as per Statement of Profit & Loss	1,438,603	2,954,271
Add / (Deduct):		
Depreciation and Amortisation Expense	26,457,266	47,286,097
Interest Income	(3,977,275)	(1,357,161)
Profit on Sale of Fixed Assets	(866,004)	-
(Gain) / Loss on Foreign Exchange Fluctuation	(3,425,572)	735,148
Interest Expenses	11,408,549	7,715,791
Prov. for Dimunation in Inv. in Subsidiaries	2,463,370	-
Other Non-cash charges	1,252,587	-
Sundry Balance Written Off	(40,380,547)	(43,002,770)
Operating Cash Profit before Working Capital Changes	(5,629,023)	14,331,376
Add / (Deduct):		
(Increase) / Decrease in Trade payables	27,865,125	89,513,612
Increase / (Decrease) in Other Current Liabilities	(202,935,152)	98,849,370
Increase / (Decrease) in Other long-Term Liabilities	(83,332)	27,223,518
Increase / (Decrease) in Provisions	(1,427,414)	(77,203)
(Increase) / Decrease in Inventories	591,988	(49,790)
(Increase) / Decrease in Trade receivables	164,403,432	(5,799,002)
(Increase) / Decrease in loans and advances	41,529,492	(46,831,393)
Increase / (Decrease) in Current & Non-Current Assets	(1,796,172)	(4,476,497)
Cash Flow from Operations	22,518,944	172,683,991
Deduct:		
Direct Tax (Net)	(1,075,959)	(857,877)
Net Cash Inflow in The Course Of Operating Activites	23,594,903	173,541,868
B. Cash Flow arising from Investment Activities :		
(Decrease)/Increase in Fixed Asset (including Capital Work in Progress)	(56,809,766)	(70,903,025)
Sales of Fixed Assets	1,540,000	-
Interest received	3,977,275	1,357,161
Net Cash Inflow / (Outflow) in the course of Investing Activities	(51,292,491)	(69,545,864)

Cash Flow Statement

Annual Report 2014-2015

for the year ended March 31, 2015

C. Cash Flow arising from Financing Activities :

Proceeds from / (Repayment of) Long Term Loans	34,713,835	(92,368,837)
Interest Expenses	(11,408,549)	(7,715,791)
Net Cash Inflow / (Outflow) in the course of Financing Activities	<u>23,305,286</u>	<u>(100,084,628)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(4,392,302)	3,911,376
Opening Balance of Cash and Cash Equivalents	5,427,331	1,515,954
Closing Balance of Cash and Cash Equivalents	<u>1,035,029</u>	<u>5,427,330</u>
Cash and cash equivalents comprise of :		
Cash & Bank Balances Note No. 19	1,035,029	5,427,330
Total	<u>1,035,029</u>	<u>5,427,330</u>

Notes:

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006
2. The Cash flows from operating, investing and financing activities of the company are segregated based on available information including taxes paid relating to this activities.
3. Previous year's figures are regrouped, where necessary, to confirm the current year's classification

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place: Mumbai
Dated: May 29, 2015

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2015**1) CORPORATE INFORMATION**

Galaxy Entertainment Corporation Limited (referred to as "GECL" or "the Company") was incorporated on August 13, 1981. It operates leisure and entertainment centers across the country.

As at the balance sheet date it has 14 centers offering a variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court, etc. Further, during the year 2014-15, the company has undertaken trading activity in fabrics and electrical goods.

2) SIGNIFICANT ACCOUNTING POLICIES**a. Basis for Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

b. Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. The differences between actual and estimates are recognized in the period in which results are crystallized.

c. Fixed Assets**Tangible Assets**

Tangible assets are stated at cost of net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation has been fully charged on assets whose actual cost does not exceed ` 5,000.

Improvements to leasehold premises are amortized over the period of the lease.

Intangible Asset

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

d. Depreciation / Amortisation**Tangible**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Intangible

Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use.

e. Capital Work in Progress:

Expenditure during set-up of a new unit period including development cost incurred on the projects under implementation are treated as pre-operative expenses and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

f. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Reversal of impairment loss is recognized immediately as income in the statement of Profit and Loss.

g. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

h. Inventories

Inventories representing restaurant supplies, consumables and redemption items are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

i. Revenue recognition

(i) The Company's revenues from leisure and entertainment services primarily include income from bowling, pool and video games, restaurant services and sponsorship contracts. Revenues are recognized when the services are rendered and when no significant uncertainty as to measurement or collectibles exists.

Customers visiting the Company's leisure and entertainment centre and restaurants avail the facilities against payment in cash or by credit card. The Company also enables corporate entities to host private parties at its centres, for a negotiated price, which is billed to customers on completion of the event.

(ii) Sale of Goods: sales are recognised at net of returns and trade discounts, sales tax and VAT on dispatch of goods to customers.

(iii) Dividend income is accounted for when the right to receive dividend is established.

(iv) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable rate.

J. Retirement and other employee benefits

Retirement benefits to employees comprise of provident fund contributions, gratuity and leave encashment entitlements. Contribution to provident fund is made in accordance with the statute and provided on accrual basis. Gratuity and leave encashment liabilities are provided for, according to the rules of these benefit schemes, on the basis of actuarial valuation done at the year-end by independent actuaries using the Projected Unit Credit Method. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

K. Taxes on income

Income-tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

The deferred tax asset and/or deferred tax liability; is calculated by applying the applicable tax rate as at Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the managements' assessment of virtual certainty of its realization, deferred tax adjustment on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realization. At each balance sheet date, carrying amount of deferred asset/liability is reviewed and the necessary adjustment to asset or liability is made.

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I. Foreign Currency Transactions

All transactions in foreign currency are recognized at the prevailing exchange rates on the dates when the relevant transaction takes place.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

m. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average numbers of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for the events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and highly liquid short-term investments with an original maturity period of three months or less.

p. Borrowing Costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and other borrowing cost are charged to Statement of Profit and loss. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

q. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(Amount in ₹)

	As at 31.03.2015	As at 31.03.2014
3. SHARE CAPITAL		
Authorised Share Capital		
20,000,000 Equity Shares of ₹ 10/- each (Previous Year 20,000,000 Equity Shares)	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up		
15,649,935 Equity Shares of ₹ 10/- each fully paid-up (Previous Year 15,649,935 Equity Shares)	156,499,350	156,499,350
Total Issued, Subscribed and Fully Paid-up Share Capital	<u>156,499,350</u>	<u>156,499,350</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,649,935	156,499,350	15,649,935	156,499,350
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,649,935	156,499,350	15,649,935	156,499,350

b. Terms/rights attached to the Equity Shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c. Details of the shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Retail Ltd.	4,937,935	31.55	4,937,935	31.55
Bellona Finvest Limited	3,686,491	23.56	3,686,491	23.56
Eclipse Trade Pvt. Ltd.	1,029,432	6.58	1,029,432	6.58
Merlin Enclaves pvt. Ltd.	895,626	5.72	895,626	5.72

	As at 31.03.2015	(Amount in ₹) As at 31.03.2014
4. Reserves & Surplus		
Securities Premium account		
Balance as at the beginning of the year	318,497,460	318,497,460
Add : Addition during the year	-	-
	<u>318,497,460</u>	<u>318,497,460</u>
Less : Deduction during the year	-	-
Balance as at the end of the year	<u>318,497,460</u>	<u>318,497,460</u>
General Reserve		
Balance as at the beginning of the year	18,062,972	18,062,972
Add: Amount transferred from surplus in statement of Profit and Loss	-	-
	<u>18,062,972</u>	<u>18,062,972</u>
Less: Adjustment	-	-
Balance as at the end of the year	<u>18,062,972</u>	<u>18,062,972</u>
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(485,841,424)	(488,795,696)
Profit/(Loss) for the year	1,438,603	2,954,271
Less: Appropriations	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Adjustment related to Fixed Assets (Refer Note No. 12)	(349,041)	-
Transfer to General Reserve	-	-
Balance as at the end of the year	<u>(484,751,862)</u>	<u>(485,841,424)</u>
Total Reserves and Surplus	<u>(148,191,430)</u>	<u>(149,280,992)</u>
5. Long Term Borrowings		
Secured		
Term Loan from Banks	95,252,000	47,519,090
Total	<u>95,252,000</u>	<u>47,519,090</u>
<p>(₹ 21,117,293 is payable annually in four quarterly equal installment and interest rate is between 13% and 13.25.% p.a) (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company , Corporate guarantee by Future Retail Ltd. and personal guarantee of one of the Promoters)</p> <p>(Current maturities of Long Term Loans have been disclosed under Other Current Liabilities in Note No. 10)</p>		
6. Other Long Term Liabilities		
Unsecured Loan		
From other (ICD)	27,779,074	27,779,074
Income Received in Advance	-	83,332
Total	<u>27,779,074</u>	<u>27,862,406</u>

