



galaxy

ENTERTAINMENT CORPORATION LIMITED

**ANNUAL
REPORT
2012-2013**

Annual Report 2012 - 2013



ENTERTAINMENT CORPORATION LIMITED

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BOARD OF DIRECTORS

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

AUDITORS

Haribhakti & Co.
Chartered Accountants

BANKERS

HDFC Bank Limited
AXIS Bank
State Bank of India

REGISTRAR AND SHARE TRANSFER AGENTS

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi (West),
Mumbai - 400 011.
Tel. : (022) 6656 8484
Fax : (022) 6656 8494
email: csg-unit@tsrdarashaw.com

REGISTERED OFFICE

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

NOTICE is hereby given that the 31st Annual General Meeting of Galaxy Entertainment Corporation Limited will be held on Friday, 27th day of September 2013 at 1.00 p.m at Sunville Banquets 9, Dr. Annie Besent Road, Worli, Mumbai-400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March 2013 and Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Biyani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Swapnil Kothari who was appointed as an Additional Director of the Company with effect from February 07, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a shareholder proposing the candidature of Mr. Swapnil Kothari for office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 386, 387 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") read with Schedule XIII to the said Act (including any modification or statutory re-enactment thereof), consent of the members be and is hereby accorded for appointment of Mr. Suman Lahiri as a Manager of the Company for a period of 3 years with effect from 1st August, 2013 on a consolidated remuneration including allowances not exceeding Rs.35,00,000/- per annum (including variable bonus based on the performance of the said Manager), with the powers to the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof) to vary or increase the remuneration and allowances payable or to be provided to Mr. Suman Lahiri including monetary value thereof as specified herein to the extent the Board may consider appropriate or as may be permitted or authorised in accordance with the provisions of the Act for the time being in force, provided, however, that the remuneration payable to Mr. Suman Lahiri shall be within such limits, if any, as may be set out in the Act including Schedule XIII to the Act or any amendments thereof or any modification thereto or statutory re-enactment(s) thereof and/ or any rules or regulations framed thereunder from time to time.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Manager, the Company does not earn any profits or earns inadequate profit as contemplated under the provisions of Schedule XIII to the Companies Act, 1956, the Company may pay to the Manager the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the aforesaid terms and conditions, to the extent as may be considered appropriate and necessary by the Board of Directors in mutual consultation with Mr. Suman Lahiri, Manager and further authorized to take all such actions and do all such as may be considered necessary, desirable and expedient to for giving effect to this resolution.”

By order of the Board

Place: Mumbai
Dated: August 14, 2013

Sunil Biyani
Director

Registered Office:

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

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty-eight hours) before the time fixed for holding the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 24th September 2013 to Friday, 27th September 2013 (both days inclusive).
4. The Annual Reports and Attendance slips will not be distributed at the Annual General Meeting. Shareholders are requested to bring the same along with them.
5. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent (R & T Agent) at the following address:

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel No: 022- 6656 8484
Fax No: 022- 6656 8494
Email: sshellar@tsrdarashaw.com

6. The explanatory statement U/s. 173 (2) of the Companies Act, 1956 is enclosed herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM 3:**

Mr. Swapnil Kothari has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on 7th February, 2013 and would hold office till the date of the ensuing Annual General Meeting. Pursuant to section 257 of the Companies Act, 1956 the Company has received a notice from a member signifying his intention to propose the candidature of Mr. Swapnil Kothari for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 4 of the accompanying Notice.

None of the Directors of the Company are deemed to be concerned or interested in the Resolution.

Brief resume of Mr. Swapnil Kothari is given in an Annexure I to this notice along with other directors who are proposed to be appointed/re-appointed as a Director of the Company at the Annual General Meeting.

ITEM 4:

Pursuant to Section 269 of the Companies Act, 1956 all Companies with paid up capital of Rs. 5 Crores or more are required to have a managerial personnel. Further your Company is in the process of exploring and tapping new business opportunities. Mr. Suman Lahiri has a vast experience in food and beverage at the Hotel Management Industries. Considering the same, the Board of Directors at its meeting held on 14th August, 2013 after considering the recommendations made by the remuneration committee, considered and approved the appointment of Mr. Suman Lahiri as a Manager of the Company for a period of 3 years with effect from 1st August, 2013 on the terms and conditions as enumerated in the resolution set out in the Notice of Annual General Meeting.

Following information to the extent applicable is given pursuant to the requirements of amended Schedule XIII of the Companies Act, 1956.

A) General Information:**1) Nature of Industry:**

In India, the entertainment, lifestyle, media sector and food courts are poised to scale greater heights in terms of growth. The ready availability of all necessary infrastructure i.e capital, management resources, technology, macro-economic policies have placed the sector on a sound footing to meet market demand in a business environment that is approaching maturity, transparency and global quality benchmarks.

The distinct feature of this emerging growth pattern is the market segmentation. The latest designs are geared towards entertainment, relaxation and leisurely dining. Food courts play the role of anchor tenant in a mall. Along with complimenting businesses such as books, games, fine dining restaurants and movies, they provide good recreational space to the customers. Food courts are like a multi-brand outlet offering best from respective categories. It provides a platform for the brands to compliment rather than compete with each other as each offers a unique product.

2) Financial Performance during last 2 years:

Particulars	2012-13	2011-12
Total Income	281,387,368	173,652,308
Profit/ (Loss) before Depreciation and Tax (PBDT)	95,209,157	(26,177,525)
Profit/ (Loss) before tax	45,815,648	(80,442,842)
Profit/ (Loss) after tax	45,815,648	(80,442,842)

- 3)** During the year under review, the Company has not made any exports of goods. Further no foreign investments have been received by the Company. The Company has not entered into any foreign collaboration.

B) Information about Mr. Suman Lahiri:**i) Background Details:**

Mr. Suman Lahiri is a professional and has over 19 years of experience in the Food & Beverages at the Hotel Industry, Operations at Cinema Exhibition and Real Estate Asset Management. His education bestowed him a Diploma in Hotel Management Catering Technology & Applied Nutrition from IHM Kolkata and subsequently a MBA in Operations Management from National Institute of Management, Mumbai.

ii) Past Remuneration:

Prior to his appointment as a Manager, Mr. Suman Lahiri was associated with the Company as Chief Operating Officer. His remuneration is commensurate with the remuneration paid to him earlier.

iii) Job Profile and his suitability, Recognition and Awards:

Before being a part of GECL he had successful stints with Hilton Group of Hotels, ITC Group of Hotels, Intercontinental Group of Hotels, Inox Leisure Limited, Adlabs Films Limited, Kshitij Property Solutions and IL&FS Milestone Realty Pvt Ltd. With his extensive knowledge on the Food and Beverage Industry, the Company expects to gain substantial under his supervision as a Manager.

iv) Proposed Remuneration:

As detailed in the set out in the Notice convening Annual General Meeting.

v) Comparative remuneration profile with respect to the Industry, Size of the Company, Profile of the position and person:

As regards the comparative remuneration profile respect to industry, size of the Company, profile of the position and person, it is not feasible for the Company to furnish such details in view of the Company's own distinctive remuneration policy based on its short term and long term objectives and role perceived and played by employee at all levels.

vi) Pecuniary Relationship:

Mr. Suman Lahiri has no pecuniary relationship directly or indirectly with the Company except as a Manager of the Company.

C) Other Information:**i) Reasons for Loss or Inadequate Profits:**

The entertainment and leisure industry is still in the nascent stage in India. Various concepts from western Country are in process of being adopted. However, with fast changing patterns in the living style, the concepts visualized may become outdated within short span of time. In view of the same, any delay in implementation of business decisions may delay the execution of the projects. In addition, there is a intense competition in the F&B Industry, extremely complicated licensing norms, governmental taxes and charges can be crippling, and when passed on to customers can result in fewer visits. Also the general economic conditions includes high interest rates, unreal rentals, inflation etc. As a result of the said factors, the profits earned by the Company may not be adequate as regards the remuneration payable pursuant to provisions of Section 198 read with Schedule XIII of the Companies Act, 1956

ii) Steps taken or proposed to be taken for improvements:

The Company has taken several measures to reduce the administrative costs. In addition, various steps have been taken to curb the past losses.

The future for the industry in the organised sector is very positive, but also fraught with challenges as 70% of the market is currently dominated by unorganized players. The organized segment has witnessed double-digit growth across formats, especially quick service restaurants driven by international chains, and causal and fine dining outlets dominated by Indian and private equity majors. We will widen the range of formats we exist in within the organised food industry and plan to grow with industry developments. The Company has from time to time broad based its Board of Directors with induction of highly qualified and experienced persons.

iii) Expected increase in productivity and profits in measurable Item:

Performance of entertainment, leisure sector and F&B sector is inter related with many other factors and parameters. Hence to quote, expected increase in productivity and profits in measurable terms is not practical.

None of the directors shall be deemed to be concerned or interested in the above resolution.

This resolution is proposed to seek your consent under section 386 read with section 269 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, including Schedule XIII to the said Act.

By order of the Board

Place: Mumbai
Dated: August 14, 2013

Sunil Biyani
Director

Annexure I**Brief resume of Directors Proposed to be Appointed / Re-appointed****(1) Mr. Sunil Biyani**

Mr. Sunil Biyani, aged 44 years has over two decades of experience in textile and retail sectors. He is also on the board of various Future group Companies. He has a wide knowledge in the business of property, mall management and food & beverages.

Mr. Sunil Biyani is also a director in following companies:

(A) Public Limited Companies

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1.	The PIL Industries Limited	2.	Apollo Design Apparel Parks Limited

(B) Private Limited Companies

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Parvat View Properties Pvt. Ltd.	2	Bartraya Mall Development Company Pvt. Ltd.
3	Splendor Fitness Pvt. Ltd.	4	Eclipse Infrastructure Pvt. Ltd.
5	Star Shopping Centers Pvt. Ltd.	6	Laila Hotels and Resorts Pvt. Ltd.
7	Neeharika Infrastructure Pvt. Ltd.	8	UMBER Properties Pvt. Ltd.
9	MBS Jems and Jewels Pvt. Ltd.	10	MBS Silver Pvt. Ltd.
11	MBS Gold Pvt. Ltd.		

Mr. Sunil Biyani holds membership in Audit Committee of PIL Industries Limited. He does not hold any shares in the Company as on 31st March 2013.

(2) Mr. Swapnil Kothari

Mr. Swapnil Kothari, aged 42 years has done his L.L.M (International & Comparative Law) from Georgetown in May 1995. He is an international corporate lawyer practicing in the areas of Banking Law, Property Law, Project Finance, Joint Ventures and Mergers & Acquisitions including some litigation/arbitration, IT-related matters and high-profile NRI investments.

To summarise his background, he has worked with **Slaughter And May, London** as a Visiting Lawyer for six months. Thereafter, he has worked with Jones Day as a regular U.S. corporate associate in their **Cleveland** (partly New Delhi) office for two years. Both **Slaughter And May** and **Jones Day** are premier international law firms with Fortune 500 companies and other major international conglomerates as its clients – Barclays Bank PLC, ABN AMRO, Detroit Edison, Harman International, JP Morgan Securities Asia, Keycorp, Telecom Italia, Toyota to name a few.

Pursuant to that, he has worked with **Amarchand & Mangaldas, Bombay ("Amarchands")** as a corporate associate, and worked with them for two years. At Amarchands, he has worked primarily on infrastructure projects, which involved significant interaction again with international clients such as International Finance Corporation and domestic companies such as ICICI and the Jindal Group. After working with Fried, Frank, Harris, Shriver & Jacobson, a major Wall Street firm in New York as a regular corporate associate for some time, he has returned to India and started his own corporate practice in Bombay in 2001.

He is admitted as an Advocate in Bombay, India and as a Solicitor in England and Wales.

Mr. Swapnil holds Directorships in following Companies:

Sr. No.	Name of the Company
1.	Treasure World Developers Private Limited
2.	Entertainment World Developers Limited

Mr. Swapnil Kothari does not hold membership/chairmanship in committees of any other Company. He does not hold any shares in the Company as on 31st March 2013.

To,
The Members

The Directors of Galaxy Entertainment Corporation Limited (GECL) take pleasure in presenting 31st Annual Report on the business and operations of the company, together with the audited accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year Ended 31-03-13	Year Ended 31-03-12
Total Income	2,813.87	1,736.52
Profit/(Loss) before Depreciation and Tax (PBDT)	952.09	(261.78)
Less: Depreciation	493.93	542.65
Profit / (Loss) before Tax	458.16	(804.43)
Provision for Tax:	NIL	NIL
Profit/(Loss) after Tax	458.16	(804.43)

Year and Period under review

During the year under review, the turnover of the company has increased to Rs. 2,813.87 lacs as against Rs. 1,736.52 lacs in the corresponding previous year because of sale of brands. Profits before Depreciation and Taxation for the year under review stood at Rs. 952.09 lacs as against loss of Rs. 261.78 lacs in the previous year. After providing for Depreciation and adjustments for exceptional items, the Company has reported Net Profit of Rs. 458.16 lacs as against Net Loss of Rs. 804.43 lacs during previous year.

