



Annual Report 2015-16

Annual Report 2015 - 2016



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Corporate Information

BOARD OF DIRECTORS

Mr. Rajneesh Agarwal	:	Chairman, Independent Director
Ms. Udit Jhunjhunwala	:	Independent Director
Mr. Sunil Biyani	:	Non-Executive Director
Mr. Swapnil Kothari	:	Non-Executive Director
Mr. Sharad Rustagi	:	Independent Director

COMPLIANCE OFFICER

Mr. Vikas R Kedia

STATUTORY AUDITORS

S A R A & Associates
Chartered Accountants

BANKERS

HDFC Bank Limited
AXIS Bank

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

REGISTRAR AND SHARE TRANSFER AGENT

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

34th Annual General Meeting
on Tuesday, September 20, 2016 at 3.00 p.m.
Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

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

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the members of Galaxy Entertainment Corporation Limited will be held on Tuesday, September 20, 2016, at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
2. To appoint a director in place of Mr. Sunil Biyani (DIN: 00006583), who retires by rotation and being eligible offers himself for re-appointment.
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 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation made by the Audit Committee of the Board, consent of the Company be and is hereby accorded for the appointment of M/s. S A R A & Associates, Chartered Accountants (Firm Registration No. 120927W), allotted by The Institute of Chartered Accountants of India (ICAI) be and are hereby appointed as the statutory auditors of the Company for a period of 3 years from the conclusion of thirty fourth annual general meeting till the conclusion of the thirty seventh annual general meeting, on such remuneration as may be decided by the Board of Directors of the Company from time to time.”

Registered Office:

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

By Order of the Board
For Galaxy Entertainment Corporation Limited

Sunil Biyani
Director
DIN: 00006583

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

Place: Mumbai
Date: August 12, 2016

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES 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 total share capital of the Company.

The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

2. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has not yet declared dividend.
3. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to

leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. Details as required in sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") in respect of the Directors seeking appointment/ re-appointment, at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for his appointment/ reappointment.
6. Electronic copy of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
7. Members may also note that the Notice of the 34th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2016 will also be available on the Company's website www.thegalaxycorp.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 3rd Floor, Block A, Orchid City Center Mall 225, Bellasis Road Mumbai - 400 008 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication; the shareholders may also send requests to the Company's email id: investors@thegalaxycorp.com.
8. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-voting are given in this Notice under Note No. 22. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
9. 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 working 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.
10. The Company has notified closure of the Register of Members and Share Transfer Books of the Company from Friday, September 16, 2016 to Tuesday, September 20, 2016 (both days inclusive).
11. 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.
12. 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.
13. 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.
14. 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 17, 2016.
15. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
16. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

17. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during the business hours up to the date of the Meeting.
18. The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
19. Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent viz. TSR Darashaw Limited, 6-1, Haji Moosa Patrawala Estate, 20, Dr. E. Moses Road, Mahalaxmi (West) Mumbai – 400 011, Maharashtra.
20. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent, TSR Darashaw Limited:
 - a) The change in the Residential status on return to India for permanent settlement.
 - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
21. Members who have not registered their 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.
22. Voting through electronic means and poll:
 - I. In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members with the facility for voting by electronic means provided by National Securities Depository Limited (NSDL) on all the resolutions set forth in this Notice.
 The Company also will be providing voting facility through polling paper at the Meeting and members attending the Meeting who have not already cast their vote by remote e-voting may be able to exercise their voting right at the Meeting. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
 The procedure and instructions for remote E-Voting facility are as follows:
 - 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.nsdl.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 Saturday, September 17, 2016 (9:00 am) and ends on Monday, September 19, 2016 (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 13, 2016, 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, 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 13, 2016.
- VI. Any person who acquires shares of the Company and becomes member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e August 12, 2016 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 M/s. Krishna Rathi & Associates, Practising 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 at the 34th Annual General Meeting of the Company.

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.

- VII. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make within a period of three (3) days from 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, of the Company.
- VIII. The results declared along with the report of the scrutinizer shall be placed on the Company's website www.thegalaxycorp.com and on the websites of Stock Exchange and NSDL.

- IX. The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e remote e-Voting and voting held at the AGM)
23. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.
24. 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 12, 2016

By Order of the Board
For Galaxy Entertainment Corporation Limited

Sunil Biyani
Director
DIN: 00006583

ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT

Name of the Director	Sunil Biyani
Date of birth	October 24, 1969
Date of appointment	May 27, 2011
Director Identification Number	00006583
Qualification	Masters in Business Administration
Expertise in specific Functional Areas	Mr. Sunil Biyani is the Managing Director of Future Market Networks Limited, a part of Future Group. He is a Commerce Graduate with Masters in Business Administration and is instrumental in setting up various formats in the Group. He has extensive experience in textiles, retail sectors, Building and Construction, Property related transaction and project management. He leads the real estate, mall management teams of various group companies within the Future Group.
Directorship held in other public companies	1. Future Market Networks Limited 2. Apollo Design Apparel Parks Limited 3. PIL Industries Limited
Chairmanship / Membership of Committees across other public Companies, if any.	Name of the Company: Apollo Design Apparel Parks Limited Committee: Audit Committee Position held: Member
Relationship between Directors interse	None
Number of Equity Shares held in the Company	None

To,

The Members of Galaxy Entertainment Corporation Limited

The Directors take pleasure in presenting the Thirty Fourth Annual Report together with the audited financial statements for the year ended March 31, 2016.

Financial Results

The Company's financial performance for the year ended March 31, 2016 is summarized below:

Standalone

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year Ended 31.03.2015
Revenue from operations	4284.58	4055.67
Other Income	677.42	492.75
Total Income	4962.00	4548.42
Personnel Cost	203.01	344.22
Operating and other expenses	4528.17	3811.15
Total Expenditure	4731.18	4155.37
Profit before Interest, Depreciation and Tax	230.82	393.05
Less: Interest	164.79	114.09
Less : Depreciation	268.28	264.57
Profit/(Loss) before tax	(202.25)	14.39
Less Provision for Tax	-	-
Profit/(Loss) after Tax	(202.25)	14.39

Dividend

Your Directors have not recommended any dividend for the financial year ended March 31, 2016.

Internal Controls

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

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

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

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

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

Internal Financial Controls

The 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 in the design or operation was observed.

Risk Management

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value.

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.

Share Capital

The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 equity shares of ₹ 10/- each.

The issued, subscribed and paid up Share Capital of the Company as on March 31, 2016 was ₹ 15,64,99,350/- divided into 1,56,49,935 equity shares of ₹ 10/- each.

Subsidiaries

At the beginning of the year, the Company had 2 subsidiaries as follows:

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 %

As on March 31, 2016, the aforesaid companies ceased to be the subsidiaries of Galaxy Entertainment Corporation Limited consequent to the sale of investments approved by the members of the Company by way of postal ballot on March 29, 2016.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Pursuant to provisions of Section 129(3) of the Act, Form AOC-1 (Annexure 'A') is attached to this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements and related information of the Company are available on our website, www.thegalaxycorp.com. These documents will also be available for inspection during business hours at our registered office at Mumbai.

Cash Flow Statement

In conformity with the provisions of Regulation 34 of SEBI Listing Regulations, the Cash Flow Statement for the year ended March 31, 2016 has been provided in the Annual Report and which forms part of this report.

Particulars of Employees and other additional information

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 'B').

Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on corporate governance issued by Mr. Krishna Rathi of M/s. Krishna Rathi & Associates, Practising Company Secretary, forms part of this report.

Management's Discussion and Analysis Report

The Management Discussion & Analysis Report as required under Regulation 34 of the Listing Regulations is presented separately and forms part of this report.

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

Meetings

The Board of Directors met four (4) times during the financial year 2015 -16. The details of board meetings and the attendance of Directors are provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Audit Committee

The Audit Committee comprises of Mr. Rajneesh Agarwal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors and Mr. Swapnil Kothari, Non-Executive Director.

Four meetings of the Committee were held during the year. For further details, please refer Corporate Governance Report forming part of the Annual Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board. There were no instances where the Board has not accepted any recommendation of the Audit Committee.

Details of Committees of the Board of Directors along with their terms of reference, composition and meetings held during the year under review, are provided separately in the Corporate Governance Report, which forms part of this Annual Report.

Directors

The Board of Directors of the Company consists of Mr. Rajneesh Agarwal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

Re-appointment

In terms of the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Sunil Biyani retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

The brief resume and other information as required under Regulation 36 of SEBI Listing Regulations relating to Mr. Sunil Biyani, forms part of the Notice of ensuing Annual General Meeting. None of the Directors are disqualified for appointment / reappointment under Section 164 of the Companies Act, 2013.

Declarations by Independent Directors

The Company has received individual declarations from all the Independent Directors of the Company stating that they fulfill the criteria of independence as specified under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations.

Policy on Director's 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.

Board Evaluation

SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 mandates that the Board shall monitor and review the evaluation framework. The frame work includes the evaluation of directors on various parameters.

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and frame work adopted by the Board. The evaluation process has been explained in the Corporate Governance report.

Code of conduct for prevention of insider trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosure to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website viz. www.thegalaxycorp.com.

Listing

The Company has entered into Listing Agreement with BSE Limited (BSE) during December 2015 in terms of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the listing fee for the year 2016-17 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.

Extract of Annual Return

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, an extract of the Annual Report in prescribed format in form MGT-9 is attached as (Annexure 'C').

Director's 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 the following:

- 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- 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 that 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.

Auditors and Auditors' Report

M/s. S A R A & Associates., Chartered Accountants, Statutory Auditors of the Company, bearing ICAI Firm Registration No. 120927W, hold office till the conclusion of the Thirty Seventh 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 or disclaimer.

Secretarial Audit

The Board has appointed Mrs. Nidhi Bajaj of M/s. Nidhi Bajaj & Associates, Practising Company Secretary, to conduct Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-2016 and for the financial year 2016-2017. The report of the Secretarial Auditor in Form MR-3 is annexed to this report as (Annexure 'D') to this Report. The Secretarial Auditors Report for the Financial Year 2015-16 does not contain any qualification, reservation or adverse remark other than appointment of Company Secretary and Managing Director.

Particulars of Contracts or Arrangement with Related Parties

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee

of the Board of Directors for their approval. The Audit Committee has granted omnibus approval for Related Party Transactions as per the provisions and restrictions contained in the erstwhile Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

There are no material significant RPTs made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC -2 is not required. The Board has approved and adopted Policy on Related Party Transactions and the same is uploaded on the Company's website at www.thegalaxycorp.com.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Policy is available on the Company's website www.thegalaxycorp.com.

Disclosure relating to equity shares with differential rights

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

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

The Company has not issued or granted any Employee Stock Option Scheme and Employee Stock Purchase Scheme during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

Disclosure relating to sweat equity shares

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

Disclosures in respect of voting rights not directly exercised by employees

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

Disclosure of Orders passed by Regulators or Courts or Tribunal

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.