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	As at 31.03.2015	As at 31.03.2014
(Amount in ₹)		
7. Long Term Provisions		
Provision for Employee Benefits		
Gratuity	1,223,681	493,588
Leave Encashment	412,321	291,016
Total	<u>1,636,002</u>	<u>784,604</u>
8. Short Term Borrowings		
Secured Loan		
Working Capital Loan Repayable on Demand from Banks*	17,115,087	8,939,707
Unsecured Loan		
From other (ICD)	-	11,194,455
Total	<u>17,115,087</u>	<u>30,134,162</u>
*(Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company, Corporate guarantee by Future Retail Ltd. and personal guarantee of one of the Promoters)		
9. Trade Payables		
Micro, Small & Medium Enterprises (Refer Note No. 39)	-	-
Others	95,594,870	111,535,864
Total	<u>95,594,870</u>	<u>111,535,864</u>
10. Other Current Liabilities		
Current Maturities of Long Term Debts (Refer Note No. 5)	21,117,293	38,539,122
Payable Towards Capital Goods	46,306,096	66,477,846
Other Advances	-	25,000,000
Salary & Reimbursements Payable	1,020,051	2,308,383
Advances from Customers	21,430	146,974,376
Statutory Dues Payable (Net)	316,344	574,177
Bank Overdraft	7,713,019	1,354,777
Security Deposit	7,013,840	736,000
Liabilities for Expenses	8,946,937	11,547,627
Total	<u>92,455,010</u>	<u>293,512,307</u>
11. Short Term Provisions		
Provision for Employee Benefits		
Gratuity	135,965	54,843
Leave Encashment	137,441	97,005
Total	<u>273,406</u>	<u>151,848</u>

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**Note No. 12: Tangible Assets
(Valued at Cost less Depreciation/Impairment)**

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block		
	As at 31.03.2014	Addition	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2014	Retained Earning (Refer "a" below)	For the Year	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Improvements to Licensed Premises	666,617,802	77,440,765	-	144,058,567	31,234,612	246,861	9,773,218	-	41,254,691	102,803,876	35,383,189
Plant and Machinery	407,617,325	22,959,520	6,764,162	423,812,683	252,439,080	-	15,560,036	6,090,164	261,908,952	161,903,731	155,178,245
Furniture and Fixtures	31,966,621	1,296,205	14,073,945	19,188,881	25,333,414	102,180	949,095	14,699,213	11,685,476	7,503,405	6,633,207
Computers	2,909,716	523,951	2,782,365	651,302	2,787,989	-	160,146	2,782,365	165,770	485,532	121,727
Motor Car	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	509,111,463	102,220,441	23,620,472	587,711,432	311,795,096	349,041	26,442,494	23,571,742	315,014,889	272,696,544	197,316,368
Previous Year	(483,838,928)	(25,272,537)	-	(50,911,465)	(264,518,688)	-	(47,276,409)	-	(311,795,097)	(197,316,368)	-

**Note No. 13: Intangible Assets
(Valued at Cost less Amortisation/Impairment)**

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2014	Addition	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2014	For the Year	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangibles										
Trade Mark	-	43,000	-	43,000	-	3,244	-	3,244	39,756	-
Liquor License Cost	4,212,313	-	-	4,212,313	4,045,188	11,527	-	4,056,715	155,598	167,125
TOTAL	4,212,313	43,000	-	4,255,313	4,045,188	14,771	-	4,059,959	195,354	167,125
Previous Year	(4,035,500)	(176,813)	-	(4,212,313)	(4,035,500)	(9,688)	-	(4,045,188)	(167,125)	-

Note (a):

In accordance with the provisions of Schedule II of the Company Act, 2013, in case of fixed assets which have completed their useful life as at April 1, 2014, the carrying value (Net of residual value) amounting the ₹ 3,49,041/- as a transitional provision has been recognised in the retained earnings.

Further, in case of assets acquired prior to April 1, 2014, carrying value of assets (Net of residual value) is depreciated over the remaining useful life as determined effective from April 1, 2014.

14. Non Current Investments

(Amount in ₹)

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in ₹	
			As at 31.03.2015	As at 31.03.2014			As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Trade Investments									
	Investment in Equity Instruments									
	Rain Fruits & More Pvt. Ltd. (Equity share of ₹ 10 each)	Subsidiary	1,252,142	1,252,142	Unquoted	Fully paid	72.19	72.19	35,491,840	35,491,840
	Galaxy Rain Restaurant Pvt. Ltd. (Equity share of ₹ 10 each)	Subsidiary	10,000	10,000	Unquoted	Fully paid	100.00	100.00	100,000	100,000
2	Other Investments									
	National Saving Certificates (Under Lien)	-	-	-	-	-	-	-	-	63,000
	Sub Total Non Current Investments								35,591,840	35,654,840
	Less: Provision for diminution in the value of Investment	-	-	-	-	-	-	-	35,591,840	35,591,840
	Total Non Current Investments								-	63,000

	As at 31.03.2015	As at 31.03.2014
	₹	₹
Aggregate amount of quoted investments (Market value ₹ NIL(Previous year ₹ Nil))	-	-
Aggregate amount of Unquoted Investments	35,591,840	35,654,840
Aggregate Provision for Diminution in Value of Investments	35,591,840	35,591,840

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15. Loans and Advances

(Amount in ₹)

	Long Term		Short Term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good				
Security Deposits	9,690,395	15,476,248	24,400	68,339
Total (a)	9,690,395	15,476,248	24,400	68,339
Loans and Advances to Subsidiaries				
Unsecured, Considered Good	-	-	-	-
Doubtful	20,797,703	18,364,509	-	-
	20,797,703	18,364,509	-	-
Provision for Doubtful Advances	20,797,703	18,334,333	-	-
Total (b)	-	30,176	-	-
Other Loans and Advances				
Unsecured, Considered Good				
Advance Income Tax	3,896,761	2,820,802	-	-
Advances to Suppliers	-	-	5,699,514	40,650,491
Advance to Employees for Expenses	-	-	2,686,739	3,905,573
Sales Tax / VAT Receivables (Net)	-	-	2,868,099	2,707,259
Service Tax Receivables (Net)	-	-	597,303	3,628,838
Entertainment Tax (Paid Under Protest)	1,259,890	1,129,890	-	-
Prepaid Expenses	-	-	1,769,103	2,029,657
Dues from Others	1,711,923	1,706,305	1,344,000	-
Total (c)	6,868,574	5,656,997	14,964,758	52,921,818
Total (a+b+c)	16,558,969	21,163,421	14,989,158	52,990,157

(Amount in ₹)

16. Other Non Current Assets

	As at 31.03.2015	As at 31.03.2014
Fixed Deposits with Bank (under Lien against Bank Guarantee)	17,809,115	15,275,760
Total	17,809,115	15,275,760

17. Inventories

(Valued of Cost or NRV, whichever is lower)

Restaurants supplies and consumables	2,401,768	1,977,333
Video Games Consumables	143,121	1,159,544
Total	2,544,889	3,136,877

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	As at 31.03.2015	(Amount in ₹) As at 31.03.2014
18. Trade Receivables		
Trade Receivables outstanding for a period less than six months from the date they are due for payment:		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	6,184,036	159,463,981
(c) Un-secured, considered doubtful	-	-
	<u>6,184,036</u>	<u>159,463,981</u>
Less: Provision for doubtful debts	-	-
	<u>6,184,036</u>	<u>159,463,981</u>
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment:		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	4,994,657	16,118,144
(c) Un-secured, considered doubtful	-	-
	<u>4,994,657</u>	<u>16,118,144</u>
Less: Provision for doubtful debts	-	-
	<u>4,994,657</u>	<u>16,118,144</u>
Total	<u>11,178,693</u>	<u>175,582,125</u>
19. Cash and cash equivalents		
Cash & Bank Balances		
Balances with Banks:		
In Current Accounts	343,999	917,815
In Unpaid Dividend Accounts	-	-
Cash on Hand	691,030	4,509,515
Total	<u>1,035,029</u>	<u>5,427,330</u>
20. Other Current Assets		
Interest Accrued on Fixed Deposits	1,405,617	2,142,799
Total	<u>1,405,617</u>	<u>2,142,799</u>