Dividend

To conserve the financial resources, your Directors do not recommend any dividend.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- The applicable standards have been followed in the preparation of the annual accounts and there are no material departure;
- The Directors 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, 2013 and the profits of the company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunil Biyani, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Changes during the year

During the year under review, the following Directors resigned from the Board:

Mr. Ajay Kejriwal w.e.f. August 07, 2012;

Mr. Atul Ruia w.e.f. January 28, 2013;

Mr. Ashok Ruia w.e.f. January 28, 2013;

Mr. Shishir Bajjal w.e.f. May 14, 2013.

The Board wishes to place on record its appreciation for the services rendered by them during their tenure with the Company.

During the year under review, Mr. Swapnil Kothari was appointed as an Additional Director on the Board of Directors. Mr. Swapnil Kothari shall vacate his office on the date of ensuing Annual General meeting of the Company. The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Swapnil Kothari for the office of Director of the Company. Accordingly, a resolution has been proposed in the Notice of the ensuing Annual General Meeting of the Company for the appointment of Mr. Swapnil Kothari as a Director of the Company liable to retire by rotation.

Fixed Deposits

During the year under review, your Company has neither accepted nor renewed any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

Subsidiary Company

Statement pursuant to Section 212 of the Companies Act, 1956 together with the audited financial statements for the year ended March 31, 2013 and the Reports of the Directors and Auditors thereon of Company's Subsidiaries viz. Galaxy Rain Restaurants Private Limited and Rain Fruits & More Private Limited, included in the Annual Report, form a part of this report.

Consolidated Financial Statements

In accordance with Accounting Standard (AS-21) on Consolidated Financial Statements, your Directors provide the audited Consolidated Financial Statements in the Annual Report. These statements have been prepared on the basis of financial statements received from subsidiaries, as approved by their respective Boards.

Auditors

M/s. Haribhakti & Co. Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting. They have shown their unwillingness to continue to act as Auditors and do not seek any re-appointment at the ensuing annual general meeting. Pursuant to the recommendation by the Audit Committee, the Board proposes to appoint M/s. S A R A & Associates, Chartered Accountants, as the auditors at the ensuing annual general meeting. They have given a certificate to the effect that their appointment, if made at the ensuing annual general meeting, would be within the limits prescribed u/s.224(1B) of the Companies Act, 1956. Member are requested to consider and approve the appointment of M/s. S A R A & Associates as the auditors of the Company.

Auditors' Comments

Observations, if any, made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Audit Committee

The Company has constituted an Audit Committee comprising of Three Non-Executive Directors viz. Mr. Rajneesh Agarwal, Mr. Swapnil Kothari, and Mrs. Udita Jhunjhunwala. All members of the Committee are Independent Directors.

Conservation of Energy, Research & Development, Technology absorption, Foreign exchange Earnings and Outgo

(A) Conservation of Energy and Technology Absorption

Considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

(B) Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo during the year under review are given in Note No. 32 and 33, Significant Accounting Policies and Notes to Accounts, forming part of audited financial statements.

Foreign Exchange Earnings & Outgo	(in Rs.)	
	2012-13	2011-12
Foreign Exchange Earnings	1,612,804	1,651,925
Foreign Exchange Outgo:		
Travel	-	13,774

Particulars as per section 217(2A) of The Companies Act, 1956

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Director's Report, as an addendum thereto. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts, as therein set out, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Secretarial Department at the Registered Office of the Company. In addition, the said information shall be available for inspection on all working days at the registered office of the Company.

Corporate Governance

As required under the Listing Agreement with BSE Limited, a report on Corporate Governance is annexed to this Report.

Acknowledgements

The Directors place on record its deep appreciation for the dedicated services of the executives and staff at all levels of the Company. Grateful thanks are also due to Company's Bankers, Statutory Authorities, its patrons and all organizations connected with the Company. Shareholders appreciation of the managements efforts at the General Meetings of the Company and otherwise, is a great fillip to strive for better performance.

For and on behalf of the Board

Place: Mumbai
Date: August 14, 2013

Sunil Biyani
Director

Udita Jhujhunwala
Director

Annexure to the Directors Report

1. Company's Philosophy on Corporate Governance

Your Company reaffirms its commitment to excellence in Corporate Governance and constantly strives to benchmark itself against the best, in its relentless pursuit to attain the highest standards of corporate values and ethics. This is done with the objective of generating long-term economic value for the shareholders, whilst concurrently respecting the interest of other stakeholders.

2. Board of Directors

a) Composition of the Board

As on 31st March 2013, the Board comprises of five directors all of whom are Non-executive. More than one half of the Board comprises of independent Directors.

The composition of the Board during the year ended 31st March 2013 and other relevant details relating to Directors are given below:

Name of the Director	Relationship with other Directors	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships #	
					Chairman	Member
Mr. Atul Ruia **	Son of Mr. Ashok Ruia	Director	Promoter, Non-Executive; Non Independent	2	Nil	2
Mr. Ashok Ruia**	Father of Mr. Atul Ruia	Director	Promoter, Non-Executive; Non Independent	4	Nil	2
Ms. Udit Jhunjhunwala	None	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. Shishir Bajjal ##	None	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. Rajneesh Agarwal	None	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. Ajay Kejriwal@	None	Director	Non-Executive; Independent	Nil	Nil	Nil
Mr. Sunil Biyani	None	Director	Promoter, Non-Executive; Non-Independent	2	Nil	Nil
Mr. Swapnil Kothari#	None	Additional Director	Non-Executive; Non-Independent	Nil	Nil	Nil

- Note: 1) Directorships in Private and Foreign Companies, if any are excluded.
 2) Memberships of only Audit Committee and Shareholders' Grievance Committee have been considered
 * Resigned w.e.f January 28, 2013
 **Resigned w.e.f January 28, 2013
 # Appointed w.e.f February 07, 2013
 ## Resigned w.e.f May 14,2013
 @ Resigned w.e.f. August 07, 2012

b) Appointment/Re-appointment of Directors

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Sunil Biyani, Director of the Company shall retire by rotation at the ensuing Annual General Meeting.

The Board has recommended the re-appointment of Mr. Sunil Biyani as a Director to the shareholders.

Mr. Swapnil Kothari, was appointed as an additional Director on the Board of Directors on the February 07, 2013. Mr. Swapnil Kothari would vacate his office on the date of ensuing Annual General Meeting of the Company. The Company has received a notice under Section 257 of the said Act from a shareholder

proposing the Candidature of Mr. Swapnil Kothari for the office of the Director of the Company. Accordingly, resolution has been proposed in the Notice of the forthcoming Annual General Meeting of the Company for the appointment of Mr. Swapnil Kothari.

The detailed resume of the aforesaid proposed appointees is given in the notice of Annual General Meeting.

c) Board Meetings and Annual General Meeting

During the financial year 2012-13, Four Board Meetings were held on – 29th May 2012, 11th August 2012, 08th November 2012 and 07th February 2013. The previous Annual General Meeting of the Company was held on 28th September 2012. The details of attendance of Directors in Board Meetings and the previous Annual General Meeting are as follows;

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
*Mr. Atul Ruia	1	--
Mr. Rajneesh Agarwal	3	--
Ms. Udit Jhunjhunwala	4	--
Mr. Shishir Baijal	1	--
*Mr. Ashok Ruia	--	--
**Mr. Ajay Kejriwal	--	--
Mr. Sunil Biyani	4	1
#Mr. Swapnil Kothari	--	--

*Resigned w.e.f. January 28, 2013
 **Resigned w.e.f. August 07, 2012
 #Appointed w.e.f. February 07, 2013

d) Code of Conduct

The Board has laid down a code of conduct for all Board members and senior management of the Company.

The Company has obtained the confirmation of the Compliance with the Code from all members of the Board and Senior Management of the Company for the year 2012-13. As required by Clause 49 of the Listing Agreement, the declaration on compliance of the Company's code of conduct signed by Mr. Jugal Sharma, Compliance Officer forms a part of this Annual Report.

3. Audit Committee

a) Constitution of Audit Committee

As on 31st March 2013, the Committee comprises of Four Non- Executive Directors majority of whom are Independent Directors.

All the members of the Audit Committee have good knowledge of finance, accounts and company law. The Chairman of the Committee Mr. Rajneesh Agarwal is an eminent Chartered Accountant and has accounting and related financial management expertise.

b) Composition of Audit Committee and Number of Meetings Attended

During the Financial year 2012-13, Four Audit Committee Meetings were held on 29th May 2012, 11th August 2012, 08th November 2012 and 07th February 2013. The composition of the Audit Committee during the year ended 31st March 2013 and the number of meetings attended were as under:

Name of the Committee Members	Designation	No. of Meetings Attended
Mr. Rajneesh Agarwal	Chairman	3
Mr. Atul Ruia*	Member	1
Ms. Udit Jhunjhunwala	Member	4
Mr. Shishir Baijal**	Member	1
Mr. Swapnil Kothari#	Member	Nil

* Resigned w.e.f. January 28, 2013
 # Appointed w.e.f. February 07, 2013
 ** Resigned w.e.f. May 14, 2013

c) Attendees

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

d) The Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee are in accordance with all the items listed in Clause 49(II)(D) and (E) of the listing agreement and Section 292A of the Companies Act, 1956 as follows:

- i) Hold discussions with the Auditors periodically about internal control systems, the scope of audit including the observations and review of the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- ii) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- iii) Recommending to the board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- iv) Approve payment for any other services rendered by the statutory auditors.
- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement is included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft Audit Report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- ix) Discussion with Internal Auditors on any significant findings and follow up there on.
- x) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xi) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors.
- xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

e) Powers of the Audit Committee

The Audit Committee has , inter alia, the following powers:

- i) To investigate any activity within its terms of reference as above
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice, if necessary.
- iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

a) Constitution and composition of Remuneration Committee

Presently, the committee comprises of three members. All the members are Non-Executive, Independent Directors. The composition of the Remuneration Committee as on 31st March, 2013 is as under:

Name of the Committee Members	Designation
Mr. Rajneesh Agarwal	Chairman
Mr. Shishir Baijal#	Member
Ms. Udit Jhunjhunwala	Member
Mr. Swapnil Kothari*	Member

*Appointed w.e.f. February 07, 2013

Resigned w.e.f. May 14, 2013.

There was no Remuneration Committee Meeting held during the financial year 2012-13

b) Terms of reference

The committee has the mandate to review and recommend compensation payable to the executive directors and Senior Management of the company. It shall also administer the company's stock option plans, if any, including the review and grant of the stock options to eligible employees under plans. The committee may review the performance of the Executive Directors, if any and for the said purpose may lay down requisite parameters for each of the executive directors at the beginning of the year.

c) Remuneration Policy

i) Management Staff

Remuneration of employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performance, etc.

ii) Non-Executive Directors

The Company pays sitting fees to all the Non-executive Directors of the Company. The sitting fees paid were within the limits prescribed under the Companies Act, 1956.

The Board of Directors at their Meeting held on 30th October 2003 had approved payment of sitting fees of Rs.10,000/- for each meeting of Board of Directors and Rs. 5,000/- for each meeting of the Audit Committee. The Company does not pay any sitting fees to the directors for attending meetings of Committees other than Board Meeting Audit Committee. Details of the Sitting fees paid during the year 2012-13 are as under:

Name of the Non-Executive Director	Sitting Fees paid (Rs.)	
	Board Meeting	Audit Committee
Mr. Atul Ruia*	10,000	5,000
Mr. Rajneesh Agarwal	30,000	15,000
Ms. Udit Jhunjhunwala	40,000	20,000
Mr. Shishir Baijal@	10,000	5,000
Mr. Ashok Ruia*	Nil	Nil
Mr. Ajay Kejriwal**	Nil	Nil
Mr. Sunil Biyani	40,000	Nil
Mr. Swapnil Kothari#	Nil	Nil
Total	1,30,000	45,000

*Resigned w.e.f. January 28, 2013
Appointed w.e.f. February 07, 2013

**Resigned w.e.f August 07, 2012
@ Resigned w.e.f. May 14, 2013

iii) **Executive Directors**

There are no Executive Directors appointed in the Company in the year 2012-13.