Detection of Fraud

No Fraud has been reported by the auditors viz. statutory and internal auditors to the Audit Committee or the Board in terms of sub-section (12) of Section 143 of the Companies Act, 2013.

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.

Particulars of Loans, Guarantees or 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.

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-16, no complaints were received by the Company related to sexual harassment.

Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website viz. <http://www.thegalaxycorp.com/Corpopolicecode.html>

Remuneration Policy

The Board has, on the recommendation of the Nomination, Remuneration & Compensation Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Energy, Technology Absorption and Foreign Exchange

Information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule, 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is included in (Annexure 'E').

Acknowledgement

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

Cautionary Note

The statements forming part of the Director's Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

For and behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2016

Sunil Biyani
(Director)
DIN: 00006583

Udita Jhunjhunwala
(Director)
DIN: 00120951

ANNEXURE 'A' TO THE BOARD'S REPORT**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	Subsidiaries
1.	Name of the subsidiary	-
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	-
5.	Reserves & surplus	-
6.	Total assets	-
7.	Total Liabilities	-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	-

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 ceased to be subsidiaries during the year are as follows:
 - Rain Fruits & More Private Limited
 - Galaxy Rain Restaurants Private Limited

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 Associates/Joint Ventures	Nil
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding%	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	-
6.	Profit/Loss for the year	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	-

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

For and behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2016

Sunil Biyani
(Director)
DIN: 00006583

Udita Jhunjhunwala
(Director)
DIN: 00120951

ANNEXURE 'B' 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 Directors of the Company does not draw remuneration from the Company. Hence, the ratio of the remuneration of each director to the median remuneration of the employees of the Company cannot be determined.
- ii. The percentage increase in remuneration of Compliance Officer during the financial year 2015-16, is as under:

Name of KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in lakh)	% increase in Remuneration in the Financial Year 2015-16
Mr. Vikas Kedia Compliance Officer	5.02	12%

- iii. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 11623/-, previous period it was ₹ 10733/-.
- iv. There are 31 permanent employees on the rolls of Company as on March 31, 2016.
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2014-15 was around 12%.
- vi. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2015-16 as stipulated in Rule 5 (2) (i).
- ii. There were no employees in the Company who were drawing a remuneration for the part of the financial year 2015-16 as stipulated in Rule 5 (2) (ii).
- iii. The Directors of the Company does not draw remuneration from the Company and none of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

For and on behalf of the Board of Directors,

Place : Mumbai
Date : August 12, 2016

Sunil Biyani
Director
DIN: 00006583

Udita Jhunjhunwala
Director
DIN: 00120951

**ANNEXURE 'C' TO THE BOARD'S REPORT
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2016**

[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	18.17
Merchandise Trading	13	81.20

III. Particulars of Holding, Subsidiary and Associate Companies

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

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

i. Category-wise Shareholding -

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

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	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	88,19,163	3,50,000	91,69,163	58.59	91,19,163	-	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	28,84,905	100	28,85,005	18.43	29,05,914	100	29,06,014	18.57	0.14
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	17,74,692	42,166	18,16,858	11.61	17,74,085	42,166	18,16,251	11.61	-
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	15,10,151	18,000	15,28,151	9.76	15,68,567	18,000	15,86,567	10.13	0.37
c) Others (specify)									
i. Non-Resident Indian (Repat)	87,460	-	87,460	0.56	87,560	-	87,560	0.56	-
ii. Non-Resident Indian (Non-Repat)	96,658	-	96,658	0.62	59,806	-	59,806	0.38	-0.24
iii. Clearing Member	66,640	-	66,640	0.43	24,574	-	24,574	0.16	-0.27
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)	1,52,39,669	410,266	1,56,49,935	100.00	1,55,89,669	60,266	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 Limited	10,29,432	6.58	10,29,432	6.58
2. Merlin Enclaves Private Limited	8,95,626	5.72	8,95,626	5.72
3. Sudha Commercial Company Limited	704,792	4.50	702,926	4.49
4. Shivanand Shankar Mankekar	3,24,302	2.07	3,24,302	2.07
5. Coppola Holdings Private Limited	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. Naveen Kumar S Chadalavada	60,000	0.38	67,100	0.43
8. Jagadeesh Venkata Geddam	0	0	56,350	0.36
9. Rajesh V Dhanki	60,020	0.38	56,020	0.36
10. A S Vishnu Bharath	19,001	0.12	52,809	0.34

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	13.22	2.78	-	16.03
ii. Interest due but not paid	0.13	-	-	-
iii. Interest accrued but not due	-	-	-	0.10
Total (i + ii + iii)	13.35	2.78	-	16.13
Change in Indebtedness during the financial year				
i. Addition	-	3.07	-	3.07
ii. Reduction	-2.55	-	-	-2.55
Net Change	-2.55	3.07	-	0.52
Indebtedness at the end of the financial year				
i. Principal Amount	10.92	5.91	-	16.83
ii. Interest due but not paid	-	0.06	-	0.06
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	10.92	5.97	-	16.89

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)
1)	Gross Salary	-	-
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	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	-	-
2)	Stock Options	-	-
3)	Sweat Equity	-	-
4)	Commission		
	- as % of profit	-	-
	- as others specify	-	-
5)	Others , Please specify	-	-
	Total A	-	-

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	15,000			15,000
	2. Udit Jhunjhunwala	60,000			60,000
	3. Sharad Rustagi	45,000			45,000
	Total (1)	1,20,000	-	-	1,20,000
2.	Other Non- Executive Directors		-	-	
	1. Sunil Biyani	40,000			40,000
	2. Swapnil Kothari	45,000			45,000
	Total (2)	85,000	-	-	85,000
	Total (B) = (1+2)	2,05,000	-	-	2,05,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Sitting fees is paid within the limit specified under the Companies Act, 2013			

(₹ in lakhs)

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		Vikas Kedia
1.	Gross salary	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5.02
	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	5.02

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

ANNEXURE 'D' TO THE BOARD'S REPORT**FORM NO. MR. 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[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

CIN: L51900MH1981PLC024988

3rd Floor, Block A, Orchid City Centre Mall,

225, Belasis Road, Mumbai Central,

Mumbai – 400 008.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GALAXY ENTERTAINMENT CORPORATION LIMITED** (hereinafter called the "Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, 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, 2016 ('Audit Period') 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 the Company for the financial year ended on 31st March, 2016 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; (Not Applicable to the Company during the Audit period)
- 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') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011; (Not Applicable to the Company during the Audit period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015); (Not Applicable to the Company during the Audit period)
 - 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 to the extent applicable to the Company's Registrar & Transfer Agent M/s. TSR Darashaw Limited on maintenance of records of the Company.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable as the Company has not delisted / propose to delist its equity shares from Stock Exchange during the Audit period).

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable as the Company has not bought back / propose to buy – back any of its securities during the Audit period).
- vi. Other specific business/industry related laws applicable to the Company- The Company has complied with the provisions of the Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971, Maharashtra Plastic Carry Bags (Manufacture and Usage) Rules, 2006, Maharashtra State Tax on Professions, Trades, Callings And Employments Act, 1975 Maharashtra State Tax on Professions, Trades, Callings And Employments Rules, 1975, Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, Environment (Protection) Act, 1986, E-Waste (Management and Handling) Rules, 2011, Maharashtra Shops and Establishments Act, 1948, Bombay Lift Act, 1939, Bombay Lift Rules, 1958, Food Safety and Standards Act, 2006 (FSSA) and Rules, 2011 and Regulations, 2011, The Insecticide Act, 1968 and applicable general business laws, rules, regulations and guidelines.

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

- a. Secretarial Standards issued by "The Institute of Company Secretaries of India".
- b. The Listing Agreements entered into by the Company with BSE Limited and Securities of Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015).

During the Audit period the Company has complied with the provisions of above mentioned Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to following observations:

- The Company has not appointed Company Secretary which is required to be appointed under the provisions of Section 203 of the Companies Act, 2013 and Rules 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There were no changes in the composition of the Board during the audit period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were usually sent sufficiently 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.

The Board decisions are recorded without recording any dissent by any member of the Board and hence we do not find any basis to believe that the Board resolutions were dissented upon by any Board member/(s).

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 above referred applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has taken following significant events / actions:

- a. Special Resolution in terms of Section 14 of the Act seeking shareholders authorisation through postal ballot for adoption of a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company.
- b. Special Resolution in terms of Section 180(1)(a) of the Act seeking shareholders authorisation through postal ballot for the Board to sale of investment held in Rain Fruits and More Private Limited and Galaxy Rain Restaurants Private Limited.

**For Nidhi Bajaj & Associates
Company Secretaries**

**Nidhi Bajaj
Proprietor**

ACS – 28907, COP - 14596

Date: August 08, 2016
Place: Mumbai

ANNEXURE 'E' TO THE BOARD'S REPORT

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

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

A. CONSERVATION OF ENERGY

- Energy Conservation Measures Taken
- Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- 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.

- 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

In accordance with the Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) with BSE Limited (BSE) the report containing details of corporate governance system and processes of Galaxy Entertainment Corporation Limited is as follows:

I. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on corporate governance is to achieve business excellence and to create long term value for its stakeholders. The Company has set of systems and practices to ensure that the affairs of the Company envisages adherence to the highest levels of transparency, accountability and fairness in all its transactions.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business done.

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.

Actions and decisions of the Board are aligned in the best interest of the Company. The Board critically evaluates, Company's strategic decisions, management policies and its effectiveness. The Board regularly reviews related party transactions, financial controls, financial statements and evaluates performance of the business operations.

The Company not only adheres to the prescribed corporate governance practices as per Listing Regulations but has also undertaken several initiatives towards maintaining the highest standards of Governance and these include:

• Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an integral governance structure with defined roles and responsibilities of every constituent of the system. The Board has established five Committees to discharge its responsibilities in an effective manner. The Company Secretary of the Company acts as the Secretary to all the Committee of the Board.

• Ethics / Governance Policies

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. In this direction, the Company has, inter-alia, adopted the following codes and policies which act as enablers to carry out our duties in an ethical manner:

- Code of Conduct for the Board of Directors and the Senior Management Personnel
- Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders
- Vigil Mechanism and Whistle – Blower Policy
- Policy on Related Party Transaction
- Code of practices and procedures code of Practices and Procedures for fair disclosure of for Fair Disclosure of Unpublished Price Sensitive Information
- Policy on Preservation of Documents
- Policy on Determination and Disclosure of Materiality of Events and Information and Web archival Policy.
- Policy for Selection of Directors and determining Directors Independence.

• Audits and internal checks

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

• Management initiatives for Internal Controls

The Company has robust internal control systems, including internal financial controls with reference to financial statements, commensurate with its nature of business. These controls have been documented and digitalized in the business process and are regularly tested for design and operating effectiveness.

