

**GALAXY ENTERTAINMENT CORPORATION LIMITED**  
**CIN : L51900MH1981PLC024988**  
 Regd Off. : 3rd Floor, Block A, Orchid City Center Mall, 225, Bellasis Road, Mumbai-400008  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014**

(Rs. In ' lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended		Consolidated	
		31.03.2014 Audited	31.12.2013 (Un-Audited)	31.03.2013 Audited	31.03.2014 Audited	31.03.2013 Audited	31.03.2014 (Audited)	31.03.2013 (Audited)
	<b>INCOME FROM OPERATIONS</b>							
1	a. Net Sales/Income From Operation	2,250.60	382.83	310.35	3,528.61	1,274.77	3,528.61	1,274.77
	b. Other Operating Income/(Loss)	(87.36)	28.72	1,472.86	430.03	1,527.72	430.03	1,527.72
	<b>Total Income from operations ( Net)</b>	<b>2,163.23</b>	<b>412.35</b>	<b>1,783.21</b>	<b>3,958.63</b>	<b>2,802.49</b>	<b>3,958.63</b>	<b>2,802.49</b>
2	<b>EXPENSES</b>							
	a. Purchase of trade goods	1,697.85	-	-	1,697.85	-	1,697.85	-
	b. Operational Cost	151.51	133.80	79.84	569.28	366.44	569.28	366.44
	c. Employee Benefit Expenses	15.11	90.36	48.08	283.88	270.83	283.88	270.83
	d. Depreciation and Amortisation expenses	117.41	116.51	116.07	472.88	493.94	472.88	493.94
	e. Electricity & Fuel Charges	31.30	40.23	32.57	180.36	121.02	180.36	121.02
	f. License / Conducting Fees & Taxes	(1.38)	137.44	145.56	496.85	491.62	496.85	491.62
	g. Bad debts Written Off	-	-	-	-	71.76	-	71.76
	h. (Gain)/Loss on foreign exchange fluctuation	(13.08)	(28.29)	(39.51)	7.35	(28.63)	7.35	(28.63)
	i. Sundry Balance Written Off	-	-	-	-	72.09	-	72.09
	j. Other Expenses	26.55	40.58	43.28	157.07	184.95	157.30	184.95
	<b>Total Expenses</b>	<b>2,025.30</b>	<b>530.75</b>	<b>425.91</b>	<b>3,865.51</b>	<b>2,043.84</b>	<b>3,865.73</b>	<b>2,043.83</b>
3	<b>Profit/(Loss) from Operations before other Income, Finance Cost &amp; Exceptional Items (1-2)</b>	<b>137.94</b>	<b>(118.39)</b>	<b>1,357.30</b>	<b>83.13</b>	<b>758.66</b>	<b>83.13</b>	<b>758.66</b>
4	Other Income	4.57	3.07	(0.31)	13.57	11.38	13.57	11.38
5	<b>Profit/(Loss) from ordinary activities before Finance Cost &amp; Exceptional Items (3+4)</b>	<b>142.52</b>	<b>(115.33)</b>	<b>1,356.99</b>	<b>106.71</b>	<b>770.04</b>	<b>106.71</b>	<b>770.04</b>
6	Finance Cost	(18.97)	20.66	26.51	77.16	311.90	77.16	311.90
7	<b>Profit/(Loss) from ordinary activities after Finance Cost but before Exceptional Items (5-6)</b>	<b>161.48</b>	<b>(135.99)</b>	<b>1,330.47</b>	<b>29.54</b>	<b>458.13</b>	<b>29.55</b>	<b>458.14</b>
8	Exceptional Items	-	-	-	-	-	-	-
9	<b>Profit/(Loss) from Ordinary Activities before tax (7-8)</b>	<b>161.48</b>	<b>(135.99)</b>	<b>1,330.47</b>	<b>29.54</b>	<b>458.13</b>	<b>29.55</b>	<b>458.14</b>
10	<b>Tax Expense</b>							
	- Current tax	-	-	-	-	-	-	-
	- Earlier Year	-	-	-	-	-	-	-
	- Deferred Tax	-	-	-	-	-	-	-
11	<b>Net Profit/(Loss) from Ordinary Activities after Tax (9-10)</b>	<b>161.48</b>	<b>(135.99)</b>	<b>1,330.47</b>	<b>29.54</b>	<b>458.13</b>	<b>29.55</b>	<b>458.14</b>
12	Extraordinary Items	-	-	-	-	-	-	-
13	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>161.48</b>	<b>(135.99)</b>	<b>1,330.47</b>	<b>29.54</b>	<b>458.13</b>	<b>29.55</b>	<b>458.14</b>
14	Paid up Equity Share Capital (Face Value Rs 10/- each)	1,564.99	1,564.99	1,564.99	1,564.99	1,564.99	1,564.99	1,564.99
15	Reserves excluding revaluation reserves	-	-	-	-	(1,522.35)	-	(1,522.35)
16	<b>Basic and Diluted EPS (of Rs.10 each) ( Not annualised)</b>							
	- Before Extraordinary items	1.03	(0.87)	8.50	0.19	2.93	0.19	2.93
	- After Extraordinary item	1.03	(0.87)	8.50	0.19	2.93	0.19	2.93
A	<b>PARTICULARS OF SHAREHOLDING</b>							
17	<b>Public Shareholding</b>							
	Number of Shares ( in nos.)	6480772	6480772	6480772	6480772	6480772	6480772	6480772
	Percentage of Shareholding	41.41	41.41	41.41	41.41	41.41	41.41	41.41
18	<b>Promoters and Promoters group Shareholding</b>							
	a) Pledged/Encumbered							
	- Number of Shares ( in nos.)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares ( as a % of total shareholding of promoter & promoter group )	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares ( as a % of total shareholding of the the Company )	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	b) Non-encumbered							
	- Number of Shares ( in nos.)	9169163	9169163	9169163	9169163	9169163	9169163	9169163
	- Percentage of shares ( as a % of total shareholding of promoter & promoter group )	100	100	100	100	100	100	100
	- Percentage of shares ( as a % of total shareholding of the the Company )	58.59	58.59	58.59	58.59	58.59	58.59	58.59