5. Shareholders' / Investors' Grievance Committee

a) Constitution and Composition of Shareholders' Grievance Committee

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

Two Shareholders'/Investors' Grievance Committee Meetings were held on 09th August, 2012 and 07th February, 2013 during the financial year 2012-13. The present composition of the Shareholders'/Investors' Grievance Committee and the number of meeting attended were as under:

Name of Director	Designation	No. of Meetings Attended
Mr. Rajneesh Agarwal	Chairman	2
*Mr. Atul Ruia	Member	2
Mr. Sunil Biyani	Member	0
#Mr. Swapnil Kothari	Member	0

* Resigned w.e.f. January 28, 2013

Appointed w.e.f. February 07, 2013

- b) Mr. Jugal Kishore Sharma is the Compliance Officer of the Company.
- c) During the year 2012-13, the Company has not received any complaints from shareholders/ investors. There were no complaints pending as at end of the year.
- d) **Share Transfers in Physical Mode**

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

6. General Body Meetings

- i) Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Location of the Meeting
2009-10	15/09/10	11:00 A.M.	Mayfair Banquets, North Hall, 254C, Dr. Annie Besant Road, Worli, Mumbai – 400 030.
2010-11	28/09/11	11:00 A.M.	Mayfair Banquets, North Hall, 254C, Dr. Annie Besant Road, Worli, Mumbai – 400 030.
2011-12	28/09/12	11:30 A.M.	Kohinoor Hall, 3rd Floor, Kohinoor Corner, Opp. Siddhivinayak Mandir, Veer Sawarkar Marg, Prabhadevi, Mumbai – 400 025.

- ii) Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2009-10	Appointment of Mr. Rohinton Rabady as Manager for a period of 3 years with effect from 1 st November 2009.
2010-11	None
2011-12	None

- iii) During the year 2012-13, no special resolutions were passed by Postal Ballot.
- iv) There was no extra ordinary general meeting held during the year 2012-13.

7. Means of Communication

- (i) The quarterly results of the Company are published in at least one English and one Regional language leading newspaper. The Company publishes all quarterly, half-yearly and full year audited results in atleast 2 newspapers. The quarterly results are further submitted to the BSE Limited immediately after the conclusion of the respective meetings.
- (ii) No presentations were made to institutional investors or to the analysts during the year under review.
- (iii) The Management Discussion and Analysis Report forms part of this Annual Report.

8. General Shareholder Information

i. Annual General Meeting :

Day, Date and Time : Friday, 27 September 2013 at 1.00 p.m.
 Venue : Sunville Banquets 9, Dr. Annie Besent Road, Worli, Mumbai-400018

ii. Financial Calendar (Tentative and Subject to change) : Reporting for Un-audited Financial Results for the quarter ending are as under.

June 30, 2013 : By 14th August, 2013
 September 30, 2013 : By 14th November, 2013
 December 31, 2013 : By 14th February, 2013
 March 31, 2014 : By 15th May, 2014

Annual General Meeting for the year : By 30th September, 2014

iii. Dates of Book Closure : 24th September 2013 to 27th September 2013(both days inclusive)

iv. Listing on Stock Exchanges :

The Company's shares are listed on BSE Limited. The Company has paid the listing fees to the BSE within the prescribed time.

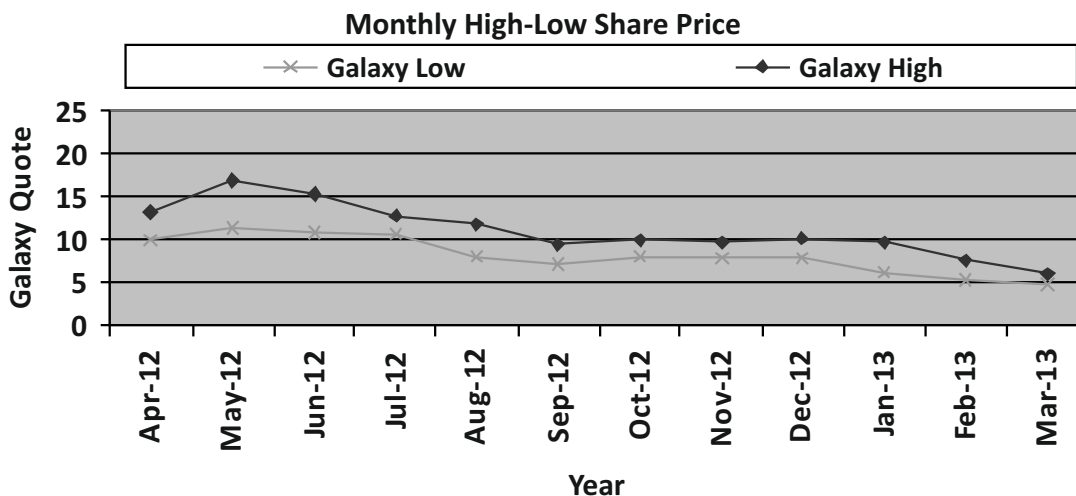
v. Stock Code/Symbol : BSE – 506186

vi. Market Price Data:

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited is as follows:

Month	BSE	
	High (Rs.)	Low (Rs.)
April 2012	13.11	10.06
May 2012	16.80	11.45
June 2012	15.30	10.82
July 2012	12.78	10.56
August 2012	11.80	8.02
September 2012	9.50	7.15
October 2012	9.94	8.00
November 2012	9.78	7.87
December 2012	10.19	7.81
January 2013	9.70	6.35
February 2013	7.54	5.33
March 2013	6.11	4.85

vii. Performance in comparison to broad – based indices of BSE Sensex is as under:



viii. Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. They attend to share transfer formalities at least once in 15 days.

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

Physical shares received for dematerialisation are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

ix. Category wise Shareholding as at March 31, 2013:

Sr. No.	Category	No. of Shares held	%
1.	Promoter Group	91,69,163	58.59
2.	NRI / FII	-----	-----
3.	Private Bodies Corporate	31,84,427	20.35
4.	Indian Public	32,96,345	21.06
	Total	1,56,49,935	100.00

x. Distribution of Shareholding as at March 31, 2013:

Shareholding of Nominal Value (Rs.)	No. of Shareholders	% of Total	Share Capital Amount (Rs.)	% of Total
1 - 5,000	2532	75.99	404,762	2.59
5,001 - 10,000	328	9.84	272,988	1.74
10,001 - 20,000	197	5.91	294,952	1.88
20,001 - 30,000	80	2.40	208,671	1.33
30,001 - 40,000	35	1.05	126,865	0.81
40,001 - 50,000	32	0.96	155,467	0.99
50,001 - 100,000	55	1.65	391,122	2.50
100,001 and above	73	2.19	13,795,108	88.15
TOTAL	3,472	100.00	15,649,935	100.00

xi. Dematerialisation of Shares and Liquidity:

About 78.26 % of the shares have been dematerialized as on March 31, 2013. The equity shares of the Company are traded at Bombay Stock Exchange Ltd. (BSE).

xii. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs. There were no outstanding convertible warrants as on March 31, 2013.

xiii. Registrar and Share Transfer Agents:

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011

xiv. Unit Locations:

Bangalore, New Delhi, Indore, Kalyan (Maharashtra), Mumbai, Noida, Siliguri, Kolkata, Sealdha, Ranchi, Dhanbad, Kakuragachi, Guwahati.

xv. Address for Correspondence:

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011
Tel No: 022- 6656 8484
Fax No: 022- 6656 8494
Email: sshelar@tsrdarashaw.com

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

9. Other Disclosures

- a. The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large. Related Party transactions have been disclosed in the Notes to Accounts in the financial statements as at March 31, 2013.
- b. Shareholdings of Non-Executive Directors as on 31st March 2013 is as under :

Name of the Director	No. of Shares held
Mr. Atul Ruia	50,000
Mr. Rajneesh Agarwal	Nil
Mr. Kishore Biyani	Nil
Ms. Udit Jhunjhunwala	Nil
Mr. Shishir Baijal	Nil
Mr. Ashok Ruia	Nil
Mr. Ajay Kejriwal	Nil

- c. The Company has complied with the requirements of Regulatory Authorities on Capital Markets and no penalty/stricture was imposed on the Company during the last three years.
- d. The Company has complied with the mandatory requirements of Corporate Governance. The Company has adopted non-mandatory requirements relating to Remuneration Committee.

10 Non-mandatory Requirements

I. The Board

At present there is no policy fixing for the tenure of independent directors.

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof has been detailed earlier.

III. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

IV. Audit Qualifications

The financial accounts of the Company are unqualified.

V. Training of Board Members

There is no formal policy at present for training of the Board Members of the Company as the members of the Board are eminent and experienced professional persons.

VI. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

The Company has not implemented the whistle blower policy.

VIII. Secretarial Audit (Share Capital Audit)

A qualified practicing company secretary carried out secretarial audit (Share Capital Audit) to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total listed equity share capital. The secretarial audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

IX. Green Initiative

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/11 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, HAS ALLOWED COMPANIES TO SEND Annual Report comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory Statement etc. through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

MANAGER'S CERTIFICATE

We hereby certify that, to the best of our knowledge and belief.

- a) We have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that :
 - i. there are no significant changes in internal control over financial reporting during the year
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control Systems over financial reporting.

Mumbai, August 14, 2013

Sd/-
Suman Lahiri
Manager

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Galaxy Entertainment Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Galaxy Entertainment Corporation Limited ("the Company") for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

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

**For Martinho Ferrao & Associates
Company Secretaries**

Sd/-

Martinho Ferrao
Proprietor
CP No. 5676

Dated: August 14, 2013

CODE OF CONDUCT DECLARATION

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

Sd/-

Suman Lahiri
Manager

Place : Mumbai
Date : August 14, 2013

INDUSTRY OVERVIEW

The Indian food industry has witnessed strong growth over the past few years. India is the world's second largest producer of food next to China, and has the potential of becoming the biggest producer in the years to come. The food industry is one of the largest industries in India and ranked fifth in terms of productions, consumption, export and expected growth. Indian food service industry is currently worth multi billion and is expected to grow at the rate of 11 per cent, according to 'India Food Service Report 2013' by the National Restaurant Association of India (NRAI). Increasing income are always accompanied by a change in food consumption pattern. Further, change in trends like consumers' lifestyle leading to demand for convenience and availability of various packages size of beverages to suit different needs have led a spurt in growth and these trends are expected to continue to fuel the demand of many types of beverages. With growth of organized retail sector in India, the consumers have turned to shop their consumer goods and lifestyle products from malls and large stores with multiple products choice. Footfall in malls have been continuously increasing since many years. This has led for many to open up small/ medium size foods courts and restaurants within the mall premises. Consumer have also inclined to dine at these places with their kiths and kins.

OUTLOOK

Food courts play the role of anchor tenant in a mall. Along with complimenting businesses such as books, games, fine dining restaurants and movies, they provide good recreational space to the customers. Food courts support the functioning of a mall and have become an important part of malls.

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. Food courts help create brand awareness and sometimes customers acknowledge the existence of a brand or product as a result of their presence. Food courts are like a multi-brand outlet offering best from respective categories. It provides a platform for the brands to compliment rather than compete with each other as each offers a unique product.

Out of the total spend of any family shopping basket, the total spending on eating out has gone up significantly. This in itself indicates a major shift in eating out habits and that makes food courts all the more relevant in driving the customer out of his home in to a mall to eat. Food-court phenomenon in India is being driven primarily by a rapid rise in the number of malls all over the country. This shows that this segment is in its infancy and has a huge potential for growth.

With the Government's various initiatives to lure the foreign investments in India, especially in retail sector, would further give impetus to organized retail in the country with presence of malls in tier II cities as well. This would again provide opportunities for the industry to have access to these cities.

Summation: The future for the industry in the organised sector is very positive, but also fraught with challenges as 70% of the market is currently dominated by unorganized players. The organized segment has witnessed double-digit growth across formats, especially quick service restaurants driven by international chains, and causal and fine dining outlets dominated by Indian and private equity majors. We will widen the range of formats we exist in within the organised food industry and plan to grow with industry developments.

POSITIVES

- In spite of the depressed economy at present, average urbanite has an increased propensity to spend.
- The choice of formats just keeps getting wider viz. Food Courts, Cafes, Bars, Malls, Specialty & Boutique outlets, etc.
- An informed and ready to experiment (to a degree) customer base.
- Government's various initiatives to boost the investment in the country

OPPORTUNITIES & THREATS

- Identifying the right location and having the where with all to convert the not-perfect outlet to a profitable one.
- Extremely complicated Licensing norms.
- Governmental taxes and charges can be crippling, and when passed on to customers can result in fewer visits.
- Intense competition.
- General economic conditions includes interest rates, unreal rentals, inflation, etc.

RISK & CONCERNS

Risk is intrinsic to any business. In the high growth E & M sector, the industry needs solid and firm support from government policies.