• Best Corporate Governance practices

It is the Company's constant endeavor to adopt the best Corporate Governance practices which include the following:

- ☐ All securities related filings with Stock Exchanges and SEBI are reviewed every quarter by the Board of Directors.
- ☐ The Company's internal audit is conducted by an external firm acting as independent auditors.
- ☐ The Company also undergoes secretarial audit conducted by an independent company secretary in whole-time practice. The secretarial audit reports are placed before the Board.

- **Shareholders' communications**

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Shareholders seeking information related to their shareholding may contact the Company directly or through any of the Investor Service Centre of the Company's Share Transfer Agent. The Company ensures that complaints and suggestions of its shareholders are responded to in a timely and consistent manner.

- **Role of the Compliance Officer in overall governance process**

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

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

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

II. Board Composition

Size and composition of the Board

We believe that our Board needs to have an appropriate mix of executive and independent directors to maintain its independence, and separate its functions of governance and management. Listing Regulations mandate that for a company with a non-executive chairman, at least one-third of the board should be independent directors. On March 31, 2016 our Board consists of five members, out of which three are independent Directors including a Women Director and a Non – Executive Director, which are in line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

The Composition of the Board as on March 31, 2016 and other relevant details are as under:

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

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

Chairman of the Board

The Company has appointed Mr. Rajneesh Agarwal, Non-Executive and Independent Director as the Chairman of the Board with effect from May 29, 2015.

Responsibilities of the Chairman

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

The Chairman takes a lead role in managing the Board and facilitating effective communication among directors. The Chairman provides independent leadership to the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman actively works with the nomination, remuneration and compensation committee to plan the Board and Board committees' composition, induct directors to the Board, participate in the Board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

Independent Directors

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an "Independent Director" and we abide by these definitions of independent director.

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

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

Selection of new Directors

The Board is instrumental in selection of new directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee consisting majority of independent directors. Nomination, Remuneration and Compensation Committee makes recommendations to the Board on the induction of new directors.

Familiarization programmes for Independent Directors

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, inter-alia, on the business and performance updates of the Company, business strategy and risks involved.

The independent directors are updated periodically on all business – related issues and new initiatives. At such meetings, the executive directors and other members of the senior management share points of view and leadership thoughts on relevant issues.

Meetings of Independent Directors

One meeting of the Independent Directors was held during the year without the presence of the Non-Independent Director or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters, inter-alia, pertaining to the Company's affairs and put forth their views to the Managing Director.

Tenure of Directorships

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for reappointment. Executive directors are appointed by the shareholders for a maximum period of five years, but are eligible for re-appointment upon completion of their term. An independent director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on the passing of a special resolution by the Company.

Board member's evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination, remuneration and compensation committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a evaluation, excluding the director being evaluated through a Board effectiveness survey. The evaluation for the year 2015-16 has been done.

III. Board Meetings

Scheduling and selection of agenda items

Minimum four pre-scheduled Board meetings are held annually. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The Compliance Officer drafts the agenda for each meeting, along with explanatory notes, in consultation with Accounts Head and other Directors and distributes these in advance to the Board of Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meetings.

The minimum information to be placed before the Board as required under Part A of Schedule II of the Listing Regulations (the the extent applicable), is placed before the Board at their meetings.

Four (4) Board Meetings were held during the year ended March 31, 2016. These were held on:

i)	May 29, 2015	ii)	August 11, 2015
iii)	November 7, 2015	iv)	February 9, 2016

Attendance of director's 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, 2016 are given herein below.

Name	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	last AGM Attendance	Number of Directorship of other public companies (excluding the Company and private limited companies, foreign companies and Section 8 companies)	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman	Member	
Mr. Rajneesh Agarwal	Independent Director	4	1	No	-	Nil	Nil	None
Ms. Udit Jhunjhunwala	Independent Director	4	4	No	1	Nil	Nil	None
Mr. Swapnil Kothari	Non-Executive Director	4	3	Yes	2	Nil	9	None
Mr. Sunil Biyani	Non-Executive Director	4	4	Yes	4	Nil	1	None
Mr. Sharad Rustagi	Independent Director	4	3	Yes	-	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 Public Companies in terms of Section 165 of the Companies Act, 2013; Member of more than 10 committees and Chairman of more than 5 committees in terms of the Listing Regulations, across all the companies in which he is a director.
- Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
- During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- 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.
- excluded the separate meeting of independent directors, in which non independent directors were not eligible to participate.

Availability of information to Board members

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

- Annual operating plans and budgets including capital budgets and any updates
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review / audit report thereon.
- Minutes of various committee meetings of the Company and minutes of board meetings of subsidiary companies and abstracts of circular resolutions.
- Statement of investments made by unlisted subsidiaries.
- General notices of interest received from Directors.

- Shareholding pattern as per Regulation 31(1) (b) of the Listing Regulations.
- Statement of shareholder grievance received/disposed during each quarter.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- The information on recruitment and remuneration of senior officers below the board level, including appointment or removal of the Chief Financial Officer and the Company Secretary, if any.
- Approval of related party transactions.
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services.
- Quarterly compliance reports and investor grievance report.
- Details of joint ventures and acquisition of companies.
- Sale of a material nature, or of investments, subsidiaries and assets, which are not part of the normal course of business.
- Declaration of Independent Directors at the time of appointment / annually.
- Appointment of Internal and Secretarial Auditors.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls, if any.
- Proposals for major investments, mergers, amalgamations and reconstructions.

Recording minutes of proceedings at Board and Committee meetings

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

Post meeting follow-up mechanism

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

Compliance

The Compliance Officer, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations including the Companies Act, 2013 read with rules issued there under, as applicable and SS-1 and SS-2 issued by the Institute of Company Secretaries of India.

Independent directors meeting

Schedule IV of the Companies Act, 2013 and the Rules under it mandates that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management.

During the year 2015-16, a separate meeting of Independent Directors was held on February 9, 2016 which is line with Regulation 25 of the Listing Regulations. The Independent Directors, inter-alia, reviewed the performance of the non-independent directors and the Board as a whole, as well as the performance of the chairman of the Board, taking into account the views of the executive directors and non-executive directors.

The meeting was attended by all the Independent Directors.

Remuneration Paid to directors in fiscal 2016

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	40,000	-	40,000
Rajneesh Agarwal	15,000	-	15,000
Udita Jhunjhunwala	60,000	-	60,000
Swapnil Kothari	45,000	-	45,000
Sharad Rustagi	45,000	-	45,000

Notes:

- Sitting fees include payment to the Directors for attending meetings of Board and Audit Committee.
- Service Tax is not included.

IV. Board Committees

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

A. Audit Committee

As on March 31, 2016, the composition of the Audit Committee has been as under:

Mr. Rajnesh Agarwal

Mr. Swapnil Kothari

Ms. Udit Jhunjhunwala

Mr. Sharad Rustagi

The Audit Committee met four times i.e. on May 29, 2015, August 11, 2015, November 7, 2015 and February 09, 2016 and the time interval between any two Audit Committee meetings was not more than 120 days.

The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The attendance at the meetings of the Committee is given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Rajnesh Agarwal	Independent Director	Chairman	4	1
Mr. Swapnil Kothari	Non Executive Director	Member	4	3
Ms. Udit Jhunjhunwala	Independent Director	Member	4	4
Mr. Sharad Rustagi	Independent Director	Member	4	3

General

- At present the members of the Audit Committee are paid sitting fees of ₹ 5,000/- for every meeting of the Committee attended by them.
- Executives of Accounts Department, Corporate Secretarial Department and representatives of statutory and internal auditors attend the Audit Committee Meetings.
- The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 29, 2015.

The Compliance Officer acts as the secretary to the Audit Committee.

The Committee's composition meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Members of the Audit Committee possess financial / accounting expertise / exposure.

(i) Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employees.
- To obtain outside legal or other professional advice.
- To ensure efficiency and effectiveness of operations, both domestic and overseas;
- To ensure reliability of financial and management information and adequacy of disclosures;
- Safeguarding of assets and adequacy of provisions of all liabilities; and
- To Compliance with all relevant statutes.

(ii) Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

(iii) Terms of reference of the Audit Committee

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management;
 - Significant adjustments made in financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in draft audit report, if any.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- To review the Company's financial and risk management policies.
- To seek any information and investigate any activity with terms of its reference.
- To review the functioning of the Vigil Mechanism and Whistle Blower Policy.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
- To carry out any other function as mentioned in the terms of reference of the Audit Committee.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor.

The Statutory Auditors and Internal Auditors and executives from accounts, finance and corporate secretarial function also attended Audit Committee Meetings.

B. Nomination, Remuneration and Compensation Committee

Our Nomination, Remuneration and Compensation Committee comprised two independent directors and a Non-Executive Director as on March 31, 2016.

Mr. Rajneesh Agarwal : Chairman

Ms. Udit Jhunjhunwala : Member

Mr. Swapnil Kothari : Member

The Committee's constitution and terms of reference are in compliance with the Regulation 19 of the SEBI Listing Regulations, Section 178 and other applicable provision of the Companies Act, 2013.

During the year under review, the Nomination, Remuneration and Compensation Committee met three times on May 29, 2015, August 11, 2015 and February 09, 2016. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board. The attendance at the meetings of the Committee is given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Rajneesh Agarwal	Independent Director	Chairman	3	1
Mr. Swapnil Kothari	Non Executive Director	Member	3	3
Ms. Udit Jhunjhunwala	Independent Director	Member	3	3

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

This Committee also discharges the functions of the 'Compensation Committee' as prescribed under the SEBI (Share Based Employee Benefits) Regulations, 2014. The role of the Committee, inter alia, is to approve/recommend the remuneration/ packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of Board of Directors as whole, individual directors and the committees of the Board.

During the year, the committee under the guidance of the Board also formulated the criteria and framework for the performance evaluation of every Director on the Board, including the executive and independent directors and identified ongoing training and education programs to ensure that the non-executive directors are provided with adequate information regarding the business, the industry, and their legal responsibilities and duties.

Brief about Remuneration Policy:

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Management Personnels and the major points relating to Remuneration policy are as follows:

- A. Remuneration structure of Independent Directors & Non Executive Directors:
 - i. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members).
 - ii. No remuneration other than sitting fees has been paid to any of the Directors.
- B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management Personnels is as detailed hereunder:
 - i. The compensation of KMP and Senior Management Personnels shall be approved by the Nomination, Remuneration and Compensation Committee.
 - ii. The Compensation of a KMP and Senior Management Personnels is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.

The remuneration structure to KMPs and Senior Management Personnels may include a variable performance linked component.

C. Stakeholders' Relationship Committee

Composition of the Committee:

The Stakeholders Relationship Committee (SR Committee) of the Board, comprises one Independent Director, namely Mr. Rajneesh Agarwal, Two Non-Executive Director, namely Mr. Swapnil Kothari and Mr. Sunil Biyani.