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	Year ended 31st March, 2015	(Amount in ₹) Year ended 31st March, 2014
21. Revenue From Operation		
Sale of Services		
Games	43,346,703	42,678,449
Restaurants	163,420,510	125,429,342
Sponsorships	323,412	118,734
Sales of Trade Goods		
Sale of Fabric	101,066,600	169,908,325
Sale of Electric Goods	80,302,254	-
Other Operating Income		
Income from Machine Hire Charges	83,332	555,556
Business Conducting Income	13,171,964	10,436,980
Service Charges Received	3,803,006	2,805,137
Scrap Sale	49,301	928,174
Total	405,567,082	352,860,697
22. Other Income		
Interest on Bank Deposits	1,586,316	1,357,161
Interest Income - Others	2,390,959	-
Profit on Sales of Fixed Assets	866,004	-
Gain on foreign exchange fluctuation in respect of Foreign Currency	3,425,572	-
Miscellaneous Income	41,005,815	43,002,770
Total	49,274,665	44,359,931
23. Cost of Materials Consumed		
Purchase of Trade Goods		
Purchase of Fabric	101,017,139	169,785,250
Purchase of Electric Goods	79,947,674	-
Consumption of Restaurant Supply and Gaming Expenses		
Games Expenses	3,326,800	1,221,814
Wine, Liquor, Beverage, Tobacco & Food Consumables	77,046,637	55,747,406
Total	261,338,250	226,754,470
24. Employee Benefit Expenses		
Salaries, Wages, Bonus and Ex-gratia	30,072,827	24,843,143
Gratuity (Refer Note No. 38)	1,313,286	475,617
Contribution to Provident and other Funds	1,830,989	2,595,184
Staff Welfare Expenses	1,205,224	473,705
Total	34,422,326	28,387,649
25. Finance Costs		
Interest on Overdraft	2,152,608	679,216
Interest on Term Loan	9,232,959	6,009,664
Interest on Cash Credit	-	1,020,525
Interest on others	22,982	6,386
Total	11,408,549	7,715,791

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	(Amount in ₹)	
	Year ended 31st March, 2015	Year ended 31st March, 2014
26. Depreciation and Amortisation Expenses :		
Depreciation on Tangible Assets	272,696,544	197,316,368
Amortisation on Intangible Assets	195,354	167,125
Total	<u>272,891,898</u>	<u>197,483,493</u>
27. Other Expenses :		
Fuel, Power & Light	21,459,659	18,036,073
Repairs & Maintenance		
-Building	502,045	313,843
-Machinery	1,454,349	2,025,186
-Others	6,031,150	2,133,859
Insurance	1,297,425	630,528
Rent	60,449,575	42,504,962
Rates , Taxes & Fees	6,810,340	5,624,879
Travelling and Conveyance Expenses	5,327,185	1,857,377
Professional & Legal Fees	3,097,950	2,016,664
Advertisement and Publicity	1,147,751	1,525,166
Printing and Stationery	1,787,914	516,450
Communication Expenses	939,777	845,181
Bank Charges	1,249,351	1,041,011
Security Charges	1,534,151	1,207,250
Transport Charges	1,670,931	1,184,760
Postage & Courier Charges	222,991	295,594
Sundry Expenses	1,837,274	1,123,137
Directors' Sitting Fees	242,976	170,000
Loss on foreign exchange fluctuation in respect of Foreign Currency	-	735,148
Prov. for Dimunation in Inv. in Subsidiaries	2,463,370	-
Auditors' Remuneration		
As Auditor:	-	-
Audit fee	150,000	100,000
Tax Audit fee	40,000	120,000
In other Capacity:		
Limited Review	45,000	70,000
Other Services	-	20,000
Service Tax and Educational Cess	-	23,484
Reimbursement of expenses	15,590	1,798
Total	<u>119,776,754</u>	<u>84,122,350</u>

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28. Capital and Other Commitments

a) Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) ₹ Nil (Previous Year ₹ 12,213,561)

29 Contingent Liabilities not provided for:

- In respect of guarantees given by Company's banker on behalf of the Company of ₹ 11,296,459 (Previous Year ₹ 11,298,459)
- In respect of disputed tax demand not provided as following:

Particulars	2014-2015 ₹	2013-2014 ₹
Entertainment Tax Demand	20,04,648	20,04,648
Sales Tax Demand		
2003-2004	16,68,316	16,68,316
2008-2009	74,92,720	74,92,720
Income Tax		
A.Y. 2009-2010	33,56,688	33,56,688

- 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. Outstanding as at balance sheet date is ₹ 66,316,951 (Previous Year ₹ 66,316,951).

30. Winding Up Petition

A winding up petition has been filed by Manjiro Works against the company under Section 433 (e)/434 of the Companies Act, 1956 before the Hon'ble High Court of Bombay.

The company had ordered certain gaming machinery from Manjiro Works in the year 2007 but there was no specific contract executed amongst the parties. The company made part payments against the delivery of machinery and due to delay in delivery of shipments of machineries and damage of certain parts of machineries, the balance payments were disputed and the petition is yet to be admitted.

31. Going Concern Assumption

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

32. Expenditure in Foreign Currency:

Particulars	2014-2015 ₹	2013-2014 ₹
Travel and Boarding Expenses	93,891	30,515
Total	93,891	30,515

33 Segment Reporting

The Company has identified two reportable segments viz. Restaurants, Gaming & Others 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.

on Financial Statements for the Year Ended March 31, 2015

Primary Segment Information: Business

(Amount in ₹)

Particulars	Restaurants, Gaming & Others	Trading	Total FY 2014-15	Total FY 2013-14
Segment Revenue				
External Sales	224,198,228	181,368,854	405,567,082	352,860,690
Other Income	49,274,665	-	49,274,665	44,359,931
Total Revenue	273,472,893	181,368,854	454,841,747	397,220,621
Expense	175,958,119	-	175,958,119	154,447,127
Purchase	79,781,449	180,964,813	260,746,262	226,712,846
Segment Result	17,733,326	404,041	18,137,367	16,060,648
Unallocated Corporate expenses	4,904,736	313,068	5,217,804	2,096,840
Operating Profit	12,828,590	90,973	12,919,563	13,963,808
Finance Expenses	(11,408,549)	-	(11,408,549)	(11,009,537)
Intangible Assets under development Written off				
Other Income				
Interest Income				
PROFIT BEFORE TAX	1,420,041	90,973	1,511,014	2,954,271
Provision for tax	-	-	-	-
PROFIT AFTER TAX	1,420,041	90,973	1,511,014	2,954,271
OTHER INFORMATIONS				
Segment Assets	335,977,684	2,508,096	338,485,780	520,605,099
Unallocated Corporate assets	-	-	-	-
Segment Assets				
a) Fixed Assets				
b) Other Non-current Assets	-	-	-	-
c) Intangible Assets Under Development				
d) Inventory				
e) Trade Receivables				
Other Current Assets	-	-	-	-
111 Total Assets	335,977,684	2,508,096	338,485,780	520,605,099
Segment Liabilities				
a) Allocated Corporate Liabilities	329,936,539	168,910	330,105,449	513,386,740
b) Trade Payables	-	-	-	-
c) Other Current Liabilities	-	-	-	-
Total Liabilities	329,936,539	168,910	330,105,449	513,386,740
Capital Expenditure				
a) Depreciation	26,457,266	-	26,457,266	47,286,097
b) Non- cash expenses other than depreciations	-	-	-	-

Notes:

- 1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization's structure as well as the differential risks and returns of these segments.
- 2) The Company has disclosed Business Segment as the primary segment and type of products and services in each segment:
- 3) The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure".
- 4) The other Information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable".

on Financial Statements for the Year Ended March 31, 2015

34. Deferred Tax Asset/ (Liability):

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

35. Related Party Disclosure

In accordance with the Accounting Standard 18 on "Related Party Disclosure" notified under the Companies (Accounting Standard) Rules, 2006, as amended, the relevant information for the year ended March 31, 2015 is as under. Names of related parties and description of relationship:

(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	Rain Fruits & More Private Limited	Subsidiaries
2	Galaxy Rain Restaurants Private Limited	Subsidiaries
3	Future Retail Limited	Enterprises where control exists through substantial equity interest

(ii) Transactions during the year with related parties :

* Pursuant to merger of PRIL and FVRL with FRL, the balances of PRIL and FVRL are merged with FRL.