The risks and uncertainties include (but are not limited to):

- Intense competition in the F&B industry and unorganized entertainment sector, including those factors which may affect our cost advantage.
- Our ability to manage domestic marketing and sales operations.
- Legal restrictions.
- General economic conditions such as high rate of inflation and interest affecting our industry.
- Availability at prime locations, quality of development and high occupancy cost.

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.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company operates only in a single business segment of leisure and entertainment services.

HUMAN RESOURCES

Human Resource Management (HRM) has to change as the business environment changes. It has to do this as a mixture of responding to changes in that environment and predicting such changes and making proactive decisions about nature of HRM. Human Resources at GECL have gone through sea changes over the past years. The Central HR team has decentralized most of the HR systems and activities to make it easier for the Units to function independently. Human Resource Information System has strengthen our personnel database management system for keeping various HR records and its retrieval from time to time, in turn helped us to shift our focus on people development.

GECL emphasizes on HR Audits, Training and Development of Employees to increase Quality of Work behavior so as to increase Productivity and Proficiency. Constant Efforts are being made for improving employee morale and motivation by doing employee surveys, employee engagement activities, feedback systems across the board.

Efforts are also being made to further strengthen the Performance Management process through Performance Appraisal to evaluate employees performance and to guide or suggest improvements if gaps are being observed. Job Rotation and Job Enrichment is to be focused for proper Career and Succession planning so as to create opportunities for deserving employees in form of promotions and improvements which will result in consistent vertical and lateral growth of organization.

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, 2013, and the Statement of Profit and Loss and 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

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Haribhakti & Co.

Chartered Accountants

Firm Registration No.103523W

Sumant Sakhardande

Partner

Membership No.034828

Place : Mumbai

Date : May 30, 2013

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Galaxy Entertainment Corporation Limited on the financial statements for the year ended March 31, 2013]

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A part of fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory consisting of consumables and supplies has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company has granted loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 1,82,084/- and the year-end balance of loans granted to such parties was ` 1,83,34,333/-.
- (b) As informed to us, the loans given are interest free. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) In our opinion and according to the information and explanations given to us, the said loans are given interest free. As informed to us, no terms and conditions have been stipulated for repayment of such loans. In absence of such stipulations we are unable to comment on terms and conditions for repayment of such loans.
- (d) As informed to us, there are no principal amounts overdue on the loans.
- (e) The Company had taken loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 24,41,095/- and the year-end balance of loans taken from such parties was ` 2,77,79,074/-.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) According to the information and explanations given to us, there are no transaction that need to be entered into the register maintained under section 301.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained to us, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax,

sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any 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 Act	Sales Tax	16,68,316	2003-2004	Sales Tax Commissioner
Maharashtra Sales Tax Act	Sales Tax	74,92,720	2008-2009	Sales Tax Commissioner

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. Further the company has not incurred cash losses in the current financial year. However it had incurred cash losses in the immediately preceding financial year.
- (xi) The Company has defaulted in repayment of dues to a bank by sixty days. The principal amount in default is ₹ 61,90,333/- and interest amount in default is ₹ 98,967/-
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have been used for long-term investment amounting to Rs. 21,18,33,769/-.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Regn No. 103523W

Sumant Sakhardande
Partner
Membership No: 034828

Place: Mumbai
Date: May 30, 2013

Balance Sheet

as at March 31, 2013

galaxy
ENTERTAINMENT CORPORATION LIMITED

	Note No	Rupees	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
I EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	3	156,499,350		156,499,350
(b) Reserves & Surplus	4	(152,235,263)		(198,050,911)
(c) Money Received against share warrants		-	4,264,087	(41,551,561)
2 Share Application Money Pending Allotment				
		-		-
3 Non-Current Liabilities				
(a) Long Term Borrowings	5	32,638,322		71,994,000
(b) Deferred Tax Liabilities (Refer Note No. 35)		-		-
(c) Other Long Term Liabilities	6	638,888		5,738,888
(d) Long Term Provisions	7	867,301		3,033,630
			34,144,511	80,766,518
4 Current Liabilities				
(a) Short Term Borrowings	8	137,383,767		108,478,084
(b) Trade Payables	9	64,289,874		55,980,250
(c) Other Current Liabilities	10	194,662,937		151,376,058
(d) Short Term Provisions	11	146,354		320,214
			396,482,932	316,154,606
Total			434,891,530	355,369,563
II ASSETS				
1 Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	12	219,320,240		263,747,925
(ii) Intangible Assets	13	-		241,024
		219,320,240	219,320,240	263,988,949
(iii) Capital Work-in-Progress			-	-
(iv) Intangible Assets Under Development			-	-
(b) Non Current Investments	14		63,000	63,000
(c) Deferred Tax Assets (refer note No. 35)			-	-
(d) Long Term Loans and Advances	15		18,872,466	23,131,607
(e) Other Non Current Assets	16		11,986,662	12,676,214
2 Current Assets				
(a) Current Investments		-		-
(b) Inventories	17	3,087,087		2,362,622
(c) Trade Receivables	18	169,783,123		43,571,495
(d) Cash and Bank Balances	19	1,515,955		561,791
(e) Short Term Loans and Advances	15	9,307,596		7,731,044
(f) Other Current Assets	20	955,401		1,282,841
			184,649,163	55,509,793
Total			434,891,530	355,369,563

Significant Accounting Policies 2
Accompanying notes are an integral part of the financial statements 3 to 47

As per our report attached of even date

For Haribhakti & Co.

Chartered Accountants
Firm Regn. No. 103523W

Sumant Sakhardande

Partner
Membership No. 034828

Place : Mumbai
Dated: May 30, 2013

For and on behalf of the Board

Sunil Biyani Udita Jhunjunwala

Director Director

Place : Mumbai
Dated: May 30, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

galaxy
ENTERTAINMENT CORPORATION LIMITED

	Note No	Year Ended 31.03.2013 Rupees	Year Ended 31.03.2012 Rupees
I REVENUE			
(a)Revenue From Operations	21	280,249,255	166,467,374
(b)Other Income	22	1,138,113	7,184,934
Total Revenue		281,387,368	173,652,308
II EXPENSES			
(a)Consumption of Restaurant Supply & Gaming Expenses	23	36,644,117	34,695,008
(b)Employees Benefits Expense	24	27,082,647	33,501,849
(c)Finance Costs	25	31,190,393	37,624,488
(d)Depreciation and Amortisation Expenses	26	49,393,509	54,265,317
(e)Other Expenses	27	91,261,054	94,008,488
Total Expenses		235,571,720	254,095,150
Profit Before Tax		45,815,648	(80,442,842)
Tax Expenses			
Current Tax		-	-
Earlier Year Tax		-	-
Deferred Tax		-	-
Profit for the Year		45,815,648	(80,442,842)
Earnings per Equity Share (face value of Rs. 10 each)			
Basic and Diluted	38	2.93	(5.14)
Significant Accounting Policies	2		
Accompanying notes are an integral part of the financial statements	3 to 47		

As per our report attached of even date

For Haribhakti & Co.

Chartered Accountants
Firm Regn. No. 103523W

Sumant Sakhardande

Partner
Membership No. 034828

Place : Mumbai
Dated: May 30, 2013

For and on behalf of the Board

Sunil Biyani Udita Jhunjunwala

Director Director

Place : Mumbai
Dated: May 30, 2013

Cash Flow Statement

for the year ended March 31, 2013



	2012-13		2011-12	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) BEFORE TAX		45,815,648		(80,442,842)
Adjustment for :				
Depreciation for the year	49,393,509		54,265,317	
Interest expense	31,190,393		37,624,488	
Interest income	(871,993)		(1,151,742)	
(Gain)/Loss on foreign exchange fluctuation	(2,882,574)		5,994,510	
(Profit) /Loss on sale of Fixed Assets	1,280,594		(5,000)	
Sundry Assets W/off	7,209,346		6,884,993	
Sundry balances written back	(41,699)		(4,334,382)	
		<u>85,277,576</u>		<u>99,278,184</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		131,093,224		18,835,342
(Increase)/ decrease in working capital:				
Inventories	(724,465)		2,258,154	
Trade & Other Receivables	(124,240,311)		(33,509,957)	
Trade & Other Payables	15,890,194		29,210,216	
Other Current Assets	1,110,396		3,416,280	
		<u>(107,964,186)</u>		<u>1,374,693</u>
CASH USED IN OPERATIONS		23,129,038		20,210,035
Payment of Taxes (Net of Refunds)		120,230		(744,174)
NET CASH GENERATED (USED IN)/FROM OPERATING ACTIVITIES (A)		<u>23,249,268</u>		<u>19,465,861</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
(Decrease)/Increase in fixed asset		(11,934,146)		(602,213)
Interest received		89,037		13,634
Fixed Assets / Investments Acquired pursuant to merger				
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES (B)		<u>(11,845,109)</u>		<u>(588,579)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Loans (given) / repaid to/by subsidiaries		-		(105,980)
Proceeds from / (Repayment of) borrowings		(10,449,995)		(15,998,575)
Interest Paid		-		(3,269,660)
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES (C)		<u>(10,449,995)</u>		<u>(19,374,215)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		<u>954,164</u>		<u>(496,933)</u>
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR		<u>561,791</u>		<u>1,058,724</u>
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR		<u>1,515,955</u>		<u>561,791</u>
Cash and cash equivalents comprise of :				
Cash & Bank Balances (Note No.19)		<u>1,515,955</u>		<u>561,791</u>
Total		<u>1,515,955</u>		<u>561,791</u>

- 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 attached of even date

For Haribhakti & Co.

Chartered Accountants
 Firm Regn. No. 103523W

Sumant Sakhardande

Partner
 Membership No. 034828

Place : Mumbai
 Dated: May 30, 2013

For and on behalf of the Board

Sunil Biyani Udita Jhunjunwala

Director Director

Place : Mumbai
 Dated: May 30, 2013

on Financial Statements for the Year Ended March 31, 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS AS AT MARCH 31, 2013

1. Background

Galaxy Entertainment Corporation Limited ('the Company') was incorporated on August 13, 1981. It operates leisure and entertainment centers across the country and as at the balance sheet date it has 17 centers offering a variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court, etc.

2. Significant Accounting Policies

a. Basis for Preparation of Financial Statements

The accompanying financial statements have been prepared under the historical cost convention and comply in all material aspects with the provisions of the Companies Act, 1956, and applicable accounting standards notified under the Companies (Accounting Standard) Rules, 2006, as amended.

b. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of the revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which they arise.

c. Tangible Assets and Depreciation

Tangible assets are stated at their original cost of acquisition or construction less accumulated depreciation. Costs include all costs incurred to bring the assets to their present condition and location.

Depreciation is charged on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, or based on estimated useful life of assets (keeping in view the nature of operations), whichever is higher. The depreciation rates used are as follows:

Particulars	Rate
Plant & Machinery	10%
Furniture & Fixtures – Others	15%
Furniture & Fixtures - Digital Print Board	50%
Computers	20%
Vehicles	25%

Depreciation has been fully charged on assets whose actual cost does not exceed Rs.5,000. Improvements to leasehold premises are amortized over the period of the lease.

d. Intangible Assets and Amortisation

The Company accounts for costs incurred in making of a film as "Intangible Asset" representing self generated "Film Rights". Costs comprise of all expenditure directly attributable for creating, producing and making of the Film but exclude all selling and distribution costs. Such costs are amortized over the economic life which is based on economic benefits flowing to the Company by way of realized/expected revenues on exploitation of various rights. The value of rights is re-assessed periodically to determine whether there is any impairment and consequent write down in the value of intangible.

The amortisation rate used for other intangible asset is as follow:

Particulars	Rate
Intangibles – License	20%

on Financial Statements for the Year Ended March 31, 2013

e. Impairment of Assets

An asset is treated as impaired when the carrying value of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

f. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments" notified under the Companies (Accounting Standard) Rules, 2006, as amended. Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount of investments and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Long term investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of long term investments

g. 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.

h. Revenue recognition

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 centers, for a negotiated price, which is billed to customers on completion of the event.

Sponsorship income is recognized over the period of the sponsorship contracts.