The SR Committee's composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI Listing Regulations and provisions of the Companies Act, 2013.

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

- To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.
- To approve deletion of name.
- To approve split, consolidation and issuance of duplicate shares.
- To oversees the performance of the Registrars and Share Transfer Agents i.e. TSR Darashaw Limited.
- Consider, resolve and monitor redressal of investors' / shareholders' grievances related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Share Transfer Agent.
- Recommend methods to upgrade the standard of services to investors.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

There were no major complaints received from the Shareholders of the Company. The Complaints received were promptly replied by the Registrar and Share Transfer Agents of the Company. The Directors are not paid any sitting fees for attending the meeting of the aforesaid Committee.

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2016, no investor complaints were received and no complaints were outstanding as on March 31, 2016.

Mr. Vikas Kedia has been nominated as the Compliance Officer of the Company.

Compliance Officer:

Mr. Vikas Kedia is the Compliance Officer responsible for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

D. Committee of Directors

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

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

The committee met once during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

E. Shareholders

Disclosure regarding the appointment or re-appointment of directors

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013, Mr. Sunil Biyani is liable to retire by rotation. The said Director has offered himself for reappointment and resolution for his reappointment, is incorporated in the Notice of the ensuing Annual General Meeting.

Mr. Sunil Biyani: Non-Executive Director

Mr. Sunil Biyani is the Managing Director of Future Market Networks Limited, a part of Future Group. He is a Commerce Graduate with Masters in Business Administration and is instrumental in setting up various formats in the Group. He has extensive experience in textiles, retail sectors, Building and Construction, Property related transaction and project management. He leads the real estate, mall management teams of various group companies within the Future Group.

Communication to the Shareholders

- The quarterly report, along with additional information and official news releases, are posted on our website www.thegalaxycorp.com.
- The quarterly / annual results and official news releases are generally were published in Business Standard and Mumbai Lakshadweep (a regional daily published from Mumbai). Quarterly and Annual financial statements are also posted on our website www.thegalaxycorp.com.
- The Company has its own web site and all vital information relating to the Company and its business 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.
- Management Discussion and Analysis forms part of the Annual Report.

Details of non-compliance

No penalty has been imposed by any stock exchange or SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

Certificate on corporate governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on corporate governance is annexed to the Board's report.

The certificate on Corporate Governance issued by Mr. Krishna Rathi of M/s. Krishna Rathi & Associates, Practicing Company Secretaries forms part of this report.

CEO and CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO / CFO certification is provided in this Annual Report.

Code of conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct (the Code). The Code is applicable to the members of the Board, the executive officers, and all the employees of the Company and its subsidiaries. The Code is available on our website, www.thegalaxycorp.com.

All the members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2016.

Prohibition of Insider Trading

The Company has adopted a Code of Conduct for Prohibition of Insider Trading under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with a view to regulate trading in the equity shares of the Company by the directors and designated employees. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on need basis. The policy is available on our website, www.thegalaxycorp.com.

General Body Meetings

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
2012-13	Friday, September 27, 2013 01:00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	▪ 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 01.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	▪ No special resolution was passed.
2014-15	Tuesday, September 29, 2015 01.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ Approval for entering into related party transactions which are material in nature.

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. Details of Postal Ballot during the FY 2015-16:

The Company has passed a special resolution through postal ballot pursuant to section 110 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, (the "Act") if any, read together with the Companies (Management and Administration) Rules, 2014, details of which are as under:

POSTAL BALLOT – 1

Financial Year	2015-16
Date of the Postal Ballot Notice: August 11, 2015	Voting Period: August 22, 2015 to September 23, 2015
Date of Declaration of Result: September 25, 2015	Date of Approval: September 25, 2015
Date of Postal Ballot	Postal Ballot Results were declared by Director on Friday, September 25, 2015
Scrutinizer	Mr. Krishna Rathi, Practising Company Secretary of M/s. Krishna Rathi & Associates.
Details of the postal Ballot	On August 21, 2015, the Company had completed the dispatch of the notice under Section 110 of the Companies Act, 2013, along with the Postal Ballot forms and self addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on August 14, 2015. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolutions	<ol style="list-style-type: none"> 1. Approval to Borrow in excess of paid-up capital & free reserves pursuant to Section 180(1)(c) of the Companies Act, 2013. 2. Approval for creation of charge/mortgage etc. on Company's movable or immovable properties in terms of Section 180(1)(a) of the Companies Act, 2013. 3. Loans and Guarantees to any Bodies Corporate and persons and investments in any Bodies Corporate in excess of the prescribed limits under Section 186 and other applicable provisions, if any, of the Companies Act, 2013.

Resolution No. 1:

Details of the voting pattern: Details of the votes casted for Special Resolution under Section 180(1)(c) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	54	9258365	92583650		
(b)	Less: Invalid Postal Ballot Forms	3	5637	56370		
(c)	Net Valid Postal Ballot Forms	51	9252728	92527280		
(d)	Postal Ballot Forms with assent for the Resolution	49	9251928	92519280	59.117	99.991
(e)	Postal Ballot Forms with dissent for the Resolution	2	800	8000	0.005	0.009

(*) Including votes Polled through E-Voting facility

Resolution No. 2:

Details of the voting pattern: Details of the votes casted for Special Resolution under Section 180(1)(a) of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	55	9258405	92584050		
(b)	Less: Invalid Postal Ballot Forms	3	5637	56370		
(c)	Net Valid Postal Ballot Forms	52	9252768	92527680		
(d)	Postal Ballot Forms with assent for the Resolution	49	9250968	92509680	59.112	99.981
(e)	Postal Ballot Forms with dissent for the Resolution	3	1800	18000	0.011	0.019

(*) Including votes Polled through E-Voting facility

Resolution No. 3:

Details of the voting pattern: Details of the votes casted for Special Resolution under Section 186 of the Companies Act, 2013 are as under:

Sr. No.	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (₹)	Percentage of total paid up Equity Capital as on 31.03.2015	Percentage of Valid votes cast
(a)	Total Postal Ballot Forms/E-voting received(*)	55	9258405	92584050		
(b)	Less: Invalid Postal Ballot Forms	3	5637	56370		
(c)	Net Valid Postal Ballot Forms	52	9252768	92527680		
(d)	Postal Ballot Forms with assent for the Resolution	48	9250519	92505190	59.109	99.976
(e)	Postal Ballot Forms with dissent for the Resolution	4	2249	22490	0.014	0.024

(*) Including votes Polled through E-Voting facility

POSTAL BALLOT – 2

Financial Year	2015-16
Date of the Postal Ballot Notice: February 19, 2016	Voting Period: February 26, 2016 to March 27, 2016
Date of Declaration of Result: March 29, 2016	Date of Approval: March 29, 2016
Date of Postal Ballot	Postal Ballot Results were declared by Director on Tuesday, March 29, 2016
Scrutinizer	Mr. Krishna Rath, Practising Company Secretary of M/s. Krishna Rath & Associates.
Details of the postal Ballot	On February 24, 2016, the Company had completed the dispatch of the notice under Section 110 of the Companies Act, 2013, along with the Postal Ballot forms and self addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on February 12, 2016. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.

Resolutions	<ol style="list-style-type: none"> 1. Approval to Amend Clause III B, Clause III C and Clause IV of the Memorandum of Association. 2. Approval to Adopt new set of Articles of Association. 3. Approval of sell investment held by the Company in its Subsidiary Company Galaxy Rain Restaurants Private Limited, which is non-operational for more than five years. 4. Approval to sell investments held by the Company in its Subsidiary Company Rain Fruits And More Private Limited, which is non-operational for more than five years.
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Resolution No. 1:

Details of the voting pattern: Details of the votes casted for Special Resolution to Amend Clause III B, Clause III C and Clause IV of the Memorandum of Association are as under:

Category	Mode of Voting	No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	8819163	8819163	100.00	8819163	0	100.00	0.00
	Poll	8819163	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	8819163	0	0.00	0	0	0.00	0.00
	Total	8819163	8819163	100.00	8819163	0	100.00	0.00
Public - Institutional holders	E-Voting	0	0	0.00	0	0	0.00	0.00
	Poll	0	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	0	0	0.00	0	0	0.00	0.00
	Total	0	0	0.00	0	0	0.00	0.00
Public-Others	E-Voting	6830772	484664	7.10	484564	100	99.98	0.02
	Poll	6830772	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	6830772	421	0.01	421	0	100.00	0.00
	Total	6830772	485085	7.10	484985	100	99.98	0.02
Total	E-Voting	15649935	9303827	59.45	9303827	100	100.00	0.00
	Poll	15649935	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	15649935	421	0.00	421	0	100.00	0.00
	Total	15649935	9304248	59.45	9304148	100	100.00	0.00

Resolution No. 2:

Details of the voting pattern: Details of the votes casted for Special Resolution to Adopt new set of Articles of Association are as under:

Category	Mode of Voting	No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	8819163	8819163	100.00	8819163	0	100.00	0.00
	Poll	8819163	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	8819163	0	0.00	0	0	0.00	0.00
	Total	8819163	8819163	100.00	8819163	0	100.00	0.00
Public - Institutional holders	E-Voting	0	0	0.00	0	0	0.00	0.00
	Poll	0	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	0	0	0.00	0	0	0.00	0.00
	Total	0	0	0.00	0	0	0.00	0.00

Category	Mode of Voting	No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Public-Others	E-Voting	6830772	484664	7.10	484564	100	99.98	0.02
	Poll	6830772	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	6830772	421	0.01	421	0	100.00	0.00
	Total	6830772	485085	7.10	484985	100	99.98	0.02
Total	E-Voting	15649935	9303827	59.45	9303827	100	100.00	0.00
	Poll	15649935	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	15649935	421	0.00	421	0	100.00	0.00
	Total	15649935	9304248	59.45	9304148	100	100.00	0.00

Resolution No. 3:

Details of the voting pattern: Details of the votes casted for Special Resolution to sell investments held by the Company in its Subsidiary Company Rain Fruits and More Private Limited, which is non-operational for more than five years are as under:

Category	Mode of Voting	No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	8819163	8819163	100.00	8819163	0	100.00	0.00
	Poll	8819163	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	8819163	0	0.00	0	0	0.00	0.00
	Total	8819163	8819163	100.00	8819163	0	100.00	0.00
Public - Institutional holders	E-Voting	0	0	0.00	0	0	0.00	0.00
	Poll	0	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	0	0	0.00	0	0	0.00	0.00
	Total	0	0	0.00	0	0	0.00	0.00
Public-Others	E-Voting	6830772	484664	7.10	484564	100	99.98	0.02
	Poll	6830772	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	6830772	421	0.01	421	0	100.00	0.00
	Total	6830772	485085	7.10	484985	100	99.98	0.02
Total	E-Voting	15649935	9303827	59.45	9303827	100	100.00	0.00
	Poll	15649935	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	15649935	421	0.00	421	0	100.00	0.00
	Total	15649935	9304248	59.45	9304148	100	100.00	0.00