(Amount in ₹)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Subsidiaries	Enterprises where control exists through substantial equity interest	Total
1	Interest Income	2,390,959	-	2,390,959
		(-)	(-)	(-)
2	Net Loans and Advances Given / (Returned)	42,235	-	42,235
		(30,176)	(-)	(30,176)
3	Provision for doubtful advances	2,463,370	(-)	2,463,370
		(-)	(-)	(-)
4	Sundry Balances written back	(-)	13,999,459	13,999,459
		(-)	(-)	(-)
5	Purchases / Material Consumed	-	263,563	263,563
		(-)	(66,181)	(66,181)
5	Rent Expenses	-	5,319,262	5,319,262
		(-)	(8,621,032)	(8,621,032)
6	Electricity Expenses	-	3,024,676	3,024,676
		(-)	(5,579,763)	(5,579,763)

Balance as at March 31, 2015

(Amount in ₹)

Sr. No.	Particulars	Subsidiaries	Enterprises where control exists through substantial equity interest	Total
i)	Net Loans and Advances Given / (Returned)	20,797,703	-	20,797,703
		(18,364,509)	(-)	(18,364,509)
	Provision for doubtful Loans and Advances	20,797,703	-	20,797,703
		(18,334,333)	(-)	(18,334,333)
(ii)	Trade Payables*	-	7,996,782	7,996,782
		-	(-)	(-)
(iii)	Trade Receivables*	-	-	-
		-	(80,45,802)	(80,45,802)

on Financial Statements for the Year Ended March 31, 2015

36. Earnings Per Share - Basic and Diluted:

Particulars	2014-15 ₹	2013-2014 ₹
Net Profit / (Loss) for the year as per Statement of Profit and Loss considered as numerator for calculating earnings per share	1,438,603	2,954,271
Weighted average number of equity shares outstanding during the year	15,649,935	15,649,935
Nominal value per share	10	10
Earnings Per Share	0.10	0.19

37. Loans and Advances include amounts due from subsidiaries (in terms of Clause 32 of the Listing Agreement):

Name of the Company	Maximum Amount Outstanding during the year (₹)	Balance Outstanding as at March 31, 2015 (₹)
Rain Fruits & More Private Limited	20,464,888 (18,044,973)	20,464,888 (18,044,973)
Galaxy Rain Restaurants Private Limited	332,815 (319,536)	332,815 (319,536)

Figures in bracket are with respect to previous year.

38. Employee Benefits:

The Company has classified various benefits provided to employees as under:

- (i) **Defined Contribution Plans:** Company's contribution to the provident fund scheme is recognised during the year in which the related service is rendered with the following amounts in the financial Statement:

Particulars	Year Ended March 31, 2015 (₹)
Employer's contribution to Provident Fund	1,351,308

- (ii) **Defined Benefit Plans:** Gratuity (Non-Funded Scheme)

- (iii) **Other Long Term Employee Benefits:** Leave Encashment (Non-Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid plans based on the following assumptions:

Discount Rate (per annum)	8.00%
Rate of increase in compensation levels (per annum)	5.00%
Attrition Rate	1%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate

The following table summarizes the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet for the above benefit plans:

on Financial Statements for the Year Ended March 31, 2015

A. Changes in the Present Value of Obligation:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at beginning of the period	548,431	388,021	7,13,730	299,925
Interest Cost	43,874	31,042	57,098	23,994
Current Service Cost	725,362	491,515	383,604	216,081
Benefits Paid	(502,071)	(254,565)	(640,916)	(341,241)
Actuarial (gain) / loss on Obligations	544,050	(106,251)	34,915	189,262
Present Value of Defined Benefit Obligation as at the end of the period	1,359,646	549,762	548,431	388,021

B. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Funded Obligation as at end of the period	1,359,646	549,762	548,431	388,021
Fair Value of Plan Assets as at end of the period	-	-	-	-
Funded Asset recognized in the Balance Sheet	-	-	-	-
Included in provision (Schedule)				
Present Value of Unfunded Obligation as at end of the period				
Unrecognized Actuarial gains/(losses)	-	-	-	-
Unfunded Liability recognized in the Balance Sheet				
Included in –				
Long Term Provision	12,23,681	412,321	493,588	291,016
Short Term Provision	135,965	137,441	54,843	97,005

C. Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at the end of the period	1,359,646	549,762	548,431	388,021
Fair Value of Plan Assets as at end of the period	Nil	Nil	Nil	Nil
Liability / (Net Asset) recognized in the Balance Sheet	1,359,646	549,762	548,431	388,021

on Financial Statements for the Year Ended March 31, 2015

D. Expenses recognized in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Current Service Cost	725,362	491,515	383,604	216,081
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	43,874	31,042	57,098	23,994
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognized in the period	544,050	(106,251)	34,915	189,262
Total Expenses recognized in the Statement of Profit and Loss	1,313,286	416,306	475,617	429,337

- 39.** Based on the available information with the management, the Company does not owe any sum to suppliers who are registered as Micro, Small, Medium Enterprise as at March 31, 2015 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".
- 40.** In respect of amounts payable to overseas creditors for import of certain gaming machinery all liability has been provided in the respective year of imports and the management believes no further liability is to be recorded in respect of such imports.
- 41.** Balances of Debtors and Creditors are subject to confirmations and reconciliation.
- 42.** 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.

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place: Mumbai
Dated: May 29, 2015

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

Consolidated Financial Statements

TO THE MEMBERS OF

GALAXY ENTERTAINMENT CORPORATION LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Galaxy Entertainment Corporation Limited ("the Company"), its subsidiaries (the company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements/ consolidated financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We did not audit the financial statements of the two subsidiaries, whose financial statements reflect total assets of the ₹ 1,124,674/- as at March 31, 2015, total nil revenues and net cash outflows amounting to ₹ 52,192/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For S A R A & Associates

Chartered Accountants
Firm Regn No: 120927W

Alok Bairagra

Partner
Membership No: 105153

Place: Mumbai

Date: 29/05/2015

Consolidated Balance Sheet

Annual Report 2014-2015

as at March 31, 2015

	Note No.	As at 31.03.2015 ₹	As at 31.03.2014 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	156,499,350	156,499,350
(b) Reserves & Surplus	4	(148,472,585)	(149,509,954)
		8,026,765	6,989,396
2 Share Application Money Pending Allotment			
		-	-
3 Non-Current Liabilities			
(a) Long Term Borrowings	5	95,252,000	47,519,090
(b) Deferred Tax Liabilities (Refer Note No. 34)		-	-
(c) Other Long Term Liabilities	6	27,779,074	83,332
(d) Long Term Provisions	7	1,636,002	784,604
		124,667,076	48,387,026
4 Current Liabilities			
(a) Short Term Borrowings	8	17,115,087	57,913,236
(b) Trade Payables	9	96,744,491	112,680,766
(c) Other Current Liabilities	10	92,455,010	295,356,250
(d) Short Term Provisions	11	273,406	151,848
		206,587,995	466,102,099
Total		339,281,835	521,478,521
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	273,515,923	197,938,674
(ii) Intangible Assets	13	195,354	167,125
(iii) Capital Work-in-Progress		-	45,453,675
(b) Non Current Investments	14	-	63,000
(c) Deferred Tax Assets (Refer Note No. 34)		-	-
(d) Long Term Loans and Advances	15	16,360,761	18,355,050
(e) Other Non Current Assets	16	17,859,115	15,325,760
		307,931,153	277,303,284
2 Current Assets			
(a) Inventories	17	2,544,889	3,136,876
(b) Trade Receivables	18	11,178,693	175,591,802
(c) Cash and cash equivalents	19	1,232,324	5,590,258
(d) Short Term Loans and Advances	15	14,989,158	57,713,503
(e) Other Current Assets	20	1,405,617	2,142,799
		31,350,682	244,175,238
Total		339,281,835	521,478,521
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 43		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place : Mumbai
Dated: May 29, 2015

For and on behalf of the Board

Sunil Biyani

Director
DIN: 00006583

Place : Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

Consolidated Statement of Profit and Loss Annual Report 2014-2015

for the year ended March 31, 2015

	Note No.	Year Ended 31.03.2015 ₹	Year Ended 31.03.2014 ₹
I REVENUE			
(a) Revenue From Operations	21	405,567,082	352,860,690
(b) Other Income	22	49,274,665	44,359,931
Total Revenue		<u>454,841,747</u>	<u>397,220,621</u>
II EXPENSES			
(a) Cost of Materials Consumed	23	261,338,250	226,712,846
(b) Employees Benefits Expense	24	34,422,326	28,387,651
(c) Finance Costs	25	11,408,549	7,715,791
(d) Depreciation and Amortisation Expense	26	26,457,266	47,286,097
(e) Other Expenses	27	119,828,946	84,186,994
Total Expenses		<u>453,455,336</u>	<u>394,289,379</u>
Profit before exceptional items and tax		1,386,411	2,931,242
Add : Exceptional Items		-	-
Profit before tax		<u>1,386,411</u>	<u>2,931,242</u>
Tax Expenses		-	-
Profit /(Loss) for the year		<u>1,386,411</u>	<u>2,931,242</u>
Earnings per Equity Share (₹)			
Basic and Diluted - Par Value of ₹ 10/- per share	36	0.09	0.19
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 43		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place : Mumbai
Dated: May 29, 2015