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

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

i. Retirement and other employee benefits

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

j. Taxes on income

Provision for tax is made for both current and deferred tax. Provision for current tax is made, at the current rate of tax, based on assessable income. Deferred tax resulting from timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidence.

on Financial Statements for the Year Ended March 31, 2013

k. Foreign Currency Transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Monetary foreign currency assets and liabilities outstanding at the year end are translated at the year end exchange rates. Resultant gains and losses on settlement/restatement of foreign currency transactions are recognized in the Statement of Profit and Loss.

l. 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 lessor 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.

m. 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.

n. Cash and Cash equivalents

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

o. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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.

p. 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.

on Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
3. Share Capital		
Authorised		
20,000,000 Equity Shares of Rs.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 Rs.10/- each fully paid-up (Previous Year 15,649,935 Equity Shares)	156,499,350	156,499,350
Add : Forfeited Shares Account	-	-
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 31.03.2013		As At 31.03.2012	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
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 Rs. 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 31.03.2013		As At 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pantaloon Retail (India) Ltd.	4,937,935	31.55	4,937,935	31.55
Bellona Finvest Limited	3,686,491	23.56	3,686,491	23.56
Eclipse Trade Pvt. Ltd.	1,029,432	6.58	1,029,432	6.58
Merlin Enclaves pvt. Ltd.	895,626	5.72	895,626	5.72
Winstar India Investment Co. Ltd.	-	-	-	-

d. Aggregate numbers of Equity shares allotted as fully paid up pursuant to the contract without payment received in cash:

Particulars	Aggregate no. of shares				
	2007-08	2008-09	2009-10	2010-11	2011-12
Fully Paid up equity shares	2,937,935	-	-	-	-

on Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
4. Reserves & Surplus		
Security Premium account	318,497,460	318,497,460
Other Reserves		
General Reserve		
Opening Balance	18,062,972	18,062,972
Add: Amount transferred from surplus balance of statement of Profit and Loss	-	-
	18,062,972	18,062,972
Less: Adjustment	-	-
Closing Balance	18,062,972	18,062,972
Surplus in the Statement of Profit and Loss		
Opening Balance	(534,611,343)	(454,168,501)
Profit/(Loss) for the year	45,815,648	(80,442,842)
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Closing Balance	(488,795,695)	(534,611,343)
Total Reserves and Surplus	(152,235,263)	(198,050,911)
5. Long Term Borrowings		
Secured		
Term Loan from Banks	32,638,322	71,994,000
(Rs.4,68,00,000 is payable annually in four quarterly equal installment and interest rate is between 15% and 15.75% p.a) (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company and personal guarantee of one of the Promoters) (Current maturities of Long Term Loans have been disclosed under Other Current Liabilities in Note No. 10) In respect of Term Loan from bank, detail of defaults as on the balance sheet date are as under:		
<u>Period and Amount of Default</u>		
(a) in respect of Principal , 60 Days Rs. 6,190,333		
Total	32,638,322	71,994,000
6. Other Long Term Liabilities		
Deposits	-	5,100,000
Income Received in Advance	638,888	638,888
Total	638,888	5,738,888
7. Long Term Provisions		
Provision for Employees Benefits		
Gratuity	642,357	1,673,995
Leave Encashment	224,944	1,359,635
Total	867,301	3,033,630

on Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
8. Short Term Borrowings		
Secured Loan		
Working Capital Loan Repayable on Demand from Banks (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company and personal guarantee of one of the Promoters) In respect of interest on CC account, detail of defaults as on the balance sheet date are as under: Period and Amount of Default (a) in respect of Interest, 60 Days Rs.98,967	9,333,767	3,578,084
Unsecured Loan		
- from related party	16,500,000	-
- from others (ICD)	111,550,000	104,900,000
In respect of interest on ICD, detail of defaults as on the balance sheet date are as under: Period and Amount of Default (a) in respect of one party, 24 months Rs. 14,151,688. (b) in respect of other party, 18 months Rs. 3,779,073.		
Total	137,383,767	108,478,084
9. Trade Payables		
Micro, Small & Medium Enterprises (Refer Note No. 42)	-	-
Others	64,289,874	55,980,250
Total	64,289,874	55,980,250
10. Other Current Liabilities		
Current Maturities of Long Term Debts (Refer Note No. 5)	46,800,000	46,800,000
Interest Accrued & Due	34,779,762	11,427,736
Payable Towards Capital Goods	61,345,284	41,049,464
Other Advances	25,000,000	25,000,000
Salary & Reimbursements Payable	3,113,324	4,242,425
Contribution to PF	72,316	67,996
Advances from Customers	20,585	5,944
Statutory Dues	2,731,154	1,894,904
Income Received in Advance - Current Portion	-	555,556
Book Overdraft	1,793,839	1,807,176
Liabilities for Expenses	19,006,673	18,524,857
Retention Money	-	-
Total	194,662,937	151,376,058
11. Short Term Provisions		
Provision for Employees Benefits		
Gratuity	71,373	205,272
Leave Encashment	74,981	114,942
Total	146,354	320,214

on Financial Statements for the Year Ended March 31, 2013

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

(Amount in Rs.)

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2012	Addition	Acquisition through Business Combination	Deductions	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Improvements to Licensed Premises	60,569,104	-	-	10,940,564	49,628,540	25,690,214	5,991,121	6,090,657	25,590,678	24,037,862	34,878,890
Plant and Machinery	400,842,526	17,015,933	-	14,084,986	403,773,473	182,751,502	39,083,739	7,712,604	214,122,637	189,650,836	218,091,024
Furniture and Fixtures	36,812,491	102,031	-	9,259,972	27,654,550	26,150,677	3,961,428	8,089,097	22,023,008	5,631,542	10,661,814
Computers	2,899,871	-	-	117,506	2,782,365	2,783,674	116,197	117,506	2,782,365	-	116,197
Motor Car	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	501,123,992	17,117,964	-	34,403,028	483,838,928	237,376,067	49,152,485	22,009,864	264,518,688	219,320,240	263,747,925
Previous Year	519,557,392	607,213	-	19,040,613	501,123,992	196,075,682	53,456,006	12,155,621	237,376,067	263,747,925	323,481,710

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

Particulars	Gross Block					Amortisation				Net Block	
	As at 01.04.2012	Addition	Acquisition through Business Combination	Deductions	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Intangibles Rights of Film - Khel	86,512,743	-	-	86,512,743	86,512,743	-	-	86,512,743	-	-	-
Liquor License	4,035,500	-	-	-	4,035,500	3,794,476	241,024	-	4,035,500	-	241,024
TOTAL	90,548,243	-	-	-	90,548,243	90,307,219	241,024	-	90,548,243	-	241,024
Previous Year	90,548,243	-	-	-	90,548,243	89,497,908	809,311	-	90,307,219	241,024	1,050,335

14. Non Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ Others	No. of Shares		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rupees	
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	31.03.2013	31.03.2012
(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 Rs. 10 each)	Subsidiary	1,252,142	1,252,142	Unquoted	Fully paid	72.19	72.19	35,491,840	35,491,840
	Galaxy Rain Restaurant Pvt. Ltd. (Equity share of Rs. 10 each)	Subsidiary	10,000	10,000	Unquoted	Fully paid	100.00	100.00	100,000	100,000
II	Other Investments									
	National Saving Certificates (Under Lien)								63,000	63,000
	Sub Total Non Current Investments								35,654,840	35,654,840
	Less: Provision for diminution in the value of Investment								35,591,840	35,591,840
	Total Non Current Investments								63,000	63,000

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Aggregate amount of quoted investments (Market value Rs. NIL(Previous year Rs. Nil))	-	-
Aggregate amount of Unquoted Investments	35,654,840	35,654,840
Aggregate Provision for Diminution in Value of Investments	35,591,840	35,591,840

on Financial Statements for the Year Ended March 31, 2013

15. Loans and Advances

	Long Term		Short Term	
	31.03.2013 Rupees	31.03.2012 Rupees	31.03.2013 Rupees	31.03.2012 Rupees
Security Deposits				
Unsecured, Considered Good	16,909,541	20,896,644	68,339	80,499
Total (a)	16,909,541	20,896,644	68,339	80,499
Loans and Advances to related parties				
Unsecured, Considered Good	-	105,980	-	-
Doubtful	18,334,333	18,120,269	-	-
	18,334,333	18,226,249	-	-
Provision for Doubtful Advances	18,334,333	18,120,269	-	-
Total (b)	-	105,980	-	-
Other Loans and Advances (Unsecured, Considered Good)				
Advance Fringe Benefit Tax (Net of Provision)	-	45,828	-	-
Advance Income Tax	1,962,925	2,083,155	-	-
Advances to Creditors	-	-	1,034,471	962,481
Advance to Employees for Expenses	-	-	690,778	996,337
Service Tax Receivables	-	-	59,757	-
Prepaid Expenses	-	-	1,643,635	2,351,760
Dues from Others	-	-	1,680,892	1,674,792
Advance Sales Tax/Entertainment Tax Paid	-	-	4,129,724	1,665,175
Total (c)	1,962,925	2,128,983	9,239,257	7,650,545
Total (a+b+c)	18,872,466	23,131,607	9,307,596	7,731,044

16. Other Non Current Assets

Fixed Deposits with Bank (under Lien against Bank Guarantee)	11,986,662	12,676,214
Total	11,986,662	12,676,214

17. Inventories

(Valued of Cost or NRV, whichever is lower)

Restaurants supplies and consumables	3,087,087	2,362,622
Video Games Consumables	-	-
Total	3,087,087	2,362,622

18. Trade Receivable

Trade Receivables outstanding for a period less than six months from the date they are due for payment:

(a) Secured, considered good	147,264,847	20,170,769
(b) Un-secured, considered good	-	2,678,335
	147,264,847	22,849,104
Less: Provision for doubtful debts	-	-
	147,264,847	22,849,104

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	22,518,276	20,722,391
(c) Un-secured, considered doubtful	-	-
	22,518,276	20,722,391
Less: Provision for doubtful debts	-	-
	22,518,276	20,722,391
Total	169,783,123	43,571,495

on Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013	As At 31.03.2012
	Rupees	Rupees
19. Cash & Bank Balances		
Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	180,003	325,726
In Unpaid Dividend Accounts	-	-
Cash on Hand	1,335,952	236,065
Total	1,515,955	561,791
20. Other Current Assets		
Interest Accrued on Fixed Deposits	955,401	1,282,841
Total	955,401	1,282,841
21. Revenue From Operation	Year Ended	Year Ended
	31.03.2013	31.03.2012
	Rupees	Rupees
Sale of Services		
Games	22,865,792	10,452,536
Restaurants	103,807,273	111,243,818
Sponsorships	804,380	991,476
	127,477,445	122,687,830
Other Operating Income		
Income from Machine Hire Charges	555,556	37,875,248
Business Conducting Income	2,880,000	1,075,000
Revenue from Assignment/Transfer of Brand	145,000,000	
Service Charges Received	4,082,799	4,549,931
Scrap Sale	253,455	279,365
	152,771,810	43,779,544
Total	280,249,255	166,467,374
22. Other Income		
Interest on Bank Deposits	871,993	1,151,742
Interest - Others	-	-
Miscellaneous Income	224,421	1,698,810
Provision no longer required, written back	41,699	4,334,382
Total	1,138,113	7,184,934
23. Consumption of Restaurant Supply and Gaming Expenses		
Games Expenses	596,308	-
Wine, Liquor, Beverage, Tobacco & Food Consumables	36,047,809	34,695,008
Total	36,644,117	34,695,008
24. Employee Benefit Expenses		
Salaries, Wages, Bonus and Ex-gratia	25,098,313	31,137,384
Gratuity (Refer Note No. 41)	-	242,079
Contribution to Provident and other Funds	1,699,919	1,600,020
Staff Welfare Expenses	284,415	522,366
Total	27,082,647	33,501,849

on Financial Statements for the Year Ended March 31, 2013

	Year Ended 31.03.2013 Rupees	Year Ended 31.03.2012 Rupees
25. Finance Costs		
Interest on ICD	12,853,452	13,575,328
Interest on Term Loan	17,159,115	23,057,776
Interest on Cash Credit	1,161,800	991,384
Interest on others	16,026	-
Total	31,190,393	37,624,488
26. Depreciation and Amortisation Expenses		
Depreciation on Tangible Assets	49,393,509	53,456,006
Amortisation on Intangible Assets	-	809,311
Total	49,393,509	54,265,317
27. Other Expenses :		
Fuel, Power & Light	12,102,037	8,124,584
Repairs & Maintenance		
-Building	191,585	239,074
-Machinery	1,313,766	2,459,558
-Others	855,607	2,409,238
Insurance	827,801	1,187,725
Rent	43,227,019	41,809,973
Rates and Taxes	5,934,499	4,719,084
Travelling and Conveyance Expenses	2,605,307	2,135,606
Legal and Professional Fees	3,344,857	2,962,813
Advertisement and Publicity	2,099,872	4,163,139
Printing and Stationery	449,302	539,875
Communication Expenses	859,597	891,229
Provision for Dimunation in Investment/loan & advances in Subsidiaries	214,064	-
Bank Charges	71,032	88,657
Sundry debit balance Written off	45,828	4,757,555
Security Charges	1,327,579	1,254,681
Commission on Credit Card	1,009,865	1,061,876
Sundry Expenses	2,435,550	1,076,517
Bad Debts Written off	7,176,000	76,060
Directors' Sitting Fees	110,000	160,000
Sundry Assets Write Off	7,209,346	6,884,993
(Gain)/Loss on foreign exchange fluctuation in respect of Foreign Currency	(2,882,574)	5,994,510
Auditors' Remuneration		
As Auditor:		
Audit fee	400,000	500,000
Tax Audit fee	100,000	100,000
In other Capacity:		
Limited Review	150,000	300,000
Service Tax and Educational Cess	80,340	105,060
Reimbursement of expenses	2,775	6,681
	733,115	1,011,741
Less: Cenvat Credit of Service Tax & Cess	-	-
Total	91,261,054	94,008,488

on Financial Statements for the Year Ended March 31, 2013

Notes on Financial Statements

28. Capital and Other Commitments

a) Capital Commitment

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

b) Other Commitment

The Company has entered into certain non-cancellable agreements with landlord for premises. Commitment toward the same is Rs. 651,000 (Previous Year Rs. 2,170,000).