Notes:

**B Particulars** Quarter ended  
31st March, 2014

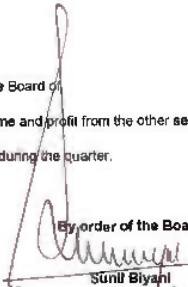
**INVESTORS COMPLAINT**

Pending at the beginning of quarter -  
 Received during the quarter -  
 Disposed of during the quarter -  
 Remaining unresolved at the end of the quarter -

Notes:

- The above results were reviewed by the Audit Committee at their meeting held on May 28, 2014 and approved by the Board of Directors in their meeting held on May 28, 2014.
- Accounting Standard (AS-17) relating to the "Segment Reporting" has been complied with. The gross operating income and profit from the other segment is below the norms prescribed in AS-1, hence separate disclosures have not been made.
- There were no investor complaints pending at the beginning of the current quarter and no complaints were received during the quarter.
- Previous year figures have been regrouped, where necessary, to conform to current year's classification.

Place : Mumbai  
 Dated: May 28, 2014

By order of the Board  
  
 Sunil Biyani  
 Director



## Statement of Assets &amp; Liabilities

(Rs. In Lakhs)

Particulars	31.03.2014	31.03.2013	31.03.2014	31.03.2013
			Consolidated	
	Audited	Audited	Audited	Audited
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
a) Share Capital	1564.99	1,564.99	1564.99	1,564.99
b) Reserves & Surplus	(1492.81)	(1,522.35)	(1493.13)	(1,524.41)
<b>Sub-total - Shareholders' Funds</b>	<b>72.18</b>	<b>42.64</b>	<b>71.86</b>	<b>40.58</b>
<b>Non-Current Liabilities</b>				
(a) Long Term Borrowings	475.19	326.38	392.60	326.38
(b) Other Long Term Liabilities	0.83	6.39	0.83	6.39
(c) Long-Term Provisions	7.85	8.67	7.85	8.67
<b>Sub-total - Non-Current Liabilities</b>	<b>483.86</b>	<b>341.44</b>	<b>401.27</b>	<b>341.43</b>
<b>Current Liabilities</b>				
(a) Short Term Borrowings	579.13	1,373.84	579.13	1,373.84
(b) Trade Payable	1166.80	642.90	1177.43	653.59
(c) Other Current Liabilities	2902.54	1,946.63	2985.55	1,947.03
(d) Short-Term Provisions	1.51	1.46	1.52	1.46
<b>Sub-total -Current Liabilities</b>	<b>4,649.99</b>	<b>3,964.83</b>	<b>4,743.63</b>	<b>3,975.93</b>
<b>Total - Equity &amp; Liabilities</b>	<b>5,206.04</b>	<b>4,348.91</b>	<b>5,216.76</b>	<b>4,357.94</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Fixed Assets	2429.37	2193.20	2437.55	2199.43
(b) Non-Current Investments	0.63	0.63	0.63	0.63
(c) Long-Term Loans and Advances	183.27	188.72	183.55	189.30
(d) Other Non-Current Assets	152.76	119.87	153.25	120.37
<b>Sub-total - Non-Current Assets</b>	<b>2766.03</b>	<b>2502.42</b>	<b>2774.98</b>	<b>2509.73</b>
<b>Current Assets</b>				
(a) Inventories	31.37	30.87	31.37	30.87
(b) Trade Receivables	1755.92	1,697.83	1755.92	1,697.82
(c) Cash and Bank Balances	54.17	15.16	55.90	16.89
(d) Short Term Loan and Advances	577.14	93.08	577.13	93.08
(e) Other Current Assets	21.43	9.55	21.42	9.55
<b>Sub-total - Current Assets</b>	<b>2,440.02</b>	<b>1,846.49</b>	<b>2,441.79</b>	<b>1,848.21</b>
Minority Interest				
<b>Total - Assets</b>	<b>5,206.04</b>	<b>4,348.91</b>	<b>5,216.76</b>	<b>4,357.94</b>