For and on behalf of the Board

Sunil Biyani

Director
DIN: 00006583

Place : Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

Consolidated Cash Flow Statement

Annual Report 2014-2015

for the year ended March 31, 2015

	As at 31.03.2015	As at 31.03.2014
	₹	₹
A. Cash Flow arising from Operation Activities :		
Profit before Exceptional Items and Tax as per Statement of Profit & Loss	1,386,411	2,931,242
Add / (Deduct):		
Depreciation and Amortisation Expense	26,457,266	47,286,097
Interest Income	(3,977,275)	(1,357,161)
Profit on Sale of Fixed Assets	(866,004)	-
(Gain) / Loss on Foreign Exchange Fluctuation	(3,425,572)	735,148
Interest Expenses	11,408,549	7,715,791
Prov. for Dimunation in Inv. in Subsidiaries	2,463,370	-
Other Non-cash charges	1,252,587	-
Sundry Balance Written Off	(40,380,547)	(43,002,770)
Operating Cash Profit before Working Capital Changes	(5,681,215)	14,308,347
Add / (Deduct):		
(Increase) / Decrease in Trade payables	27,869,844	89,588,940
Increase / (Decrease) in Other Current Liabilities	(204,779,094)	100,653,353
(Increase) / Decrease in Other long-Term Liabilities	27,695,742	(555,556)
Increase / (Decrease) in Provisions	(1,427,414)	(77,203)
(Increase) / Decrease in Inventories	591,987	(49,790)
(Increase) / Decrease in Trade receivables	164,413,109	(5,808,679)
(Increase) / Decrease in loans and advances	43,445,600	(48,688,368)
Increase / (Decrease) in Current & Non-Current Assets	(1,796,172)	(4,476,497)
Cash Flow from Operations	50,332,386	144,894,548
Deduct:		
Direct Tax (Net)	(1,075,959)	(857,877)
Net Cash Inflow in the course of Operating Activities	51,408,345	145,752,425
B. Cash Flow arising from Investment Activities :		
(Decrease)/Increase in Fixed Asset (including Capital Work in Progress)	(56,809,766)	(70,903,025)
Sales of Fixed Assets	1,540,000	-
Interest received	3,977,275	1,357,161
Net Cash Inflow / (Outflow) in the course of Investing Activities	(51,292,491)	(69,545,864)
C. Cash Flow arising from Financing Activities :		
Proceeds from / (Repayment of) Long Term Loans	6,934,761	(64,589,763)
Interest Expenses	(11,408,549)	(7,715,791)
Net Cash Inflow / (Outflow) in the course of Financing Activities	(4,473,788)	(72,305,554)
Net Increase / (Decrease) in Cash and Cash Equivalentents (A+B+C)	(4,357,934)	3,901,007
Opening Balance of Cash and Cash Equivalentents	5,590,258	1,689,251
Closing Balance of Cash and Cash Equivalentents	1,232,324	5,590,258
Cash and cash equivalentents comprise of :		
Cash & Bank Balances Note No. 19	1,232,324	5,590,258
Total	1,232,324	5,590,258

Note:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006
- The Cash flows from operating, investing and financing activities of the company are segregated based on available information including taxes paid relating to these activities.
- Previous year's figures are regrouped, where necessary, to confirm the current year's classification

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place : Mumbai
Dated: May 29, 2015

For and on behalf of the Board

Sunil Biyani

Director
DIN: 00006583

Place : Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT March 31, 2015

1) Background

Galaxy Entertainment Corporation Limited (referred to as "GECL" or "the Company") was incorporated on August 13, 1981. It operates leisure and entertainment centers across the country.

As at the balance sheet date it has 14 centers offering a variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court, etc. Further, during the year 2014-15, the company has undertaken trading activity in fabrics and electrical goods. The company has two subsidiaries namely, Galaxy Rain Restaurants Private Limited and Rain Fruits & More Private Limited.

2) SIGNIFICANT ACCOUNTING POLICIES

a. Basis for Preparation of Consolidated Financial Statements

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

b. Use of Estimates

The preparation of consolidated financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the consolidated financial statements and reported amounts of income and expense during the year. The differences between actual and estimates are recognized in the period in which results are crystallized.

c. Principals of Consolidation

The consolidated financial statements relate to Galaxy Entertainment Corporation Limited ('the Parent') and its subsidiary companies (the "Group"). The consolidated financial statements have been prepared in accordance with the principle and procedures required for the preparation and presentation of financial statements as laid down under the Accounting Standard (AS-21) notified under the Companies (Accounting Standards) Rules, 2014 and pronouncement issued by the Institute of Chartered Accountants of India. The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent's separate financial statements.

Where the cost of the investment is higher than the share of equity in the subsidiary at the time of acquisition the resulting difference is treated as goodwill.

The subsidiary companies considered for consolidated financial statements include the following:

Name of the entity	Country of Incorporation	Proportion of ownership interest/ voting power (%)
Galaxy Rain Restaurants Private Limited	India	100.00
Rain Fruits & More Private Limited	India	72.19

a. Fixed Assets**Tangible Assets**

Tangible assets are stated at cost of net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation has been fully charged on assets whose actual cost does not exceed ₹5,000.

Improvements to leasehold premises are amortized over the period of the lease.

Intangible Asset

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

b. Depreciation / Amortisation**Tangible**

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In respect of fixed assets acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

Intangible

Intangible assets are amortised over their respective individual estimated useful lives on straight line basis, commencing from the date the asset is available to the company for its use.

c. Capital Work in Progress:

Expenditure during set-up of a new unit period including development cost incurred on the projects under implementation are treated as pre-operative expenses and are included under "Capital Work in Progress". These expenses are apportioned to fixed assets on commencement of commercial production.

g. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. Reversal of impairment loss is recognized immediately as income in the statement of Profit and Loss.

h. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

i. Inventories

Inventories representing restaurant supplies, consumables and redemption items are valued at cost determined on weighted average basis or net realizable value, whichever is lower.

j. Revenue recognition

- (i) The Company's revenues from leisure and entertainment services primarily include income from bowling, pool and video games, restaurant services and sponsorship contracts. Revenues are recognized when the services are rendered and when no significant uncertainty as to measurement or collectibles exists.

Customers visiting the Company's leisure and entertainment centre and restaurants avail the facilities against payment in cash or by credit card. The Company also enables corporate entities to host private parties at its centres, for a negotiated price, which is billed to customers on completion of the event.

- (ii) Sale of Goods: sales are recognised at net of returns and trade discounts, sales tax and VAT on dispatch of goods to customers.
- (iii) Dividend income is accounted for when the right to receive dividend is established.
- (iv) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable rate.

k. Retirement and other employee benefits

Retirement benefits to employees comprise of provident fund contributions, gratuity and leave encashment entitlements. Contribution to provident fund is made in accordance with the statute and provided on accrual basis. Gratuity and leave encashment liabilities are provided for, according to the rules of these benefit schemes, on the basis of actuarial valuation done at the year-end by independent actuaries using the Projected Unit Credit Method. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

l. Taxes on income

Income-tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the assessable Income at the tax rate applicable to the relevant assessment year.

The deferred tax asset and/or deferred tax liability; is calculated by applying the applicable tax rate as at Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation is recognised in view of the managements' assessment of virtual certainty of its realization, deferred tax adjustment on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realization. At each balance sheet date, carrying amount of deferred asset/liability is reviewed and the necessary adjustment to asset or liability is made.

m. Foreign Currency Transactions

All transactions in foreign currency are recognized at the prevailing exchange rates on the dates when the relevant transaction takes place.

Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

n. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

o. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average numbers of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for the events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and highly liquid short-term investments with an original maturity period of three months or less.

q. Borrowing Costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and other borrowing cost are charged to Profit and loss account. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

r. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

	As at 31.03.2015	As at 31.03.2014
	₹	₹
3. SHARE CAPITAL		
Authorised Share Capital		
20,000,000 Equity Shares of ₹ 10/- each (Previous Year 20,000,000 Equity Shares)	200,000,000	200,000,000
Issued, Subscribed and Paid-up		
15,649,935 Equity Shares of ₹ 10/- each fully paid-up (Previous Year 15,649,935 Equity Shares)	156,499,350	156,499,350
Total Issued, Subscribed and Fully Paid-up Share Capital	<u>156,499,350</u>	<u>156,499,350</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2015		As at 31.03.2014	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,649,935	156,499,350	15,649,935	156,499,350
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,649,935	156,499,350	15,649,935	156,499,350

b. Terms/rights attached to the Equity Shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholders.

c. Details of the shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Future Retail Ltd.	4,937,935	31.55	4,937,935	31.55
Bellona Finvest Limited	3,686,491	23.56	3,686,491	23.56
Eclipse Trade Pvt. Ltd.	1,029,432	6.58	1,029,432	6.58
Merlin Enclaves Pvt. Ltd.	895,626	5.72	895,626	5.72