29. Contingent Liabilities not provided for:

a) In respect of guarantees given by Company's banker on behalf of the Company of Rs. 11,398,459 (Previous Year Rs. 11,533,959)

b) In respect of disputed tax demand not provided as following:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Entertainment Tax Demand	1,603,718	1,603,718
Indirect Tax Demand		
2003-2004	2,168,316	2,168,316
2008-2009	7,492,720	-

c) Claims on accounts of service Tax on rental premises consequent to retrospective charge of service on renting activity by Finance Act 2010. Amount which is not demanded has not been provided.

d) The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015. Outstanding as at balance sheet date is Rs. 529,663,942 (Previous Year Rs. 529,663,942).

30. Going Concern:

The Statutory Auditors had made an observation in their audit report for the year ending 31 March, 2012 as the going concern assumption due to complete erosion of net worth. The Company has turned around during the year and there is no negative net worth as on 31 March, 2013.

31. The Board of Directors of the Company has decided to transfer, sell and/or dispose off 5 centres of Sports Bar Undertaking operated by the Company in terms of business transfer agreement dated 28th March 2012, The approval of Shareholders of the Company under the provision of section 293(1) (a) read with section 192A is also given, As the agreement is subject to certain conditions, the disclosure required under Accounting Standard 24-“Discontinuing Operations” will be made after fulfillment of such conditions.

32. Expenditure in Foreign Currency:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Travel and Boarding Expenses	-	13,774
Capital Goods and Spare Parts	-	-
Membership Fees	-	-
Total	-	13,774

on Financial Statements for the Year Ended March 31, 2013

33. Earnings in Foreign Currency:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Leisure and Entertainment Income	1,612,804	1,651,925
Total	1,612,804	1,651,925

34. The Company operates in a single business segment of Leisure and Entertainment services. Further, the Company operates in a single reportable geographical segment, i.e. within India.

35. Deferred Tax Asset/(Liability):

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

36. In accordance with the Accounting Standard 18 on "Related Party Disclosure" notified under the Companies (Accounting Standard) Rules, 2006, as amended, the relevant information for the year ended March 31, 2013 is as under:

Names of related parties and description of relationship:

- I. Entities where control exists - Subsidiaries:
Rain Fruits & More Pvt. Ltd. ("RFMPL")
Galaxy Rain Restaurants Pvt. Ltd. ("GRRPL")
- II. Entity where control exists through substantial equity interest:
Pantaloon Retail (India) Ltd. ("PRIL")
- III. Key Managerial Personnel:
Mr. Rohinton Rabady (April – September)

The following are the volume of transactions with related parties during the year and outstanding balances as at the year end:

Nature of transaction	Entities where control exists Rupees	Key Management Personnel Rupees	Total Rupees
Salaries and Allowances - Mr. Rohinton Rabady	-	1,519,652	1,519,652
	(-)	(2,842,282)	(2,842,282)
Loans given: GRRPL	7,454		7,454
	(3,309)		(3,309)
RFMPL	174,630		174,630
	(102,671)		(102,671)
Loans Repaid By: RFMPL	74,000		74,000
	(-)		(-)
Loan Received from PRIL	16,500,000		16,500,000
	(22,000,000)		(22,000,000)
Loan Repaid to PRIL	-		-
	(22,000,000)		(22,000,000)
Purchases / Services from:			
PRIL	799,913		799,913
	(3,320)		(3,320)
Sales/Hire Charges to: PRIL	-		-
	(4,714,740)		(4,714,740)

on Financial Statements for the Year Ended March 31, 2013

Nature of transaction	Entities where control exists Rupees	Key Management Personnel Rupees	Total Rupees
Rent Paid: PRIL	2,589,023 (388,136)		2,589,023 (388,136)
Interest Paid : PRIL	- (-)		- (-)
Outstanding at year-end: Investment in subsidiary-RFMPL/GRRPL	35,591,840 (35,591,840)		35,591,840 (35,591,840)
Less: Provision for permanent Diminution	35,591,840 (35,591,840)		35,591,840 (35,591,840)
Loans Receivable- RFMPL	18,022,825 (17,922,195)		18,022,825 (17,922,195)
GRRPL	311,508 (304,054)		311,508 (304,054)
Sundry Debtors – PRIL	8,045,802 (4,658,059)		8,045,802 (4,658,059)

Figures in bracket are with respect to previous year; the related parties are as identified by the management and relied upon by the Auditors.

37. Properties which are under Operating Agreements:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Business conducting / License charges recognized in the Statement of Profit and Loss during the year	-	-
Total of future minimum lease payments under non-cancelable operating agreements:		
- Not later than 1 year	651,000	1,860,000
- Later than 1 year and not later than 5 years	-	310,000
- Later than 5 years	-	-
Total of future minimum lease payments payable under operating agreements	651,000	2,170,000

38. Earnings Per Share - Basic and Diluted:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Net Profit / (Loss) for the year as per Statement of Profit and Loss considered as numerator for calculating earnings per share	45,815,649	(80,442,842)
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	2.93	(5.14)

on Financial Statements for the Year Ended March 31, 2013

39. Loans and Advances include amounts due from subsidiaries:

Name of the Company	Maximum Amount Outstanding during the year (Rs.)	Balance Outstanding as at March 31, 2013 (Rs.)
Rain Fruits & More Private Limited	18,022,825 (17,922,195)	18,022,825 (17,922,195)
Galaxy Rain Restaurants Private Limited	311,058 (304,054)	311,058 (304,054)

Figures in bracket are with respect to previous year.

40. Un-hedged Foreign Currency Exposure:

Un-hedged foreign currency exposures as at March 31, 2013 are as under:-

Particulars	Amount in Foreign Currency		Amount in Indian Rupees	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Accounts Payable	USD 75,677	USD 75,677	Rs. 4,108,167	Rs. 3,871,374
Accounts payable	JPY 64,583,351	JPY 64,512,949	Rs. 37,156,068	Rs. 40,275,434

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

I. Defined Contribution Plans

Provident Fund

The Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2013 (Rupees)
Employer's contribution to Provident Fund	825,702

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	LIC(1994-96) Ultimate

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

on Financial Statements for the Year Ended March 31, 2013

A. Changes in the Present Value of Obligation:

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	1,879,267	1,474,578	1,702,858	1,582,869
Interest Cost	150,341	117,966	163,419	163,700
Current Service Cost	223,871	121,655	399,729	544,594
Benefits Paid	(702,305)	(369,418)	(119,703)	(162,437)
Actuarial (gain) / loss on Obligations	(837,444)	(1,044,856)	(267,036)	(654,148)
Present Value of Defined Benefit Obligation as at the end of the period	7,13,730	299,925	1,879,267	1,474,578

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

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Funded Obligation as at end of the period	713,730	299,925	1,879,267	1,474,578
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	642,357	224,944	1,673,995	1,359,635
Short Term Provision	71,373	74,981	205,272	114,942

C. Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	7,13,730	299,925	1,879,267	1,474,578
Fair Value of Plan Assets as at end of the period	Nil	Nil	Nil	Nil
Liability / (Net Asset) recognized in the Balance Sheet	7,13,730	299,925	1,879,267	1,474,578

on Financial Statements for the Year Ended March 31, 2013

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

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Current Service Cost	223,871	121,655	399,729	544,594
Past Service Cost	Nil	Nil	1,068	Nil
Interest Cost	150,341	117,966	163,419	163,700
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	(8,37,444)	(1,044,856)	(267,036)	(654,148)
Total Expenses recognized in the Statement of Profit and Loss	463,232	805,235	297,180	54,146

42. 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, 2013 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".
43. 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.
44. The agreement for certain premises occupied by the Company has expired during the year the Company is in the process of executing revised agreements.
45. During the year the Company has assigned/transferred the Brand "Sports Bar Express". The brand was self generated and hence had no cost of acquisition. The amount receivable on such assignment has been disclosed under Other Operating Income.
46. Balances of Debtors and Creditors are subject to confirmations and reconciliation.
47. In the opinion of the Board, all assets other than fixed assets and non-current investments have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

For and on behalf of the Board

Sunil Biyani
Director

Udita Jhunjunwala
Director

Place: Mumbai
Dated: May 30, 2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No.	Name of Subsidiary Company	Galaxy Rain Restaurants Private Limited	Rain Fruits & More Private Limited
1	Financial year of the Subsidiary ended on	March 31, 2013	March 31, 2013
2	Extend of holding: Shares of the Subsidiary held by Galaxy Entertainment Corporation Ltd. on the above dates Equity Shares of Rs. 10 each a) Number of Equity Shares b) Percentage Holding	 10,000 100.00%	 1,252,142 72.19%
3	Net aggregate amount of Profit/(Loss) of the subsidiary, so far as they concern members of the Holding Company. For the Financial Year of the Subsidiary a) Dealt with in the accounts of the Holding Company. b) Not dealt with in the accounts of the Holding Company. (Rs.)	 Nil (8,885)	 Nil (110,862)
4	Net aggregate amount of Profit/(Loss) of the Subsidiary for the previous financial years so far as the concern members of the Holding Company a) Dealt with in the accounts of the Holding Company. b) Not dealt with in the accounts of the Holding Company. (Rs.)	 Not Applicable (359,546)	 Not Applicable (45,524,757)

For and on behalf of the Board

Place : Mumbai
Dated : May 30, 2013

Sunil Biyani
Director

Udita Jhunjunwala
Director

The Members

The Directors of **Galaxy Rain Restaurants Private Limited** have pleasure in presenting 13th Annual Report on the business and operations of the company, together with the audited accounts for the year ended March 31, 2013.

Financial Results:

Particulars	(Rs. In Lacs)	
	Current Year 2012-13	Previous Year 2011-12
Income	0.00	0.03
Expenses	0.08	0.04
Profit/(Loss) before Tax	(0.08)	(0.01)
Balance brought forward	(3.51)	(3.51)
Balance carried to Balance Sheet	(3.60)	(3.51)

Year and Period under review:

During the year under review, your company has not undertaken any business activities, the net loss of Rs. 0.08 Lacs is on account of operating and general expenses incurred during the year.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prakash Gupta Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- In the preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed and that there are no material departures;
- The Directors 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, 2013 and the loss of the company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Fixed Deposits:

During the year under review, the company had neither accepted nor renewed any deposit from public within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

Auditors:

M/s. Viren Gandhi & Co., Chartered Accountants, the Statutory Auditors of the Company retiring at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate stating that their appointment, if made, will be within the limits laid under section 224(1B) of the Companies Act, 1956.

Auditors' Comments:

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Conservation of Energy, Research & Development, Technology absorption, Foreign exchange Earnings and Outgo:

(A) Conservation of Energy and Technology Absorption

Considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

(B) Foreign Exchange Earnings and Outgo

The Company has not earned or used any foreign exchange during the year under review.

Particulars as per section 217(2A) of Companies Act, 1956:

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

Acknowledgment:

The Directors place on record its grateful thanks to Company's Bankers, Statutory Authorities and all organizations connected with the Company.

**For and on behalf of the Board of
Galaxy Rain Restaurants Private Limited**

Place: Mumbai
Dated: May 30, 2013

Prakash Gupta
Director

Swapnil Kothari
Director

To,
The Members of
GALAXY RAIN RESTAURANTS PRIVATE LIMITED.
Mumbai

Report on Financial Statements

We have audited the accompanying financial statements of **GALAXY RAIN RESTAURANTS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

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

Auditors' Responsibility

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Viren Gandhi & Co.

Chartered Accountants

Firm Regn. No. 111558W

Darshita Y Parekh

Partner

Membership No.139012

Place: Mumbai,

Date: 30th May, 2013

Balance Sheet

as at March 31, 2013

Galaxy Rain Restaurants Private Ltd.

