



SARA & ASSOCIATES

Chartered Accountants

Santosh Jain | Ramawatar Sharma | Rajesh Agarwal | Alok Bairagra | Manoj Agarwal
M.Com., F.C.A., DISA | B.Com., F.C.A. | B.Com., F.C.A. | B.Com., F.C.A. | B.Com., F.C.A.

Govind Sharma | Sandeep Saini | Rachana Kenol | Kamal Sharma | Dominic D'costa
M.Com., F.C.A., DISA | B.Com., F.C.A., DISA | B.Com., F.C.A., C.S. | B.Com., F.C.A. | B.Com., A.C.A.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
GALAXY ENTERTAINMENT CORPORATION LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Galaxy Entertainment Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 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.





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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;





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- 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
Alok Bairagra
Partner

Membership No.: 105153



Place: Mumbai
Date: 19/05/2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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 (Rs)	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 Sales 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

Alok Bairagra
Partner

Membership No: 105153



Place: Mumbai
Date: 19/05/2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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.

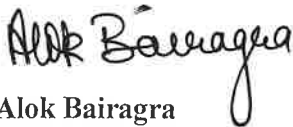
OPINION

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

Galaxy Entertainment Corporation Limited
Balance Sheet as at 31st March, 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	<u>(168,416,611)</u>	<u>(148,191,430)</u>
		(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)	6	79,160,018	74,472,333
(c) Other Long Term Liabilities	7	<u>241,266</u>	<u>1,636,002</u>
(d) Long Term Provisions		191,219,458	199,139,409
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	<u>39,491</u>	<u>273,406</u>
		111,648,080	129,622,041
Total		<u><u>290,950,277</u></u>	<u><u>337,069,369</u></u>
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	<u>20,233,095</u>	<u>20,350,766</u>
		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	<u>2,940,749</u>	<u>1,405,617</u>
		17,198,878	27,267,736
Total		<u><u>290,950,277</u></u>	<u><u>337,069,369</u></u>
Significant Accounting Policies	2		
Notes on Financial Statements	3 to 44		

As per our report of even date

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

Alok Bairagra
Alok Bairagra
Partner
Membership No. 105153



For and on behalf of the Board

Sunil Biyani
Sunil Biyani
DIN : 00006583
Director

Udita Jhunjhunwala
Udita Jhunjhunwala
DIN : 00120951
Director

Vikas Kedia
Vikas Kedia
Chief Financial Officer

Place: Mumbai
Dated : May 19, 2016

Place: Mumbai
Dated : May 19, 2016

Galaxy Entertainment Corporation Limited
Statement of Profit and Loss for the year ended 31st March , 2016
CIN : L51900MH1981PLC024988

Particulars	Note No	Year Ended 31.03.2016	Year Ended 31.03.2015
(Amount in ₹)			
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	35	(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

Sunil Biyani
DIN : 00006583
Director

U. Jhunjhunwala
Udita Jhunjhunwala
DIN : 00120951
Director

Vikas Kedia
Vikas Kedia
Chief Financial Officer

Place: Mumbai
Dated : May 19, 2016

Galaxy Entertainment Corporation Limited
Cash Flow Statement for the year ended 31st March, 2016
CIN : L51900MH1981PLC024988

Particulars	As at 31.03.2016	(Amount in ₹) 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 Dimunation 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	3,950,818	(2,840,171)
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	15,327,399	(51,292,491)
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:

1. Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006
2. Previous year's figures are regrouped, where necessary, to confirm the current year's classification

As per our report of even date

For S A R A & Associates

Chartered Accountants

Firm Regn No.120927W

Alok Bairagra

Alok Bairagra

Partner

Membership No. 105153



For and on behalf of the Board

Sunil Biyani

Sunil Biyani

DIN : 00006583

Director

Udita Jhunjhunwala

Udita Jhunjhunwala

DIN : 00120951

Director

Vikas Kedia

Vikas Kedia

Chief Financial Officer

Place: Mumbai

Dated : May 19, 2016

Place: Mumbai

Dated : May 19, 2016

GALAXY ENTERTAINMENT CORPORATION LIMITED

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.