Notes:

Place : Mumbai  
Dated: May 28, 2014

By order of the Board

*Sunil Biyani*  
Sunil Biyani  
Director





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GALAXY ENTERTAINMENT CORPORATION LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Galaxy Entertainment Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013 of the Ministry of the Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

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

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

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



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## Opinion

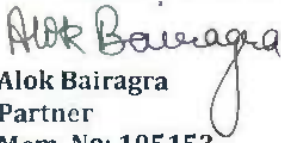
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the *Profit* of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 .

For SARA & Associates  
Chartered Accountants  
Firm Regn No: 120927W

  
Alok Bairagra  
Partner  
Mem. No: 105153



Place: Mumbai  
Date: 28/05/2014



## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of Our Report of even date to the members of GALAXY ENTERTAINMENT CORPORATION LIMITED on the accounts of the company for the year ended 31st March, 2014.

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
  - b. A part of fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - c. In our opinion and according to the information and explanations given to us, a substantial part of fixed asset has not been disposed of by the company during the year.
- (ii) a. The 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. 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) In respect of loans, secured and unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a. During the year, the company has not granted any loans and advances, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly clause (iii) (a) to (iii) (d) of the order are 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 explanations given to us, there were no particulars of contracts or arrangement that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provision of section 58A, 58AA or



any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of business of the Company.
- (viii) To the best of our knowledge and as explained to us, the provisions of sec. 209(1) (d) of the Companies Act, 1956 regarding maintenance of Cost records are not applicable to the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax and any other statutory dues wherever applicable.
- (b) According to the information and explanation given to us, there are statutory dues outstanding for more than six months under Income Tax, Service Tax and Sales-tax. Thus, the dues outstanding as at balance sheet date are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	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

- (x) 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.
- (xi) The Company has not defaulted in repayment of dues to a bank. Thus this clause is not applicable.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments; hence this clause is not applicable.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.



- (xvi) The Company has obtained term loan of Rs. 6 crores during the year. 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.
- (xvii) According to the information and explanation given to us and on overall examination of the balance sheet of the company, we report that funds raised on short term basis have not been used for long term investment. Thus, this clause is not applicable.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) 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*

**Alok Bairagra**  
**Partner**  
**Mem. No: 105153**



**Place: Mumbai**  
**Date: 28/05/2014**



## INDEPENDENT AUDITOR'S REPORT

On The Consolidated Financial Statements of Galaxy Entertainment Corporation Limited

To the **DIRECTORS** of **GALAXY ENTERTAINMENT CORPORATION LIMITED**

We have audited the accompanying financial statements of Galaxy Entertainment Corporation Limited ("the Company") and its subsidiaries (the company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements on the basis of separate financial statements and other financial information regarding components 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 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 issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



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## Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Galaxy Entertainment Corporation Limited and its subsidiaries.

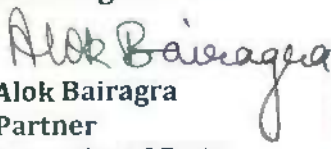
In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- c) in the case of the consolidated Cash Flow Statement, of the Cash Flows for the period ended on that date.

## Report on Other Legal and Regulatory Requirements

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 11,00,674/- as at March 31, 2014, total nil revenues and net cash outflow amounting to Rs. 23,028/- 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  
Mem. No: 105153



Place: Mumbai  
Date: 28/05/2014