Annual Report 2012-2013

	Note No.	As at 31.03.13 Rupees	As at 31.03.12 Rupees
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	3	100,000	100,000
Reserves and Surplus	4	(360,133)	(351,248)
		<u>(260,133)</u>	<u>(251,248)</u>
2. Current Liabilities			
Short-term Borrowings	5	311,508	304,054
Other current liabilities	6	5,618	4,187
		<u>317,126</u>	<u>308,241</u>
TOTAL		<u>56,993</u>	<u>56,993</u>
II ASSETS			
1. Current Assets			
Cash and Cash equivalents	7	56,993	56,993
TOTAL		<u>56,993</u>	<u>56,993</u>
Significant Accounting Policies	2		
Accompanying notes are an integral part of the financial statement	3 to 12		

As per our Report attached of even date

For Viren Gandhi & Co.

Chartered Accountants

Firm Regn. No. 111558W

Darshita Y Parekh

Partner

Membership No. : 139012

Place : Mumbai

Date : May 30, 2013.

For and on behalf of the Board

Swapnil Kothari

Director

Prakash Gupta

Director

Place : Mumbai

Date : May 30, 2013.

Statement of Profit And Loss

For The Year Ended 31st March 2013

Galaxy Rain Restaurants Private Ltd.

Annual Report 2012-2013

	Note No.	Year Ended 31.03.2013 Rupees	Year Ended 31.03.2012 Rupees
I Revenue from operations		-	-
II Other income	8	-	3,600
III Total Revenue (I+II)		<u>-</u>	<u>3,600</u>
IV EXPENSES:			
Other expenses	9	8,885	4,187
Total Expenses		<u>8,885</u>	<u>4,187</u>
V. Profit/(Loss) before tax		(8,885)	(587)
Current Tax		-	-
Deferred Tax		-	-
Profit/(Loss)for the period		<u>(8,885)</u>	<u>(587)</u>
Earnings per equity share [Face value of share Rs. 10 each]			
Basic		(0.89)	(0.06)
Diluted		(0.89)	(0.06)
Significant Accounting Policies	2		
Accompanying notes are an integral part of the financial statement	3 to 12		

As per our Report attached of even date

For Viren Gandhi & Co.

Chartered Accountants
Firm Regn. No. 111558W

Darshita Y Parekh

Partner
Membership No. : 139012

Place : Mumbai
Date : May 30, 2013.

For and on behalf of the Board

Swapnil Kothari
Director

Prakash Gupta
Director

Place : Mumbai
Date : May 30, 2013.

Cash Flow Statement

for the year ended 31st March, 2013

Galaxy Rain Restaurants Private Ltd.

Annual Report 2012-2013

	2012 -2013 Rupees	2011-2012 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(8,885)	(587)
Adjustment for :		
Depreciation	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(8,885)	(587)
Change in working capital :		
increase/ (Decrease) in other current liabilities	1,431	(2,722)
CASH GENERATED FROM /(USED IN) OPERATIONS	(7,454)	(3,309)
Taxes Paid	-	-
Net cash generated from operation before Extraordinary Items	-	-
NET CASH FROM OPERATING ACTIVITIES I	<u>(7,454)</u>	<u>(3,309)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Tangible and Intangible Assets	-	-
Interest received	-	-
NET CASH FROM INVESTING ACTIVITIES II	<u>-</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
repayment / Proceeds From Unsecured Loan	7,454	3,309
Increase & (decrease) in Bank Borrowing	-	-
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES III	<u>7,454</u>	<u>3,309</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	-	-
Cash & Cash Equivalents as at 01.04.2012 (Opening Balance)	56,993	56,993
Cash & Cash Equivalents as at 31.03.2013 (Closing Balance)	56,993	56,993
Cash and cash equivalents comprise of :	As on	As on
	31-Mar-13	31-Mar-12
Cash on hand	100	100
Balances with Scheduled Banks :		
- in Current accounts	56,893	56,893
- in Term Deposits	-	-
Total	<u>56,993</u>	<u>56,993</u>

As per our Report attached of even date

For Viren Gandhi & Co.

Chartered Accountants

Firm Regn. No. 111558W

Darshita Y Parekh

Partner

Membership No. : 139012

Place : Mumbai

Date : May 30, 2013.

For and on behalf of the Board

Swapnil Kothari

Director

Prakash Gupta

Director

Place : Mumbai

Date : May 30, 2013.

1. Background

Galaxy Rain Restaurants Private Limited ('GRRPL' or 'the Company') was incorporated on April 12, 2000.

2. Significant accounting policies

a. Basis of Preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention on the basis of going concern. However, wherever recognition of revenue is postponed due to the effect of uncertainties, it is considered as revenue of the period in which it is realized

b. Use of estimate

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of the revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which they arise.

c. Taxes on Income

Provision for current tax is made at the current rate of tax, based on assessable income. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets, other than on unabsorbed tax depreciation and unabsorbed tax losses, are recognized only to the extent that there is a reasonable certainty of their realization. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidence.

During the year the Company has no taxable income and accordingly, no provision has been made for current taxes. Deferred tax asset on carried forward losses has not been created in absence of virtual certainty regarding its realization.

- d. In the opinion of the Board of Directors, the current assets and current liabilities are approximately of the value stated, if realized / paid in the ordinary course of business. The provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

For Viren Gandhi & Co.

Chartered Accountants
Firm Regn. No. 111558W

Darshita Y Parekh

Partner
Membership No. : 139012

Place : Mumbai
Date : May 30, 2013.

For and on behalf of the Board

Swapnil Kothari

Director

Prakash Gupta

Director

Place : Mumbai
Date : May 30, 2013.

	As At 31.03.2013	As At 31.03.2012
	Rupees	Rupees
3. Share Capital		
Authorised		
10,000 Equity Shares of Rs.10/- each	100,000	100,000
Issued, Subscribed and Paid-up		
10,000 Equity shares of Rs.10/- each fully paid up	100,000	100,000
Add : Forfeited Shares Account	-	-
Total Issued, Subscribed and Fully Paid-up Share Capital	100,000	100,000

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

Particulars	As At 31.03.2013		As At 31.03.2012	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

b. Terms/rights attached to the Equity Shares:

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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 31.03.2013		As At 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Galaxy Entertainment Corporation Limited	10000	100	10000	100

	As At 31.03.2013	As At 31.03.2012
	Rupees	Rupees
4. Reserves & Surplus		
Surplus in the statement of profit and loss		
Opening balance	(351,248)	(350,661)
Profit for the year	(8,885)	(587)
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Closing Balance	(360,133)	(351,248)
Total	(360,133)	(351,248)

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
5. Short term Borrowings		
Loan from Holding Company	311,508	304,054
Total	<u>311,508</u>	<u>304,054</u>
6. OTHER CURRENT LIABILITIES		
Liabilities for expenses	5,618	4,187
Total	<u>5,618</u>	<u>4,187</u>
7. CASH AND BANK BALANCES		
Cash and cash equivalents - Current		
Balances with banks:		
In current accounts	56,893	56,893
Cash on hand	100	100
	<u>56,993</u>	<u>56,993</u>
8. Other Income		
Other Non-operating Income	-	3,600
Total	<u>-</u>	<u>3,600</u>
9. Other Expenses :		
Legal & Professional Fees	3,267	816
Auditors' Remuneration - (Refer details below)		
As Auditor:		
Audit fee	5,000	3,000
In other Capacity:		
Service Tax and Educational Cess	<u>618</u>	<u>371</u>
	5,618	3,371
Less: Cenvat Credit of Service Tax & Cess	-	-
Total	<u>8,885</u>	<u>4,187</u>

Notes on Financial Statements**10. Disclosures under Accounting Standard 18**

Related Party Transactions

10.1 Details of Related Parties

Description of Relationship	Names of Related Parties
Holding Company	Galaxy Entertainment Corporation Limited
Fellow Subsidiary	Rain fruits and More Private Limited

Note: Related parties have been identified by the Management.**10.2** Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

Particulars	Holding Company	(Amount in Rs)
Finance (including loans and equity contributions in cash or in kind)	7,454	(3,309)
<u>Balances outstanding at the end of the year</u>		
Loans and advances	311,508	(304,054)

Note: Figures in bracket relates to the previous year**11 Earning Per Share (AS 20)**

Particulars	As at 31 March, 2013 Amount (₹)	As at 31 March, 2012 Amount (₹)
I) Net Profit after tax as per statement of profit & Loss attributable to Equity shareholders	(8,885)	(587)
ii) Weighted average Number of Equity shares used as denominator for calculating EPS	10,000	10,000
iii) Basic and diluted EPS	(0.89)	(0.06)
iv) Face Value per Equity Share	10.00	10.00

Note : There is no diluted EPS as there are no outstanding dilutive potential equity shares

12. Previous year's figures have been regrouped where necessary, to confirm to current year's classification**For Viren Gandhi & Co.**Chartered Accountants
Firm Regn. No. 111558W**Darshita Y Parekh**Partner
Membership No. : 139012Place : Mumbai
Date : May 30, 2013.**For and on behalf of the Board****Swapnil Kothari**

Director

Prakash Gupta

Director

Place : Mumbai
Date : May 30, 2013.

The Members

The Directors of Rain Fruits And More Private Limited take pleasure in presenting the Eighth Annual Report on the operations of the company, together with the audited accounts for the period ended March 31, 2013.

Financial Results:

Particulars	(Rs. In Lacs)	
	Current Year 2012-13	Previous Year 2011-12
Income from operations	0.00	11.18
Profit/(Loss) before Depreciation	(1.54)	(1.12)
Less: Depreciation	-	-
Profit/(Loss) before Tax	(1.54)	(1.12)

Year and Period under review:

During the year under review, your Company has not undertaken any business activities; the net loss before tax of Rs. 1.54 lacs is on account of general expenses during the year.

Directors:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Prakash Gupta, Director of the Company, shall retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment. The Board of Directors recommends his re-appointment.

Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that:

- The applicable standards have been followed in the preparation of the annual accounts and there are no material departure;
- The Directors 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, 2013 and the Loss of the company for the year ended on that date.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- The Directors have prepared the Annual Accounts of the Company on a going concern basis.

Compliance Certificate:

Pursuant to the proviso to Section 383A (1) of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001, Secretarial Compliance Certificate from M/s Martinho Ferrao & Associates, Company Secretaries in Whole Time Practice, is attached to the Report.

Fixed Deposits:

During the period under review, the company had neither accepted nor renewed any deposit from public within the meaning of Section 58 A of the Companies Act, 1956.

Auditors:

M/s. G. P. Sharma & Associates., Chartered Accountants the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office.

Auditors' Comments:

The observations made by the Auditors in their Report read with relevant notes as given in the Notes on Accounts annexed to the Accounts, are self explanatory and therefore do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

Conservation of Energy, Research & Development, Technology absorption, Foreign exchange Earnings and Outgo:

(A) Conservation of Energy and Technology Absorption

Considering the Company's business activities, the Directors have nothing to state in connection with Conservation of Energy and Technology Absorption.

(B) Foreign Exchange Earnings And Outgo

During the period under review, the Company did not have any Foreign Exchange Earnings or Outgo.

Particulars as per section 217(2A) of Companies Act, 1956:

Statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956, is not given as none of the employees of the Company is covered under the provisions of the said section.

Acknowledgements:

The Directors also take pleasure in commending the valuable contributions made by the Company's employees at all levels during the period under review.

**For and on behalf of the Board
Rain Fruits & More Private Limited**

Place: Mumbai
Dated: 30th May, 2013

Udita Jhunjunwala
Director

Prakash Gupta
Director

Registration No: U15130MH2005PTC156326

Nominal Capital: Rs. 2,50,00,000/-

Paid-up Capital : Rs. 1,73,45,920/-

To
The Members,
Rain Fruits & More Private Limited
3rd Floor, Block A,
Orchid City Center Mall,
225, Bellasis Road,
Mumbai-400 008.

We have examined the registers, records, books and papers of **Rain Fruits & More Private Limited** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2013** ("financial year"). In our opinion and to the best of our information and accordingly to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in "**Annexure A**" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "**Annexure B**" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a private limited Company has the minimum prescribed paid up capital and its maximum number of members during the said financial year was **7** excluding its present and past employees and the Company during the year under scrutiny:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relative.
4. The Board of Directors duly met **Four** times during the year on 29th May 2012, 09th August 2012, 08th November 2012 and 07th February 2013 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on **31st March 2012** was held on **28th September 2012** after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. **No** Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provision of section 297 of the Act in respect of contract specified in that section.

10. As Informed to us, the Company has maintained Register under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company:
 - (i) was not required to deliver any securities as there was no allotment of securities and/or transfer/transmission of shares.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) was not required to transfer any amount to Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted and the appointments of additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/ Whole time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provision of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debenture or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ended 31st March 2013 is within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act were passed in a duly convened general meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees and employers contribution to Provident Fund during the financial year, pursuant to Section 418 of the Act.