	As at 31.03.2015	As at 31.03.2014
	₹	₹
4. Reserves & Surplus		
Securities Premium account		
Balance as at the beginning of the year	318,497,460	318,497,460
Add : Addition during the year	-	-
	<u>318,497,460</u>	<u>318,497,460</u>
Less : Deduction during the year	-	-
Balance as at the end of the year	<u>318,497,460</u>	<u>318,497,460</u>
General Reserve		
Balance as at the beginning of the year	18,062,972	18,062,972
Add: Amount transferred from surplus in statement of Profit and Loss	-	-
	<u>18,062,972</u>	<u>18,062,972</u>
Less: Adjustment	-	-
Balance as at the end of the year	<u>18,062,972</u>	<u>18,062,972</u>
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(486,070,387)	(489,001,627)
Profit/(Loss) for the year	1,386,411	2,931,241
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Adjustment related to Fixed Assets (Refer Note No. 12)	(349,041)	-
Transfer to General Reserve	-	-
Balance as at the end of the year	<u>(485,033,017)</u>	<u>(486,070,386)</u>
Total Reserves and Surplus	<u>(148,472,585)</u>	<u>(149,509,954)</u>
5. Long Term Borrowings		
Secured		
Term Loan from Banks	95,252,000	47,519,090
Total	<u>95,252,000</u>	<u>47,519,090</u>
<p>(₹ 21,117,293 is payable annually in four quarterly equal installment and interest rate is between 13% and 13.25.% p.a) (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company, Corporate guarantee by Future Retail Ltd. and personal guarantee of one of the Promoters)</p> <p>(Current maturities of Long Term Loans have been disclosed under Other Current Liabilities in Note No. 10)</p>		
6. Other Long Term Liabilities		
Unsecured Loan		
From other	27,779,074	-
Income Received in Advance	-	83,332
Total	<u>27,779,074</u>	<u>83,332</u>
7. Long Term Provisions		
Provision for Employees Benefits		
Gratuity	1,223,681	493,588
Leave Encashment	412,321	291,016
Total	<u>1,636,002</u>	<u>784,604</u>

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

	As at 31.03.2015	As at 31.03.2014
	₹	₹
8. Short Term Borrowings		
Secured Loan		
Working Capital Loan Repayable on Demand from Banks	17,115,087	8,939,707
Unsecured Loan		
From related party	-	10,000,000
From other (ICD)	-	38,973,529
Total	17,115,087	57,913,236
(Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company, Corporate guarantee by Future Retail Ltd. and personal guarantee of one of the Promoters)		
9. Trade Payables		
Micro, Small & Medium Enterprises (Refer Note No. 40)	-	-
Others	96,744,491	112,680,766
Total	96,744,491	112,680,766
10. Other Current Liabilities		
Current Maturities of Long Term Debts (Refer Note No. 5)	21,117,293	38,539,122
Payable Towards Capital Goods	46,306,096	66,407,429
Other Advances	-	25,000,000
Salary & Reimbursements Payable	1,020,051	2,308,372
Advances from Customers	21,430	146,974,047
Statutory Dues Payable (Net)	316,344	2,448,976
Bank Overdraft	7,713,019	1,354,777
Security Deposit	7,013,840	-
Liabilities for Expenses Payable	8,946,937	12,323,527
Total	92,455,010	295,356,250
11. Short Term Provisions		
Provision for Employees Benefits		
Gratuity	135,965	54,843
Leave Encashment	137,441	97,005
Total	273,406	151,848

Note No. 12: Tangible Assets
(Valued at Cost less Depreciation/Impairment)

(Amount in ₹)

Particulars	Gross Block				Depreciation					Net Block	
	As at 31.03.2014	Addition	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2014	Retained Earning (Refer "a" below)	For the Year	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Improvements to Licensed Premises	66,617,802	77,440,765	-	144,058,567	31,234,612	246,861	9,773,218	-	41,254,691	102,803,876	35,383,189
Plant and Machinery	423,820,288	22,959,520	6,764,162	440,015,646	261,007,871	-	15,560,036	(753,222)	277,321,129	162,694,517	162,812,417
Furniture and Fixtures	31,966,621	1,296,205	14,073,945	19,188,881	25,333,414	102,180	949,095	14,699,213	11,685,476	7,503,405	6,633,207
Computers	3,492,476	523,951	2,782,365	1,234,062	3,253,994	-	160,146	2,694,203	719,937	514,125	238,482
Motor Car	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	525,897,187	102,220,441	23,620,472	604,497,156	320,829,891	349,041	26,442,494	16,640,194	330,981,232	273,515,923	205,067,295
Previous Year	(500,176,206)	(25,272,537)	-	(525,448,743)	(280,233,660)	-	(47,276,409)	-	(327,510,069)	(205,067,295)	-

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

**Note No. 13: Intangible Assets
(Valued at Cost less Amortisation/Impairment)**

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2014	Addition	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2014	For the Year	Deductions / Adjustment	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangibles										
Trade Mark	-	43,000	-	43,000	-	3,243.68	-	3,243.68	39,756	-
Liquor License Cost	4,212,313	-	-	4,212,313	4,045,188	11,527	-	4,056,715	155,598	167,125
TOTAL	4,212,313	43,000	-	4,255,313	4,045,188	14,771	-	4,059,959	195,354	167,125
Previous Year	(4,035,500)	(176,813)	-	(4,212,313)	(4,035,500)	(9,688)	-	(4,045,188)	(167,125)	

Note : In accordance with the provisions of Schedule II of the Company Act 2013, in case of fixed assets which have completed their useful life as at 01st April, 2014, the carrying value (Net of residual value) amounting to ₹ 349041.00 as a transitional provision has been recognised in the retained earnings.

Further, in case of assets acquired prior to 01st April 2014, carrying value of assets (Net of residual value) is depreciated over the remaining useful life as determined effective 01st April 2014.

14. Non Current Investments

(Amount in ₹)

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in ₹	
			As at 31.03.2015	As at 31.03.2014			As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Other Investments									
	National Saving Certificates (Under Lien)								-	63,000
	Sub Total Non Current Investments								-	63,000
	Less: Provision for diminution in the value of Investment								-	-
	Total Non Current Investments								-	63,000
	Particulars						As at 31.03.2015		As at 31.03.2014	
							₹		₹	
	Aggregate amount of quoted investments (Market value ₹ NIL(Previous year ₹ Nil))						-		-	
	Aggregate amount of Unquoted Investments						-		-	63,000
	Aggregate Provision for Diminution in Value of Investments						-		-	-

15. Loans and Advances

(Amount in ₹)

Particulars	Long Term		Short Term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Unsecured, Considered Good				
Security Deposits	9,690,395	16,006,231	24,400	68,339
Less : Provision for Doubtful Deposits	256,208	471,983	-	-
Total (a)	9,434,187	15,534,248	24,400	68,339
Loans and Advances to Subsidiaries				
Unsecured, Considered Good	-	-	-	-
Doubtful	20,797,703	-	-	-
Provision for Doubtful Advances	20,797,703	-	-	-
Total (b)	-	-	-	-
Other Loans and Advances Unsecured, Considered Good				
Advance Income Tax	3,896,761	2,820,802	-	-
Advances to Suppliers	-	-	5,699,514	39,113,264
Advance to Employees for Expenses	-	-	2,686,739	3,905,934
Sales Tax / VAT Receivables (Net)	-	-	2,868,099	-
Service Tax Receivables (Net)	-	-	597,303	4,586,053
Entertainment Tax (Paid Under Protest)	1,259,890	-	-	4,754,724
Prepaid Expenses	-	-	1,769,103	2,029,657
Dues from Others	1,769,923	-	1,344,000	3,255,532
Total (c)	6,926,574	2,820,802	14,964,758	57,645,164
Total (a+b+c)	16,360,761	18,355,050	14,989,158	57,713,503

	As at 31.03.2015	As at 31.03.2014
	₹	₹
16. Other Non Current Assets		
Fixed Deposits with Bank (under Lien against Bank Guarantee)	17,859,115	15,325,760
Total	<u>17,859,115</u>	<u>15,325,760</u>
17. Inventories		
(Valued of Cost or NRV, whichever is lower)		
Restaurants supplies and consumables	2,401,768	1,977,333
Video Games Consumables	143,121	1,159,543
Total	<u>2,544,889</u>	<u>3,136,876</u>
18. Trade Receivables		
Trade Receivables outstanding for a period less than six months from the date they are due for payment:		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	6,184,036	16,118,144
(c) Un-secured, considered doubtful	-	-
	<u>6,184,036</u>	<u>16,118,144</u>
Less: Provision for doubtful debts	-	-
	<u>6,184,036</u>	<u>16,118,144</u>
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment:		
(a) Secured, considered good	-	-
(b) Un-secured, considered good	4,994,657	159,473,658
(c) Un-secured, considered doubtful	-	-
	<u>4,994,657</u>	<u>159,473,658</u>
Less: Provision for doubtful debts	-	-
	<u>4,994,657</u>	<u>159,473,658</u>
Total	<u>11,178,693</u>	<u>175,591,802</u>
19. Cash and cash equivalents		
Cash & Bank Balances		
Balances with Banks:		
In Current Accounts	343,999	1,080,433
In Unpaid Dividend Accounts	-	-
Cash on Hand	888,325	4,509,825
Total	<u>1,232,324</u>	<u>5,590,258</u>
20. Other Current Assets		
Interest Accrued on Fixed Deposits	1,405,617	2,142,799
Total	<u>1,405,617</u>	<u>2,142,799</u>