Resolution No. 4:

Details of the voting pattern: Details of the votes casted for Special Resolution to sell investments held by the Company in its Subsidiary Company Galaxy Rain Restaurants Private Limited, which is non-operational for more than five years are as under:

Category	Mode of Voting	No. of Shares Held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
Promoter and Promoter Group	E-Voting	8819163	8819163	100.00	8819163	0	100.00	0.00
	Poll	8819163	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	8819163	0	0.00	0	0	0.00	0.00
	Total	8819163	8819163	100.00	8819163	0	100.00	0.00
Public - Institutional holders	E-Voting	0	0	0.00	0	0	0.00	0.00
	Poll	0	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	0	0	0.00	0	0	0.00	0.00
	Total	0	0	0.00	0	0	0.00	0.00
Public-Others	E-Voting	6830772	484664	7.10	484564	100	99.98	0.02
	Poll	6830772	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	6830772	421	0.01	421	0	100.00	0.00
	Total	6830772	485085	7.10	484985	100	99.98	0.02
Total	E-Voting	15649935	9303827	59.45	9303827	100	100.00	0.00
	Poll	15649935	0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)	15649935	421	0.00	421	0	100.00	0.00
	Total	15649935	9304248	59.45	9304148	100	100.00	0.00

V. Additional Shareholders Disclosure/ information

- During the financial year 2015-16, 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.
- The Company has complied with the requirements of the Stock Exchange/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.
- At present, the Equity Shares of the Company are listed on the BSE Limited (BSE). The Annual Listing fees for the year 2016-17 have been paid to BSE.
- The Company has paid custodial fees for the year 2016-17 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

VI. General Shareholders information:

- Company Registration Details:** The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51900MH1981PLC024988.
- Annual General Meeting**
 - AGM Date, Day : September 20, 2016, Tuesday
 - Time & Venue : 3.00 p.m. Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018
- Financial Year** : April 1 to March 31
- Book Closure Period** : September 16, 2016 to September 20, 2016 (both days inclusive)
- Financial Calendar (tentative):**
 - First Quarterly Result : on or before 14th September 2016
 - Second Quarterly Result : on or before 14th December 2016
 - Third Quarterly Result : on or before 14th February 2017
 - Financial year ending : on or before 30th May 2017

f. Listing of Equity Shares on Stock Exchange

I. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Scrip Code: 506186

ISIN - INE403B01016

Stock Market Data

High, lows and Volumes of FMNL from April 1, 2015 to March 31, 2016 at BSE.

Month	BSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2015	37.60	23.30	1,52,888
May 2015	31.20	23.35	66,505
June 2015	26.65	20.50	1,19,490
July 2015	36.40	24.00	1,71,652
August 2015	30.05	21.45	90,587
September 2015	25.90	20.00	45,484
October 2015	25.40	20.80	60,763
November 2015	28.90	20.40	1,30,206
December 2015	30.95	23.15	2,12,039
January 2016	26.80	20.15	81,971
February 2016	23.95	13.50	95,914
March 2016	17.61	12.91	47,437

g. 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, 2016 is as below:

i. Distribution of shareholding as on March 31, 2016

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	4,14,972	2.65	2,625	74.15
501 – 1000	3,36,868	2.15	399	11.27
1001 – 2000	3,57,495	2.29	237	6.70
2001 – 3000	1,94,569	1.25	75	2.12
3001 – 4000	1,66,143	1.06	46	1.30
4001 – 5000	1,39,664	0.89	29	0.82
5001 – 10000	4,24,663	2.71	60	1.69
Greater than 10000	1,36,15,561	87.00	69	1.95
Total	1,56,49,935	100.00	3,540	100.00

ii. Shareholding pattern by ownership as on March 31, 2016

Categories	As on March 31, 2016	
	No. of Shares	Percentage
Promoters, Relatives and Associates	91,69,163	58.59
Directors	-	-
Foreign Institutional Investor/ Mutual Funds	-	-
Public Financial Institutions / State Financial Corporation / Insurance Companies	-	-
Mutual Funds (Indian) and UTI	-	-
Nationalized and other Banks	-	-
NRI / OCBs	1,47,366	0.94

Categories	As on March 31, 2016	
	No. of Shares	Percentage
Public	34,02,818	21.74
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate))	29,30,588	18.73
Total	1,56,49,935	100

h. Dematerialization of Shares

As on March 31, 2016, 1,55,89,669 Equity Shares representing 99.61% 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, 2016, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	60,266	0.39
Demat Segment		
NSDL	97,57,792	62.35
CDSL	58,31,877	37.26
Total	1,56,49,935	100.00

i. Share Transfer system:

Transfer of shares held in physical mode is processed by M/s. TSR Darashaw Limited, 6-10, Haji Moosa Patrawal Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011, Share Transfer Agent and approved by the Share Transfer Committee. Valid Share Transfer in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

j. Address for correspondence:

i. Any Query on Annual Report:

Mr. Vikas Kedia
Compliance Officer
3rd Floor, Block A, Orchid City Centre Mall,
225, Belasis Road, Mumbai Central, Mumbai-400008
Phone: 022 66201456, Fax: 022 66201465
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-400011
Phone: 022-66568484
Email Id: csg-unit@tsrdarashaw.com

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

k. Adoption of Non-Mandatory Requirements

As specified in sub-regulation 1 of Regulation 27 of the Listing Regulations, the non-mandatory requirements are reviewed by the Board as and when necessary.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Galaxy Entertainment Corporation Limited
3rd Floor, Block A, Orchid City Centre Mall,
225, Belasis Road, Mumbai Central,
Mumbai – 400008.

We have examined the compliance of conditions of Corporate Governance of Galaxy Entertainment Corporation Limited ("the Company") for the financial year ended March 31, 2016, as stipulated in the Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange (upto November 30, 2015) and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (w.e.f. December 1, 2015) with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring 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, and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Krishna Rathi & Associates

Company Secretaries

S/d

Krishna S Rathi

Proprietor

CP. No: 10079

Place: Mumbai

Date: August 12, 2016

Overview of the Indian Economy:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF). According to the Economic Survey 2015-16, the Indian economy will continue to grow more than 7 per cent in 2016-17.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

India was ranked the highest globally in terms of consumer confidence during October-December quarter of 2015, continuing its earlier trend of being ranked the highest during first three quarters of 2015, as per the global consumer confidence index created by Nielsen.

The Food Service Industry:

Sales growth in the food and beverage industry witnessed a five-year low in FY14. Overall economic slowdown and inflation led to a contraction in consumer demand during the fiscal year. However, decline in inflation in FY15 and better economic growth led to an improvement in FY15 sales. The trend is expected to continue in FY16. India's huge population backed by a growing purchasing power makes it an ideal hunting ground for global food and beverage players. The market is expected to flourish further with greater investment and consistency in regulatory policies.

The outlook for Indian food and beverage is stable because of growing sales, reforms in retail sector and increasing urbanization. The ever increasing middle class backed by rising per capita income will further act as a growth driver for this sector in the years to come.

The current regulations and policies allow 100% foreign direct investments under the automatic route in the food processing and allied sectors. As of March 2015, the sector accounted for around 3.9% of the total FDI inflows in India.

India suffered high inflation during FY10-14. The most worrying factor was the consistent rise in food prices which ate into the disposable income of Indian middle class. However, steep decline in crude oil prices brought a much needed relief from inflation. Wholesale Price Index (WPI) inflation declined considerably in FY15, falling to a five-year low of -4.9% in August 2015. Consumer Price Index (CPI) also saw a significant decline to 3.7% in August 2015.

The index of industrial production (IIP) for the food and beverage manufacturing industry was affected by the industrial slowdown in FY14, recording a decline of 1% y/y. However, the index saw an improvement in FY15, growing by 4.5% y/y.

Road Ahead:

The International Monetary Fund (IMF) and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5 per cent in 2016, due to improved investor confidence, lower food prices and better policy reforms. Besides, according to mid-year update of United Nations World Economic Situation and Prospects, India is expected to grow at 7.6 per cent in 2015 and at 7.7 per cent in 2016.

As per the latest Global Economic Prospects (GEP) report by World Bank, India is leading The World Bank's growth chart for major economies. The Bank believes India to become the fastest growing major economy by 2015, growing at 7.5 per cent.

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 an 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 Rs. 4962.00 Lacs during the financial year ended March 31, 2016.

Profit/Loss after Tax: The Company recorded loss of Rs. -202.25 Lacs for financial year ended March 31, 2016.

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, 2016 stood at 31.

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 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, 2016, 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 FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation 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 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 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. 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 financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2016, and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to note 28(c) to the financial statement on capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfil export obligation by October 2015 for which Company had sought an extension with Directorate General of Foreign Trade.

We draw attention to note 29 to the financial statement regarding winding up petition filed against the company under section 433(e) / 434 of Companies Act, 1956 before the Hon'ble High Court of Bombay. The matter is subjudice.

Our Opinion is not modified in respect of these matters

OTHER MATTERS

We draw attention to note 43(ii) to the financial statement regarding disposal of entire investments held by the Company in its non-operative subsidiary companies based on a valuation report from an Independent Chartered Accountant. The sale price was less than the cost of acquisition of said shares.

Our Opinion is not modified in respect of these matters

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order.
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 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in **"Annexure B"** and,
 - g) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial statements – refer Note no. 27, 28, 29 and 30 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts hence the question of making a provision for any resulting material foreseeable losses does not arise; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S A R A & Associates

Chartered Accountants

Firm Regn No: 120927W

Alok Bairagra

Partner

Membership No.: 105153

Place: Mumbai

Date: 19/05/2016

Annexure A to Independent Auditors' Report_____ Annual Report 2015-2016

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2016. We report that;

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, a part of fixed assets have been physically verified by the management during the year in the phased periodical manner which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) Since the Company does not have any immovable properties, therefore the paragraph 3(i)(c) of the order is not applicable.
- (ii) As explained to us, inventory consisting of consumables and supplies has been physically verified by the management during the year and no material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore paragraph 3(iii)(a)(b)(c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us there are no loans, investment, guarantees and security given by the Company, therefore paragraph 3(iv) of the order is not applicable.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore paragraph 3(v) of the order is not applicable.
- (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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities, wherever applicable. Except for the service tax amounting to Rs.22,422 (inclusive of interest) which was outstanding for a period of more than six months from the date they became payable as on the last day of the financial year and subsequently paid by the Company.
- (b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues as at 31st March, 2016 which has not been deposited on account of dispute, are as follows

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax	Sales Tax	16,68,316	F.Y. 2003-04	Deputy Commissioner of Sales Tax
Maharashtra Sales Tax		74,92,720	F.Y. 2008-09	Deputy Commissioner of Sales Tax
West Bengal Sales Tax		81,211	F.Y. 2011-12	Joint Commissioner of Sale Tax
Income Tax Act, 1961	Income Tax	13,39,320 17,410	A.Y. 2012-13 A.Y. 2013-14	Assistant Commissioner of Income Tax
Bangalore Sales Tax Act	Entertainment Tax	20,04,648	November 2006 to August 2007	Sales Tax

- (viii) In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders.
- (ix) The Company did not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during course of our audit.
- (xi) According to the information and explanation given to us and on the basis of our examination of relevant records, no managerial remunerations were paid or provided by the Company during the year under audit.