	Year ended 31.03.2015	Year ended 31.03.2014
	₹	₹
21. Revenue From Operation		
Sale of Services		
Games	43,346,703	42,678,449
Restaurants	163,420,510	125,429,342
Sponsorships	323,412	118,734
Sales of Trade Goods		
Sale of Fabric	101,066,600	169,908,325
Sale of Electric Goods	80,302,254	-
Other Operating Income		
Income from Machine Hire Charges	83,332	555,556
Business Conducting Income	13,171,964	10,436,980
Service Charges Received	3,803,006	2,805,130
Scrap Sale	49,301	928,174
Total	<u>405,567,082</u>	<u>352,860,690</u>
22. Other Income		
Interest on Bank Deposits	1,586,316	1,357,161
Interest Income - Others	2,390,959	-
Profit on Sales of Fixed Assets	866,004	-
Gain on foreign exchange fluctuation in respect of Foreign Currency	3,425,572	-
Miscellaneous Income	41,005,815	43,002,770
Total	<u>49,274,665</u>	<u>44,359,931</u>
23. Cost of Materials Consumed		
Purchase of Trade Goods		
Purchase of Fabric	101,017,139	169,785,250
Purchase of Electric Goods	79,947,674	-
Consumption of Restaurant Supply and Gaming Expenses		
Games Expenses	3,326,800	1,221,814
Wine, Liquor, Beverage, Tobacco & Food Consumables	77,046,637	55,705,782
Total	<u>261,338,250</u>	<u>226,712,846</u>
24. Employee Benefit Expenses		
Salaries, Wages, Bonus and Ex-gratia	30,072,827	24,843,145
Gratuity (Refer Note No. 39)	1,313,286	475,617
Contribution to Provident and other Funds	1,830,989	2,595,184
Staff Welfare Expenses	1,205,224	473,705
Total	<u>34,422,326</u>	<u>28,387,651</u>
25. Finance Costs		
Interest on Overdraft	2,152,608	679,216
Interest on Term Loan	9,232,959	6,009,664
Interest on Cash Credit	-	1,020,525
Interest on others	22,982	6,386
Total	<u>11,408,549</u>	<u>7,715,791</u>

	Year ended 31.03.2015	Year ended 31.03.2014
	₹	₹
26. Depreciation and Amortisation Expenses :		
Depreciation on Tangible Assets	273,515,923	197,938,674
Amortisation on Intangible Assets	195,354	167,125
Total	<u>237,711,277</u>	<u>198,105,799</u>
27. Other Expenses :		
Fuel, Power & Light	21,459,659	18,036,073
Repairs & Maintenance		
-Building	502,045	313,843
-Machinery	1,454,349	2,025,186
-Others	6,031,150	2,133,859
Insurance	1,297,425	630,528
Rent	60,449,575	42,504,962
Rates , Taxes & Fees	6,810,340	7,180,363
Travelling and Conveyance Expenses	5,327,185	1,857,377
Professional & Legal Fees	3,126,715	2,149,903
Advertisement and Publicity	1,147,751	1,525,166
Printing and Stationery	1,787,914	516,450
Communication Expenses	939,777	845,181
Bank Charges	1,249,351	327,885
Security Charges	1,534,151	1,207,250
Transport Charges	1,670,931	
Postage & Couier Charges	222,991	
Sundry Expenses	1,837,274	1,762,538
Directors' Sitting Fees	242,976	100,000
Loss on foreign exchange fluctuation in respect of Foreign Currency	-	735,148
Prov. for Dimunation in Inv. in Subsidiaries	2,463,370	-
Auditors' Remuneration		
As Auditor:	-	-
Audit fee	173,427	100,000
Tax Audit fee	40,000	120,000
In other Capacity:		
Limited Review	45,000	70,000
Other Services	-	20,000
Service Tax and Educational Cess	-	23,484
Reimbursement of expenses	15,590	1,798
Total	<u>119,828,946</u>	<u>84,186,994</u>

28. Capital and Other Commitments**a) Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹Nil (Previous Year ₹12,213,561)

29. Contingent Liabilities not provided for:

- a) In respect of guarantees given by Company's banker on behalf of the Company of ₹11,296,459 (Previous Year ₹ 11,298,459)
- b) In respect of disputed tax demand not provided as following:

Particulars	2014-2015 ₹	2013-2014 ₹
Entertainment Tax Demand	20,04,648	20,04,648
Sales Tax Demand 2003-2004	16,68,316	16,68,316
2008-2009	74,92,720	74,92,720
Income Tax A.Y. 2009-2010	33,56,688	33,56,688

- c) 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. Outstanding as at balance sheet date is ₹ 66,316,951 (Previous Year ₹ 66,316,951).

30. Winding Up Petition

A winding up petition has been filed by Manjiro Works against the company under Section 433 (e)/434 of the Companies Act, 1956 before the Hon'ble High Court of Bombay.

The company had ordered certain gaming machinery from Manjiro Works in the year 2007 but there was no specific contract executed amongst the parties. The company made part payments against the delivery of machinery and due to delay in delivery of shipments of machineries and damage of certain parts of machineries, the balance payments were disputed and the petition is yet to be admitted.

31. Going Concern Assumption

The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

32. Minority Interest

Particulars	Amount (₹)
Share of Equity	12,544,550
Share in Losses of a Subsidiary	(12,544,550)
Total	Nil

Share in profit/(Loss) of subsidiary relating to minority interest of ₹ (4,172) (Previous Year ₹ (4,172) is credited/ (debited) to consolidated statement of profit & loss. Aggregated of losses applicable to minority interest debited to consolidated Statement of profit and loss as on 31st March 2015 amounts to ₹ 6,534,618 (Previous Year ₹ 6,538,790)

33. Expenditure in Foreign Currency:

Particulars	2014-2015 ₹	2013-2014 ₹
Travel and Boarding Expenses	93,891	30,515
Total	93,891	30,515

34. Segment Reporting

The Company has identified two reportable segments viz. Restaurants, Gaming & Others and Trading. Segments have been identified and reported taking into account nature of products and services, the differing risks and

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

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.

Primary Segment Information: Business

Particulars	Restaurants, Gaming & Others	Trading	Total FY 2014-15	Total FY 2013-14
Segment Revenue				
External Sales	224,198,228	181,368,854	405,567,082	352,860,690
Other Income	49,274,665	-	49,274,665	44,359,931
Total Revenue	273,472,893	181,368,854	454,841,747	397,220,621
Expense	175,958,119	-	175,958,119	154,447,127
Purchase	79,781,449	180,964,813	260,746,262	226,712,846
Segment Result	17,733,326	404,041	18,137,367	16,060,648
Unallocated Corporate expenses	4,904,736	313,068	5,217,804	2,096,840
Operating Profit	12,828,590	90,973	12,919,563	13,963,808
Finance Expenses	(11,408,549)	-	(11,408,549)	(11,009,537)
Intangible Assets under development Written off				
Other Income				
Interest Income				
PROFIT BEFORE TAX	1,420,041	90,973	1,511,014	2,954,271
Provision for tax	-	-	-	-
PROFIT AFTER TAX	1,420,041	90,973	1,511,014	2,954,271
OTHER INFORMATIONS				
Segment Assets	335,977,684	2,508,096	338,485,780	520,605,099
Unallocated Corporate assets	-	-	-	-
Segment Assets				
a) Fixed Assets				
b) Other Non-current Assets				
c) Intangible Assets Under Development				
d) Inventory				
e) Trade Receivables				
Other Current Assets	-	-	-	-
Total Assets	335,977,684	2,508,096	338,485,780	520,605,099
Segment Liabilities				
a) Allocated Corporate Liabilities	329,936,539	168,910	330,105,449	513,386,740
b) Trade Payables	-	-	-	-
c) Other Current Liabilities	-	-	-	-
Total Liabilities	329,936,539	168,910	330,105,449	513,386,740
Capital Expenditure				
a) Depreciation	26,457,266	-	26,457,266	47,286,097
b) Non- cash expenses other than depreciations	-	-	-	-

Notes:

- Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization's structure as well as the differential risks and returns of these segments.2)

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

The Company has disclosed Business Segment as the primary segment and type of products and services in each segment:

- 3) The revenue and results figure given above are directly identifiable to respective segments and expenditure on common services incurred at the corporate level are not directly identifiable to respective segments have been shown as "Other Un-allocable Expenditure". 4) The other Information figures given above are directly identifiable to respective segments and information for corporate services for head office and investments related to acquisitions have been shown as "Others Un-allocable".

35. 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.

36. Related Party Disclosure

In accordance with the Accounting Standard 18 on "Related Party Disclosure" notified under the Companies (Accounting Standard) Rules, 2006, as amended, the relevant information for the year ended March 31, 2015 is as under. Names of related parties and description of relationship:

(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	Rain Fruits & More Private Limited	Subsidiaries
2	Galaxy Rain Restaurants Private Limited	Subsidiaries
3	Future Retail Limited	Enterprises where control exists through substantial equity interest

* Pursuant to merger of PRIL and FVRL with FRL, the balances of PRIL and FVRL are merged with FRL.

(ii) Transactions during the year with related parties :

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Subsidiaries	Enterprises where control exists through substantial equity interest	Total
1	Interest Income	2,390,959	-	2,390,959
		(-)	(-)	(-)
2	Net Loans and Advances Given / (Returned)	42,235	-	42,235
		(30,176)	(-)	(30,176)
3	Provision for doubtful advances	2,463,370	-	2,463,370
		(-)	(-)	(-)
4	Sundry Balances written back	(-)	13,999,459	13,999,459
		(-)	(-)	(-)
5	Purchases / Material Consumed	-	263,563	263,563
		(-)	(66,181)	(66,181)
5	Rent Expenses	-	5,319,262	5,319,262
		(-)	(8,621,032)	(8,621,032)
6	Electricity Expenses	-	3,024,676	3,024,676
		(-)	(5,579,763)	(5,579,763)

Balance as at 31st March, 2015

Sr. No.	Particulars	Subsidiaries	Enterprises where control exists through substantial equity interest	Total
i)	Net Loans and Advances Given / (Returned)	20,797,703	-	20,797,703
		(18,364,509)	(-)	(18,364,509)
	Provision for doubtful Loans and Advances	20,797,703	-	20,797,703
		(18,334,333)	(-)	(18,334,333)
(ii)	Trade Payables*	-	7,996,782	7,996,782
		-	(-)	(-)
(iii)	Trade Receivables*	-	-	-
		-	(80,45,802)	(80,45,802)

37. Earnings Per Share - Basic and Diluted:

Particulars	2014-2015 ₹	2013-2014 ₹
Net Profit / (Loss) for the year as per Statement of Profit and Loss considered as numerator for calculating earnings per share	1,438,603	2,954,271
Weighted average number of equity shares outstanding during the year	15,649,935	15,649,935
Nominal value per share	10	10
Earnings Per Share	0.10	0.19

38. Loans and Advances include amounts due from subsidiaries (in terms of Clause 32 of the Listing Agreement):

Name of the Company	Maximum Amount Outstanding during the year (₹)	Balance Outstanding as at March 31, 2015 (₹)
Rain Fruits & More Private Limited	20,464,888 (18,044,973)	20,464,888 (18,044,973)
Galaxy Rain Restaurants Private Limited	332,815 (319,536)	332,815 (319,536)

Figures in bracket are with respect to previous year.

39. Employee Benefits:

The Company has classified various benefits provided to employees as under:

- (i) **Defined Contribution Plans:** Company's contribution to the provident fund scheme is recognised during the year in which the related service is rendered with the following amounts in the financial Statement:

Particulars	Year Ended March 31, 2015 (₹)
Employer's contribution to Provident Fund	1,351,308

- (ii) **Defined Benefit Plans:** Gratuity (Non-Funded Scheme)

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

(iii) **Other Long Term Employee Benefits:** Leave Encashment (Non-Funded Scheme)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid plans based on the following assumptions:

Discount Rate (per annum)	8.00%
Rate of increase in compensation levels (per annum)	5.00%
Attrition Rate	1%
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate

The following table's summaries the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet for the above benefit plans:

A. Changes in the Present Value of Obligation:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at beginning of the period	548,431	388,021	7,13,730	299,925
Interest Cost	43,874	31,042	57,098	23,994
Current Service Cost	725,362	491,515	383,604	216,081
Benefits Paid	(502,071)	(254,565)	(640,916)	(341,241)
Actuarial (gain) / loss on Obligations	544,050	(106,251)	34,915	189,262
Present Value of Defined Benefit Obligation as at the end of the period	1,359,646	549,762	548,431	388,021

B. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Plan Assets:

	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Funded Obligation as at end of the period	1,359,646	549,762	548,431	388,021
Fair Value of Plan Assets as at end of the period	-	-	-	-
Funded Asset recognized in the Balance Sheet	-	-	-	-
Included in provision (Schedule)				
Present Value of Unfunded Obligation as at end of the period				
Unrecognized Actuarial gains/(losses)	-	-	-	-
Unfunded Liability recognized in the Balance Sheet				
Included in –				
Long Term Provision	12,23,681	412,321	493,588	291,016
Short Term Provision	135,965	137,441	54,843	97,005

Consolidated Notes on Financial Statements for the Year Ended March 31, 2015

C. Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at the end of the period	1,359,646	549,762	548,431	388,021
Fair Value of Plan Assets as at end of the period	Nil	Nil	Nil	Nil
Liability / (Net Asset) recognized in the Balance Sheet	1,359,646	549,762	548,431	388,021

D. Expenses recognized in the Statement of Profit and Loss:

	Year Ended March 31, 2015		Year Ended March 31, 2014	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Current Service Cost	725,362	491,515	383,604	216,081
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	43,874	31,042	57,098	23,994
Expected Return on Plan Assets	Nil	Nil	Nil	Nil
Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
Net Actuarial (Gain) / Loss recognized in the period	544,050	(106,251)	34,915	189,262
Total Expenses recognized in the Statement of Profit and Loss	1,313,286	416,306	475,617	429,337

40 Based on the available information with the management, the Company does not owe any sum to suppliers who are registered as Micro, Small, Medium Enterprise as at March 31, 2015 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".

41 In respect of amounts payable to overseas creditors for import of certain gaming machinery all liability has been provided in the respective year of imports and the management believes no further liability is to be recorded in respect of such imports.

42 Balances of Debtors and Creditors are subject to confirmations and reconciliation.

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.

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place : Mumbai
Dated: May 29, 2015

For and on behalf of the Board**Sunil Biyani**

Director
DIN: 00006583

Place : Mumbai
Dated: May 29, 2015

Udita Jhunjunwala

Director
DIN: 00120951



GALAXY ENTERTAINMENT CORPORATION LIMITED

CIN: L51900MH1981PLC024988

Regd. Office: 3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai - 400 008.

Tel No.: 022- 66201473, Fax No.: 022- 66201473, E-mail: investors@thegalaxycorp.com

Website: www.thegalaxycorp.com

PROXY FORM

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

Name of the Member(s): _____
Registered address: _____
E-mail Id: _____
Folio No. / Client ID: _____
DP ID: _____

I/We being the member(s) of _____ shares of the Galaxy Entertainment Corporation Limited hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Tuesday, September 29, 2015 at 1.30 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution	For	Against
1. Consider and adopt: a. Audited Financial Statement for the year ended March 31, 2015, Reports of the Board of Directors and Auditors b. Audited Consolidated Financial Statement		
2. Appointment of Director in place of Mr. Swapnil Kothari (DIN: 05235636) who retires by rotation and being eligible offers himself for re-appointment.		
3. Appointment of Statutory Auditors and authorizing the Board to fix their remuneration.		
4. Appointment of Mr. Sharad Rustagi (DIN: 07175393) as an Independent Director of the Company.		
5. Approval of material related party transactions in terms of Clause 49 of the Listing Agreement		

Signed this day of 2015.

Signature of shareholder(s): _____

Signature of Proxy holder(s): _____

Signature across the stamp

Notes:

- 1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. **A Proxy need not be a member of the Company.**
- 3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- **4. This is only optional. Please put a tick (√) mark in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5. Appointing a proxy does not prevent a member from attending the meeting in person if h so wishes.
- 6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

galaxy

ENTERTAINMENT CORPORATION LIMITED

CIN : L51900MH1981PLC024988

Regd. Office : 3rd Floor, Block A, Orchid City Centre Mall,
225, Belasis Road, Mumbai Central, Mumbai - 400008.

Tel.: (022) 6620 1473 • Fax: (022) 6620 1473

Website: www.thegalaxycorp.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Galaxy Entertainment Corporation Limited
2.	Annual Financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time / repetitive ... / since how long period Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> • Director • CFO • Auditor of the Company • Audit Committee Chairman 	

For Galaxy Entertainment Corporation Limited



**Sunil Biyani
Director**



**Vikas Kedia
Chief Financial Officer**

Date: September 3, 2015
Place: Mumbai



**Sharad Rustagi
Audit Committee Chairman**



**S A R A & Associates
Statutory Auditor**



Registered Office :

3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai – 400 008.

Corporate Office :

Future Group Office, 4th Floor, SOBO Central Mall, Near Haji Ali, No. 28, Pt. Madan Mohan Malviya Road, Tardeo, Mumbai Central - (W) Mumbai - 400 034
Tel: 022 66201473, Fax No. 022 66201473 Email : reachus@thegalaxycorp.com, www.thegalaxycorp.com