- (xii) In our opinion, the Company is not a nidhi Company. Therefore, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanation given to us and on the basis of our examination of relevant records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements etc., as required by the applicable Accounting Standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanation given to us and on the basis of our examination of the records, the company has not entered in to any non-cash transaction with its directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S A R A & Associates

Chartered Accountants

Firm Regn No: 120927W

Alok Bairagra

Partner

Membership No: 105153

Place: Mumbai

Date: 19/05/2016

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Galaxy Entertainment Corporation Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S A R A & Associates

Chartered Accountants
Firm Regn No: 120927W

Alok Bairagra

Partner
Membership No.: 105153
Place: Mumbai
Date: 19/05/2016

Balance Sheet

Annual Report 2015-2016

as at March 31, 2016 (CIN : L51900MH1981PLC024988)

		(Amount in ₹)	
Particulars	Note No	As at 31.03.2016	As at 31.03.2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	156,499,350	156,499,350
(b) Reserves & Surplus	4	(168,416,611)	(148,191,430)
		(11,917,261)	8,307,920
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long Term Borrowings	5	111,818,174	123,031,074
(b) Deferred Tax Liabilities (Refer Note No. 34)		-	-
(c) Other Long Term Liabilities	6	79,160,018	74,472,333
(d) Long Term Provisions	7	241,266	1,636,002
4 Current Liabilities			
(a) Short Term Borrowings	8	23,683,844	15,771,087
(b) Trade Payables	9	38,883,145	59,564,040
(c) Other Current Liabilities	10	49,041,599	54,013,507
(d) Short Term Provisions	11	39,491	273,406
		111,648,080	129,622,041
Total		290,950,277	337,069,369
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	245,235,818	272,696,544
(ii) Intangible Assets	13	180,566	195,354
(iii) Capital Work-in-Progress		-	-
(b) Non Current Investments	14	-	-
(c) Deferred Tax Assets (Refer note No. 34)		-	-
(d) Long Term Loans and Advances	15	8,101,920	16,558,969
(e) Other Non Current Assets	16	20,233,095	20,350,766
		273,751,399	309,801,633
2 Current Assets			
(a) Inventories	17	118,613	2,544,889
(b) Trade Receivables	18	9,554,316	8,637,042
(c) Cash and Bank Balances	19	534,444	1,035,029
(d) Short Term Loans and Advances	15	4,050,756	13,645,158
(e) Other Current Assets	20	2,940,749	1,405,617
		17,198,878	27,267,736
Total		290,950,277	337,069,369
Significant Accounting Policies	2	-	-
Notes on Financial Statements	3 to 44		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

For and on behalf of the Board of Directors

Alok Bairagra
Partner
Membership No. 105153

Sunil Biyani
Director
DIN: 00006583

Udita Jhunjunwala
Director
DIN: 00120951

Vikas Kedia
Chief Financial Officer

Place: Mumbai
Dated: May 19, 2016

Place: Mumbai
Dated: May 19, 2016

Statement of Profit and Loss

Annual Report 2015-2016

for the year ended March 31, 2016 (CIN : L51900MH1981PLC024988)

(Amount in ₹)

Particulars	Note No	Year Ended 31.03.2016	Year Ended 31.03.2015
I REVENUE			
(a) Revenue From Operations	21	428,458,391	405,567,082
(b) Other Income	22	67,741,886	49,274,665
Total Revenue		496,200,277	454,841,747
II EXPENSES			
(a) Cost of Materials Consumed	23	373,183,551	261,342,250
(b) Employee Benefits Expense	24	20,301,248	34,422,326
(c) Finance Costs	25	16,478,660	11,408,549
(d) Depreciation and Amortisation Expense	12 & 13	26,828,067	26,457,266
(e) Other Expenses	26	79,633,931	119,772,754
Total Expenses		516,425,457	453,403,144
Profit before exceptional items and tax		(20,225,180)	1,438,603
Add : Exceptional Items		-	-
Profit before tax		(20,225,180)	1,438,603
Tax Expenses		-	-
Profit /(Loss) for the year		(20,225,180)	1,438,603
Earnings per Equity Share (₹)			
Basic and Diluted - Par Value of ₹ 10/- per share	36	(1.29)	0.09
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 44		

As per our report of even date

For S A R A & Associates

Chartered Accountants
Firm Regn No.120927W

Alok Bairagra

Partner
Membership No. 105153

Place: Mumbai
Dated: May 19, 2016

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 19, 2016

Udita Jhunjunwala

Director
DIN: 00120951

Vikas Kedia

Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2016

Annual Report 2015-2016

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
A. Cash Flow arising from Operation Activities :		
Profit before Exceptional Items and Tax as per Statement of Profit & Loss	(20,225,180)	1,438,603
Add / (Deduct):		
Depreciation and Amortisation Expense	26,828,067	26,457,266
Interest Income	(1,786,372)	(3,977,275)
Profit on Sale of Fixed Assets	(272,160)	(866,004)
Actuarial Gain on Employee Benefits	(1,334,999)	-
(Gain) / Loss on Foreign Exchange Fluctuation	4,687,685	(3,425,572)
Interest Expenses	16,478,660	11,408,549
Prov. for Diminution in Inv. in Subsidiaries	(35,591,840)	2,463,370
Loss on Disposal of investment in Subsidiaries	22,970,420	-
Depreciation / Amortisation written back	-	(625,268)
Service Tax Receivable (Expenses Out)	-	1,877,855
Sundry Balance Written Bank (Net)	(28,756,515)	(40,380,547)
Operating Cash Profit before Working Capital Changes	(17,002,234)	(5,629,023)
Add / (Deduct):		
Increase / (Decrease) in Trade payables	3,387,935	(8,165,705)
Increase / (Decrease) in Other Current Liabilities	(4,971,908)	(241,376,655)
Increase / (Decrease) in Other long-Term Liabilities	4,687,685	46,609,927
Increase / (Decrease) in Provisions	(293,652)	(1,427,414)
(Increase) / Decrease in Inventories	2,426,276	591,988
(Increase) / Decrease in Trade receivables	(917,274)	166,945,083
(Increase) / Decrease in loans and advances	19,375,435	42,873,492
(Increase) / Decrease in Current & Non-Current Assets	(1,417,462)	(4,337,823)
Cash Flow from Operations	5,274,802	(3,916,130)
Deduct:		
Direct Tax (Net)	1,323,984	(1,075,959)
Net Cash Inflow in the course of Operating Activities	<u>3,950,818</u>	<u>(2,840,171)</u>
B. Cash Flow arising from Investment Activities :		
(Decrease)/Increase in Fixed Asset (including Capital Work in Progress)	(681,463)	(56,809,766)
Sales of Fixed Assets	1,601,070	1,540,000
Sales of Investment	12,621,420	-
Interest received	1,786,372	3,977,275
Net Cash Inflow / (Outflow) in the course of Investing Activities	<u>15,327,399</u>	<u>(51,292,491)</u>

Cash Flow Statement

for the year ended March 31, 2016

Annual Report 2015-2016

Particulars	(Amount in ₹)	
	As at 31.03.2016	As at 31.03.2015
C. Cash Flow arising from Financing Activities :		
Proceeds from / (Repayment of) Long Term Loans	(3,300,143)	61,148,909
Interest Expenses	(16,478,660)	(11,408,549)
Net Cash Inflow / (Outflow) in the course of Financing Activities	(19,778,803)	49,740,360
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(500,586)	(4,392,302)
Opening Balance of Cash and Cash Equivalents	1,035,029	5,427,330
Closing Balance of Cash and Cash Equivalents	534,444	1,035,029
Cash and cash equivalents comprise of :		
Cash & Bank Balances Note 19	534,444	1,035,029
Total	534,444	1,035,029

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
- 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

For and on behalf of the Board of Directors

Alok Bairagra

Partner
Membership No. 105153

Sunil Biyani

Director
DIN: 00006583

Udita Jhunjunwala

Director
DIN: 00120951

Vikas Kedia

Chief Financial Officer

Place: Mumbai
Dated: May 19, 2016

Place: Mumbai
Dated: May 19, 2016

SIGNIFICANT ACCOUNTING POLICES AND NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT MARCH 31, 2016**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 6 centers offering a variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court, etc.

In addition to gaming and entertainment services the company also deals in trading in fabric.

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.

Intangible Asset

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

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.

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

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

1. Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service rendered.

2. Post employment and other long term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.

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.

L. Foreign Currency Transactions

All transactions in foreign currency are recognized at the prevailing exchange rate on the date of transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates.

Non –monetary foreign currency are carried at cost.

Any Income or expenses on account of exchange differences either on settlement or translation is recognized in the statement of profit and loss.

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 ₹)

Particulars**As at
31.03.2016****As at
31.03.2015****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**156,499,350****156,499,350****a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	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 Hospitality Services 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

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Particulars	(Amount in ₹)	
	As at 31.03.2016	As at 31.03.2015
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	-	-
	318,497,460	318,497,460
Less : Deduction during the year	-	-
Balance as at the end of the year	318,497,460	318,497,460
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	-	-
	18,062,972	18,062,972
Less: Adjustment	-	-
Balance as at the end of the year	18,062,972	18,062,972
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	(484,751,862)	(485,841,424)
Profit/(Loss) for the year	(20,225,180)	1,438,603
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Adjustment related to Fixed Assets	-	(349,041)
Transfer to General Reserve	-	-
Balance as at the end of the year	(504,977,043)	(484,751,862)
Total Reserves and Surplus	(168,416,611)	(148,191,430)
5. Long Term Borrowings		
Secured		
Term Loan from Banks *	52,752,000	95,252,000
Total	52,752,000	95,252,000
Unsecured		
From other	59,066,174	27,779,074
Total	59,066,174	27,779,074
Total Long Term Borrowings	111,818,174	123,031,074

* Installments falling due within a year in respect of term loans aggregating ₹ 36,812,500 (Previous Year ₹21,117,293) Have been grouped under : Current Maturities of long term debts (refer note no. 10)

* Rate of Interest is between 12.25% to 12.50% 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.

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Particulars	(Amount in ₹)	
	As at 31.03.2016	As at 31.03.2015
6. Other Long Term Liabilities		
Others		
Payable Towards Capital Goods	79,160,018	74,472,333
Total	79,160,018	74,472,333
7. Long Term Provisions		
Provision for Employee Benefits		
Gratuity	184,187	1,223,681
Leave Encashment	57,079	412,321
Total	241,266	1,636,002
8. Short Term Borrowings		
Secured Loan		
Working Capital Loan Repayable on Demand from Banks*	19,674,564	17,115,087
Total	19,674,564	17,115,087
Unsecured Loan		
From others	4,009,280	(1,344,000)
Total	4,009,280	(1,344,000)
Total Short Term Borrowings	23,683,844	15,771,087
*(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 Promoter)		
9. Trade Payables		
Micro, Small & Medium Enterprises (Refer Note No. 39)	-	-
Others	38,883,145	59,564,040
Total	38,883,145	59,564,040
10. Other Current Liabilities		
Current Maturities of Long Term Debts (Refer Note No. 5)	36,812,500	21,117,293
Payable Towards Capital Goods	1,948,386	7,864,593
Salary & Reimbursements Payable	218,737	1,020,051
Advances received from Customers	8,900,000	21,430
Statutory Dues Payable	444,079	316,344
Bank Overdraft	109,703	7,713,019
Security Deposit	20,000	7,013,840
Liabilities for Expenses Payables	588,194	8,946,937
Total	49,041,599	54,013,507
11. Short Term Provisions		
Provision for Employee Benefits		
Gratuity	20,465	135,965
Leave Encashment	19,026	137,441
Total	39,491	273,406

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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 01.04.2015	Addition	Deductions / Adjustment	As at 31.03.2016	As at 01.04.2015	Adjustment against Retained Earning	For the Year	Deductions / Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Improvements to Licensed Premises	144,058,567	-	-	144,058,567	41,254,691	-	9,526,605	-	50,781,296	93,277,271	102,803,876
Plant and Machinery	423,812,682	681,463	2,900,181	421,593,964	261,908,951	-	16,061,047	1,571,271	276,398,727	145,195,237	161,903,731
Furniture and Fixtures	19,188,881	-	-	19,188,881	11,685,476	-	1,017,818	-	12,703,294	6,485,587	7,503,405
Computers	651,302	-	-	651,302	165,770	-	207,809	-	373,579	277,723	485,532
SUB TOTAL	587,711,431	681,463	2,900,181	585,492,713	315,014,888	-	26,813,279	1,571,271	340,256,896	245,235,818	272,696,544
Previous Year	(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)	-

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

(Amount in ₹)

Particulars	Gross Block				Depreciation					Net Block	
	As at 01.04.2015	Addition	Deductions / Adjustment	As at 31.03.2016	As at 01.04.2015	Adjustment against Retained Earning	For the Year	Deductions / Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Intangibles											
Trade Mark	43,000	-	-	43,000	3,244	-	4,069	-	7,313	35,687	39,756
Liquor License Cost	4,212,313	-	-	4,212,313	4,056,715	-	10,719	-	4,067,434	144,879	155,598
TOTAL	4,255,313	-	-	4,255,313	4,059,959	-	14,788	-	4,074,747	180,566	195,354
Previous Year	(42,125,313)	(43,000)	-	(4,212,313)	(4,045,188)	-	(14,771)	-	(4,059,959)	(195,354)	-

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 31.03.2016	As at 31.03.2015			As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
I	Trade Investments									
	Investment in Equity Instruments									
	Rain Fruits & More Pvt. Ltd. (Equity share of ₹ 10 each)	Subsidiary	NIL	1,252,142	Unquoted	Fully paid	-	72.19	-	35,491,840
	Galaxy Rain Restaurant Pvt. Ltd. (Equity share of ₹ 10 each)	Subsidiary	NIL	10,000	Unquoted	Fully paid	-	100.00	-	100,000
	Sub Total Non Current Investments								-	35,591,840
	Less: Provision for diminution in the value of Investment								-	35,591,840
	Total Non Current Investments								-	-

Particulars	As at 31.03.2016	As at 31.03.2015
	₹	₹
Aggregate amount of quoted investments (Market value ₹ NIL (Previous year ₹ Nil))	-	-
Aggregate amount of Unquoted Investments	-	35,591,840
Aggregate Provision for Diminution in Value of Investments	-	35,591,840

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15. Loans and Advances

(Amount in ₹)

	Long Term		Short Term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Unsecured, Considered Good				
Security Deposits	2,437,330	9,690,395	-	24,400
Total (a)	2,437,330	9,690,395	-	24,400
Loans and Advances to Subsidiaries				
Unsecured, Considered Good	-	-	-	-
Doubtful	-	20,797,703	-	-
	-	20,797,703	-	-
Provision for Doubtful Advances	-	20,797,703	-	-
Total (b)	-	-	-	-
Other Loans and Advances				
Unsecured, Considered Good				
Advance Income Tax / TDS / TCS (Net)	2,572,777	3,896,761	-	-
Advances to Suppliers	-	-	391,307	5,699,514
Advance to Employees for Expenses	-	-	1,314,278	2,686,739
Sales Tax / VAT Receivables (Net)	-	-	1,704,306	2,868,099
Service Tax Receivables (Net)	-	-	451,528	597,303
Entertainment Tax (Paid Under Protest)	1,379,890	1,259,890	-	-
Prepaid Expenses	-	-	189,337	1,769,103
Dues from Others	1,711,923	1,711,923	-	-
Total (c)	5,664,590	6,868,574	4,050,756	13,620,758
Total (a+b+c)	8,101,920	16,558,969	4,050,756	13,645,158

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
16. Other Non Current Assets		
Fixed Deposits with Bank (under Lien against Bank Guarantee)	17,691,444	17,809,115
Un-secured, considered good		
Trade Receivables	2,541,651	2,541,651
Total	20,233,095	20,350,766
17. Inventories		
(Value at Cost or NRV, whichever is lower)		
Restaurants supplies and consumables	64,254	2,401,768
Video Games Consumables	54,359	143,121
Total	118,613	2,544,889

Particulars	(Amount in ₹)	
	As at 31.03.2016	As at 31.03.2015
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	3,199,013	4,994,657
(c) Un-secured, considered doubtful	-	-
	<u>3,199,013</u>	<u>4,994,657</u>
Less: Provision for doubtful debts	-	-
	<u>3,199,013</u>	<u>4,994,657</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	6,355,303	3,642,385
(c) Un-secured, considered doubtful	-	-
	<u>6,355,303</u>	<u>3,642,385</u>
Less: Provision for doubtful debts	-	-
	<u>6,355,303</u>	<u>3,642,385</u>
Total	<u>9,554,316</u>	<u>8,637,042</u>
19. Cash & Bank Balances		
Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	184,226	343,999
Cash on Hand	350,218	691,030
Total	<u>534,444</u>	<u>1,035,029</u>
20. Other Current Assets		
Interest Accrued on Fixed Deposits	2,940,749	1,405,617
Total	<u>2,940,749</u>	<u>1,405,617</u>

on Financial Statements for the year ended March 31, 2016

		(Amount in ₹)	
Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015	
21. Revenue From Operation			
Sale of Services			
Games	17,561,409	43,346,703	
Restaurants	60,288,713	163,454,528	
Sponsorships	-	289,394	
Sales of Trade Goods			
Sale of Fabric	347,899,259	101,066,600	
Sale of Electric Goods	-	80,302,254	
Other Operating Income			
Income from Machine Hire Charges	-	83,332	
Business Conducting Income	86,700	13,171,964	
Service Charges Received	2,591,637	3,803,006	
Scrap Sale	30,673	49,301	
Total	428,458,391	405,567,082	
22. Other Income			
Interest on Bank Deposits	1,719,348	1,586,316	
Interest Income - Others	-	2,390,959	
Interest on Income Tax Refund	67,024	-	
Profit on Sale of Fixed Assets	272,160	866,004	
Net Gain on foreign currency transactions and translation	-	3,425,572	
Reversal of Prov. for Diminution in Inv. in Subsidiaries	35,591,840	-	
Sundry Balances Written Back (Net)	28,756,515	40,380,547	
Depreciation / Amortisation written back	-	625,268	
Actuarial Gain on Employee Benefits	1,334,999	-	
Total	67,741,886	49,274,665	
23. Cost of Materials Consumed			
Purchase of Trade Goods			
Purchase of Fabric	347,000,242	101,017,139	
Purchase of Electric Goods	-	79,947,674	
Consumption of Restaurant Supply and Gaming Expenses			
Games Expenses	716,794	3,326,800	
Wine, Liquor, Beverage, Tobacco & Food Consumables	25,466,515	77,050,637	
Total	373,183,551	261,342,250	
24. Employee Benefit Expenses			
Salaries, Wages, Bonus and Ex-gratia	18,791,332	30,072,827	
Gratuity (Refer Note No. 38)	162,219	1,313,286	
Contribution to Provident and other Funds	1,193,659	1,830,989	
Staff Welfare Expenses	154,038	1,205,224	
Total	20,301,248	34,422,326	
25. Finance Costs			
Interest on Overdraft	2,365,276	2,152,608	
Interest on Term Loan	13,355,339	9,232,959	
Interest on others	758,045	22,982	
Total	16,478,660	11,408,549	

on Financial Statements for the year ended March 31, 2016

Particulars	(Amount in ₹)	
	For the year ended 31.03.2016	For the year ended 31.03.2015
26. Other Expenses :		
Fuel, Power & Light	10,077,687	21,459,659
Repairs & Maintenance		
-Building	121,009	502,045
-Machinery	1,376,735	1,450,349
-Others	1,670,548	6,031,150
Insurance	689,414	1,297,425
Rent	24,575,292	60,449,575
Rates , Taxes & Fees	4,346,116	6,810,340
Travelling and Conveyance Expenses	3,368,128	5,327,185
Professional & Legal Fees	2,064,022	3,097,950
Advertisement and Publicity	86,507	1,147,751
Printing and Stationery	332,495	1,787,914
Communication Expenses	448,068	939,777
Bank Charges	885,377	1,249,351
Security Charges	510,672	1,534,151
Transport Charges	261,337	1,670,931
Postage & Courier Charges	183,523	222,991
Sundry Expenses	423,469	1,837,274
Directors' Sitting Fees	207,039	242,976
Prov. for Dimunation in Inv. in Subsidiaries	-	2,463,370
Net Loss on foreign currency transactions and translation	4,687,685	-
Loss on Disposal of investment in Subsidiaries	22,970,420	-
Auditors' Remuneration		
As Auditor:		
Audit fee	145,000	150,000
Tax Audit fee	60,000	40,000
In other Capacity:		
Limited Review	45,000	45,000
Other Services	67,508	-
Reimbursement of expenses	30,880	15,590
Total	79,633,931	119,772,754

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**27. Capital and Other Commitments****a) Capital Commitment**

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

28. Contingent Liabilities not provided for:

- In respect of guarantees provided by Company's banker on behalf of the Company of ₹ 11,138,459 (Previous Year ₹ 11,296,459)
- In respect of disputed tax demand not provided as following:

Particulars	2015-2016 ₹	2014-2015 ₹
Entertainment Tax Demand (Karnataka) (Inclusive of Interest & Penalty)	20,04,648	20,04,648
Sales Tax Demand:		
2003-2004 (Maharashtra)	16,68,316	16,68,316
2008-2009 (Maharashtra)	74,92,720	74,92,720
2011-2012 (West Bengal)	81,211	Nil
Income Tax:		
A.Y. 2009-2010	Nil	3,356,688
A.Y. 2012-2013	1339320	Nil
A.Y. 2013-2014	17410	Nil

- The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015 or such other dates as may be permitted by DGFT. Outstanding as at balance sheet date is ₹ 65,396,367 (Previous Year ₹ 66,316,951).

29. 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 has imported certain gaming machinery from Manjiro Works, Japan in the year 2007. 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 payment were disputed is yet to be admitted.

- The demand notice from Sales Tax Authority (Agra) was challenged by the Company and the same was set aside vide orders dated December 29, 2015 passed by Additional Commissioner Grade II (Appeal), Sales Tax Agra and referred for reassessment.

31. Going Concern Assumption

An entity is viewed as continuing in business for the foreseeable future. General purpose financial statements are prepared on a going concern basis, unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Based on the projections made by the Company considering the new business plans the Company hope to better the financial position in the coming financial years.

32. Expenditure in Foreign Currency:

Particulars	2015-2016 ₹	2014-2015 ₹
Travel and Boarding Expenses	-	93,891
Total	-	93,891

on Financial Statements for the year ended March 31, 2016

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.

- a) 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".
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments.

Primary Segment Information: Business

(Amount in ₹)

Particulars	Restaurants, Gaming & Others	Trading	Unallocable	Total FY 2015-16	Total FY 2014-15
1. Segment Revenue					
External Sales	80,559,132	347,899,259	-	428,458,391	405,567,082
Other Income	30,091,514	-	37,650,372	67,741,886	49,274,665
Total Revenue	110,650,646	347,899,259	37,650,372	496,200,277	454,841,747
Expense	103,792,826	-	22,970,420	126,763,246	180,652,346
Purchase	26,183,309	347,000,242	-	373,183,551	261,342,250
2. Segment Result					
Operating Profit	(19,325,490)	899,017	14,679,952	(3,746,520)	12,847,152
Finance Expenses	-	-	16,478,660	16,478,660	11,408,549
Profit before tax	(19,325,490)	899,017	(1,798,708)	(20,225,180)	1,438,603
Provision for tax	-	-	-	-	-
Profit after tax	(19,325,490)	899,017	(1,798,708)	(20,225,180)	1,438,603
3. Other information's					
Segment Assets	288,442,181	2,508,096	-	290,950,277	337,069,369
Segment Liabilities	282,738,293	8,211,984	-	290,950,277	337,069,369
Depreciation and Amortisation	26,828,067	-	-	26,828,067	26,457,266
Non cash expenses other than depreciation and amortisation	-	-	-	-	-

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, 2016

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, 2014, as amended, the relevant information for the year ended March 31, 2016 is as under.

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

Sr. No.	Name of the Related Party	Nature of Relationship
1	Future Retail Limited	Enterprises where control exists through substantial equity interest
2	Rain fruits & More Pvt. Ltd.	Subsidiaries up to 31 st March 2016
3	Galaxy Rain Restaurants Pvt. Ltd.	Subsidiaries up to 31 st March 2016
4	Vikas Kedia	Key Managerial Personnel

(ii) Transactions during the year with related parties : (Amount in ₹)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Subsidiaries	Enterprises where control exists through substantial equity interest	Key Managerial Personnel	Total
1	Interest Income	(-)	-	-	-
		(23,90,959)	(-)	-	(2390959)
2	Net Loans and Advances Given / (Returned)	35,968	-	-	35,968
		(42,235)	(-)	-	(42,235)
3	Provision for doubtful advances/(Reverse)	-	-	-	-
		(2,463,370)	(-)	-	(2,463,370)
4	Sundry Balances written back	35,968	7,000,000	-	7,035,968
		(-)	(13,999,459)	-	(13999459)
5	Purchases / Material Consumed	-	-	-	-
		(-)	(263,563)	-	(263,563)
5	Rent Expenses	-	-	-	-
		(-)	(5,319,262)	-	(5319262)
6	Electricity Expenses	-	71,577	-	71,577
		(-)	(3,024,676)	-	(3,024,676)
7	Salary to KMP	-	-	6,62,193	6,62,193

Figures in bracket are with respect to previous year.

on Financial Statements for the year ended March 31, 2016

Balance as at 31st March, 2016

Sr. No.	Particulars	Subsidiaries	Enterprises where control exists through substantial equity interest	Total
(i)	Net Loans and Advances (Given) / Returned	Nil	-	20,797,703
		(20,797,703)	(-)	(20,797,703)
	Provision for doubtful Loans and Advances/(Reverse)	Nil	-	20,797,703
		(20,797,703)	(-)	(20,797,703)
(ii)	Trade Payables*	-	-	-
		-	(7,996,782)	(7,996,782)
(iii)	Trade Receivables*	-	7,100,000	7,100,000
		-	(-)	(-)

36. Earnings Per Share - Basic and Diluted:

Particulars	2015-16 ₹	2014-15 ₹
Net Profit / (Loss) for the year as per Statement of Profit and Loss considered as numerator for calculating earnings per share	(20,225,180)	1,438,603
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	(1.29)	0.10

37. Loans and Advances include amounts due from subsidiaries:

Name of the Company	Maximum Amount Outstanding during the year (₹)	Balance Outstanding as at March 31, 2016 (₹)
*Rain Fruits & More Private Limited (Up to 31 st March 2016)	20,488,012 (20,464,888)	Nil (20,464,888)
*Galaxy Rain Restaurants Private Limited (Up to 31 st March 2016)	345,659 (332,815)	Nil (332,815)

*Ceased to be subsidiary w.e.f. 31st March 2016.

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, 2016 (₹)
Employer's contribution to Provident Fund	6,39,396

- (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

on Financial Statements for the year ended March 31, 2016

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, 2016		Year Ended March 31, 2015	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at beginning of the period	13,59,646	5,49,762	548,431	388,021
Interest Cost	1,08,772	43,981	43,874	31,042
Current Service Cost	53,447	37,059	725,362	491,515
Benefits Paid	(67,620)	(4,69,291)	(502,071)	(254,565)
Actuarial gain /(loss) on Obligations	(12,49,593)	(85,406)	544,050	(106,251)
Present Value of Defined Benefit Obligation as at the end of the period	2,04,652	76,105	1,359,646	549,762

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

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Funded Obligation as at end of the period	2,04,652	76,105	1,359,646	549,762
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	1,84,187	57,079	12,23,681	412,321
Short Term Provision	20,465	19,026	135,965	137,441

C. Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Present Value of Defined Benefit Obligation as at the end of the period	2,04,652	76,105	1,359,646	549,762
Fair Value of Plan Assets as at end of the period	Nil	Nil	Nil	Nil
Liability / (Net Asset) recognized in the Balance Sheet	2,04,652	76,105	1,359,646	549,762

on Financial Statements for the year ended March 31, 2016

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

Particulars	Year Ended March 31, 2016		Year Ended March 31, 2015	
	Gratuity (₹)	Leave Encashment (₹)	Gratuity (₹)	Leave Encashment (₹)
Current Service Cost	53,447	37,059	725,362	491,515
Past Service Cost	Nil	Nil	Nil	Nil
Interest Cost	1,08,772	43,981	43,874	31,042
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	(12,49,593)	(85,406)	544,050	(106,251)
Total Expenses recognized in the Statement of Profit and Loss	(10,87,374)	(4,366)	1,313,286	416,306

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, 2016 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 Trade Receivable and Payables 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.
43. i. During the year, the company has sold its entire investments held in its non-operative subsidiaries viz Galaxy Rain Restaurants Private Limited and Rain Fruits & More Private Limited hence the consolidation of accounts are not made.
- ii. The Sale consideration received towards the sale of investments held by the Company in Rain Fruits & More Private Limited was based on fair value derived by an independent Chartered Accountant in practice; vide valuation report dated January 2, 2016, which was less than the cost of acquisition of the said investment.

44. Prior year comparative:

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

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 19, 2016

For and on behalf of the Board of Directors

Sunil Biyani

Director
DIN: 00006583

Place: Mumbai
Dated: May 19, 2016

Udita Jhunhunwala

Director
DIN: 00120951

Vikas Kedia

Chief Financial Officer



GALAXY ENTERTAINMENT CORPORATION LIMITED

CIN: L51900MH1981PLC024988

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

Tel No.: 022 - 6620 1473, Fax No.: 022 - 6620 1465 E-mail: investors@thegalaxycorp.com

Website: www.thegalaxycorp.com

FORM NO. MGT – 11

PROXY FORM

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

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID: _____

DP ID: _____

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

1) Name: _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him;

2) Name: _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him;

3) Name: _____

Address: _____

E-mail Id: _____ Signature: _____ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 34th Annual General Meeting of the Company to be held on Tuesday, 20th day of September 2016 at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as indicated below:

Resolutions	Optional*	
	For	Against
Ordinary Business		
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors for the year ended March 31, 2016.		
2. Appointment of Director in place of Mr. Sunil Biyani (DIN: 00006583) 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.		

Signed this day of 2016.

Signature of shareholder(s): _____

Signature of Proxy holder(s): _____

AFFIX RE.1/-
REVENUE
STAMP

Note(s): Proxy form to be submitted at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

For Resolutions, Explanatory Statements and Notes, please refer Notice of 34th Annual General Meeting of the Company.

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

ENTRANCE PASS/ ATTENDANCE SLIP

(To be presented at the entrance)

**34th Annual General Meeting on Tuesday, September 20, 2016 at 3.00 p.m. at Sunville Banquets
9, Dr. Annie Besant Road, Worli, Mumbai - 400018**

SERIAL NO.

1. Name(s) of member(s) :
(including joint-holders, if any)
2. Registered Address of the :
Sole/ First named member
3. Registered Folio No./ :
DPID/ Client ID No *
(*Applicable to Members holding shares
in dematerialized form)

I certify that I am a Registered Shareholder/ proxy of the Registered Shareholder of the Company as per details above. I hereby record my presence at this 34th Annual General Meeting of the Company.

Member's Folio / DP ID-Client ID No.

Member's / Proxy's name in Block Letters

Member's/Proxy's signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	Password / PIN
104652		

Note: Please read instructions given at Note No. 22 of the Notice of the 34th Annual General Meeting carefully before voting electronically.

34th AGM - Route Map to the AGM Venue



galaxy

ENTERTAINMENT CORPORATION LIMITED

CIN : L51900MH1981PLC024988

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

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