**For Martinho Ferrao & Associates
Company Secretaries**

Martinho Ferrao

Proprietor
C.P.No.: 5676

Place : Mumbai
Date : 30th May, 2013

“Annexure A”

Registers as maintained by the Company

Statutory Registers:

1. Register of Members u/s.150
2. Register of Directors, Managing Director, Manager and Secretary u/s.303
3. Register of Directors Shareholdings u/s.307
4. Register of Disclosures u/s 301(3)
5. Minutes Books of all the Board Meetings and General Meetings u/s. 193
6. Register of Contracts u/s 301

Other Registers:

1. Register of Transfers

“Annexure B”

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2013.

Sr. No.	Form No./ Return	Filed under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 66	383A	Secretarial Compliance Certificate	26/10/2012	Yes	No
2.	Form 20B	159	Annual Requirement	10/12/2012	No	Yes
3.	Form 23AC & Form 23ACA	220	Annual Requirement	20/12/2012	Yes	No
4.	Form 18	146	Shifting of Registered Office	13/04/2012	Yes	No
4.	Form 32	263	Appointment of Directors	29/08/2012	Yes	No

To,
The Members of

Rain Fruits and More Private Limited

Mumbai

Report on the Financial Statements

We have audited the accompanying financial statements of **Rain Fruits and More Private Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and fair presentation 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For G.P. Sharma & Associates

Chartered Accountants
Firm Regn. No. 130532W

Gopal Prasad Sharma Proprietor

Membership No. 124735

Place: Mumbai

Dated: May 30, 2013

**To the Board of Directors of Rain Fruits and More Private Limited
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

1. Having regards to the nature of the Company's business/ activities / result, during the year clause (ii), (vii), (viii), (xi), (xiii), (ixv) and (xvi) of paragraph 4 of the order are not applicable to the Company.
2. In respect of fixed assets:
 - (A) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (B) We are informed that, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.
 - (C) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (A) During the year, the company has not granted any loans and advances, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly clause (iii) (a) to (iii) (d) of the order are not applicable.
 - (B) According to the information and explanation given to us, the Company has taken unsecured loan of Rs. 174,630/- from the company covered in the register maintained under section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company. The payment of principal and interest is regular. The maximum amount involved during the year was Rs. 18,022,825/-.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard for the sale of goods and services. In our opinion and according to the information and explanation given to us, there is no continuing failure to correct major weakness in internal control procedure.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
 - (A) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (B) In our opinion and explanation given to us, the transactions exceeding the value of 5 lakh in respect of any party during the year have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules made there under are not applicable to the Company.

- 7 In respect of statutory dues:
 - A) According to the records examined by us and the information and explanations given to us, there are disputed amount of Rs. 2,193,128/- in respect of Sales Tax With UP Government at the end of the year.
- 8 The Company has Rs. 63,174,899/- accumulated losses as at the end of the year and the Company has incurred cash losses of Rs. 153,570/- during current and Rs. 84,341/- during the immediately preceding financial year.
- 9 In our opinion and according to information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other security.
- 10 In our opinion, the terms and conditions on which the company has not given guarantees for loans taken by other from banks and financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the company.
- 11 According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- 12 According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 13 The Company did not have any outstanding debentures during the year
- 14 The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 15 In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For G.P. Sharma & Associates

Chartered Accountants
Firm Regn. No. 130532W

Gopal Prasad Sharma
Proprietor

Membership No. 124735

Place: Mumbai

Dated: May 30, 2013

Balance Sheet

as at March 31, 2013

Rain Fruits & More Private Ltd.

Annual Report 2012-2013

	Note No.	Rupees	As at 31.03.13 Rupees	As at 31.03.12 Rupees
I EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	3	17,345,920		17,345,920
(b) Reserves & Surplus	4	(35,428,979)		(35,275,409)
(c) Money received against share warrants		-		-
			(18,083,059)	(17,929,489)
2 Share application money pending allotment		-		-
3 Non- current liabilities				
(a) Long term borrowings		-		-
(b) Deferred tax liabilities (Net)		-		-
(c) Other Long term liabilities		-		-
(d) Long-term provisions		-		-
4 Current liabilities				
(a) Short term borrowings	5	18,022,825		17,922,195
(b) Trade Payables	6	1,069,634		1,095,694
(c) Other Current liabilities	7	34,281		51,281
(d) Short-term provisions		-		-
			19,126,740	19,069,170
TOTAL			1,043,681	1,139,681
II ASSETS				
Non- current assets				
1 (a) Fixed Assets				
(i) Tangible Assets	8	819,379		819,379
(ii) Intangible Assets		-		-
(iii) Capital work-in-progress		-	819,379	819,379
(iv) Intangible assets under development		-		-
(b) Non-current investments		-	-	-
(c) Deferred Tax Assets (Net)		-	-	-
(d) Long-term loans and advances	9	58,000		58,000
(e) other non-current assets	10	50,000	108,000	50,000
2 Current assets				
(a) Current investments		-		-
(b) Inventories		-		-
(c) Trade receivables		-		-
(d) Cash and Bank Balances	11	116,302		212,302
(e) short-term loans and advances		-		-
(f) other current assets		-		-
		116,302	116,302	212,302
TOTAL			1,043,681	1,139,681
Significant Accounting Policies	2			
Accompanying notes are an integral part of the financial statements	3 to 29			

As per our Report attached of even date

For G.P. Sharma & Associates

Chartered Accountants

Firm Regn. No. 130532 W

Gopal Prasad Sharma

Proprietor

M. No. 124735

Place: Mumbai

Dated: May 30, 2013

For and on behalf of the Board

Prakash Gupta

Director

Place: Mumbai

Dated: May 30, 2013

Udita Jhunjunwala

Director

Statement Profit and Loss

for the year ended 31st March 2013

Rain Fruits & More Private Ltd.

Annual Report 2012-2013

	Note No.	For the year ended 31.03.2013 Rupees	For the Year Ended 31.03.2012 Rupees
I			
Revenue from operations		-	-
II	12		
Other income		-	1,117,799
III			
Total Revenue (I+II)		<u>-</u>	<u>1,117,799</u>
IV			
EXPENSES:			
Cost of Material Consumed		-	-
Employees benefits expense		-	-
Finance Costs		-	-
Depreciation and amortisation expenses		-	-
Other expenses	13	153,570	1,230,285
Total Expenses		<u>153,570</u>	<u>1,230,285</u>
Profit before tax		<u>(153,570)</u>	<u>(112,486)</u>
Current Tax		-	-
Earlier Year tax		-	-
Deferred Tax		-	-
Profit for the year		<u>(153,570)</u>	<u>(112,486)</u>

Earnings per equity share [nominal value of share Rs. 10 each]

Basic	(0.09)	(0.06)
Diluted	(0.09)	(0.06)

Significant Accounting Policies **2**
 Accompanying notes are an integral part of the
 financial statements **3 to 29**

As per our Report attached of even date

For G.P. Sharma & Associates

Chartered Accountants
 Firm Regn. No. 130532 W

Gopal Prasad Sharma

Proprietor
 M. No. 124735

Place: Mumbai
 Dated: May 30,2013

For and on behalf of the Board

Prakash Gupta

Director

Udita Jhunjhunwala

Director

Place: Mumbai
 Dated: May 30,2013

Cash Flow Statement

for the year ended March 31, 2013

Rain Fruits & More Private Ltd.

Annual Report 2012-2013

	2012-13		2011-12	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) BEFORE TAX		(153,570)		(112,486)
Adjustment for :				
Depreciation / Impairment (Current Year)	-	-	-	-
Credit Balances Written Back	-	-	(1,117,799)	-
Interest Income	-	-	-	-
Sundry Debit balances w/off	-	-	1,145,944	28,145
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(153,570)		(84,341)
(Increase)/ decrease in working capital:				
Trade and other receivables	-	-	(1,056,667)	-
Other Current Liabilities	-	-	-	-
Trade and other payables	(43,060)	-	1,038,227	(18,440)
CASH USED IN OPERATIONS		(196,630)		(102,781)
Payment of Taxes		-		-
NET CASH GENERATED (USED IN)/FROM OPERATING ACTIVITIES	(A)	(196,630)		(102,781)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Sale of Fixed Assets		-		-
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(B)	-		-
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Interest Received		-		-
Proceeds from Short Term Borrowings		100,630		102,671
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES	(C)	100,630		102,671
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	(96,000)		(110)
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR		212,302		212,412
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR		116,302		212,302
Cash and cash equivalents comprise of :				
Cash & Bank Balances (Note no. 11)		116,302		212,302
Total		116,302		212,302

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 attached of even date

For G.P. Sharma & Associates

Chartered Accountants
Firm Regn. No. 130532 W

Gopal Prasad Sharma

Proprietor
M. No. 124735

Place: Mumbai
Dated: May 30, 2013

For and on behalf of the Board

Prakash Gupta
Director

Udita Jhunjunwala
Director

Place: Mumbai
Dated: May 30, 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS AS AT MARCH 31, 2013**1. Background**

The company was incorporated on 26.09.2005 with the object of selling of food and beverage items through kiosks and retail outlets.

2. Significant Accounting Policies**a. Basis for Preparation of Financial Statements**

The accompanying financial statements have been prepared under the historical cost convention and comply in all material aspects with the provisions of the Companies Act, 1956, and applicable accounting standards notified under the Companies (Accounting Standard) Rules, 2006, as amended.

b. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of the revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which they arise.

c. Fixed Assets And Depreciation

Fixed Assets are stated at cost of acquisition/ construction less accumulated depreciation. Cost includes all costs incurred to bring the assets to their present condition and location.

Depreciation has been provided on written down value method at the rates prescribed in Schedule – XIV to the Companies Act, 1956. Depreciation on assets added during the period has been provided on pro-rata basis. Depreciation on assets, whose actual cost does not exceed, Rs. 5000, has been provided depreciation at the rate of 100% in the year in which purchases were made.

d. Inventories

Inventories are carried at lower of cost or net realizable value. Cost is determined on basis of first in first out method (FIFO)

e. Revenue Recognition

Revenue from sale of goods is recognized when the significant risk and rewards of the ownership of the goods are transferred to the customers.

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

f. Accounting for Taxes on Income

The provision for current taxes is made based on the Tax Payable for the year under the Income Tax Act, 1961. Deferred Tax on timing difference between taxable income and accounting income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date.

Deferred tax assets, other than on unabsorbed tax depreciation and unabsorbed tax losses are recognized only the extent that there is a reasonable certainty of their realization. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidences.

g. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for 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.

h. Cash and Cash Equivalents

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

i. Provisions

A provision is recognised 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.

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
3. Share Capital		
AUTHORISED		
2,500,000 Equity Shares of Rs.10/- each (Previous Year 2,500,000 Equity Shares)	25,000,000	25,000,000
ISSUED, SUBSCRIBED AND PAID UP		
1,734,592 Equity Shares of Rs.10/- each fully paid-up (Previous Year 1,734,592 Equity Shares)	17,345,920	17,345,920
Add : Forfeited Shares Account	-	-
Total Issued, subscribed and fully paid up share capital	17,345,920	17,345,920

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

Particulars	As At 31.03.2013		As At 31.03.2012	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,734,592	17,345,920	1,734,592	17,345,920
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,734,592	17,345,920	1,734,592	17,345,920

b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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 31.03.2013		As At 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Galaxy Entertainment Corporation Limited	1,252,142	72.19	1,252,142	72.19
Ridge hospitals Private Limited	482,450	27.81	482,450	27.81

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
4. Reserves & Surplus		
Security Premium account	27,745,920	27,745,920
Surplus in the statement of profit and loss		
Opening balance	(63,021,329)	(62,908,843)
Profit/(Loss) for the year	(153,570)	(112,486)
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Closing Balance	(63,174,899)	(63,021,329)
Total Reserves and Surplus	(35,428,979)	(35,275,409)
5. Short Term Borrowings		
a) Loan From Holding Company	18,022,825	17,922,195
	18,022,825	17,922,195
6) Trade Payables (refer note 23 for micro and small enterprises)	1,069,634	1,095,694
	1,069,634	1,095,694
7) Other Current Liabilities		
Liabilities for expenses	34,281	51,281
	34,281	51,281
8) Tangible Assets [at cost less Depreciation/Amortisation/Impairment]		

Amount in Rupees

Particulars	Gross Block			Depreciation / Amortisation/Impairment				Net Block			
	As at 01.04.2012	Addition	Deduction/ -	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	Provision for Impairment as at 01.04.2012	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Plant and Machinery	16,202,963	-	-	16,202,963	8,568,791	-	-	6,843,386	15,412,177	790,786	790,786
Computer Software	582,760	-	-	582,760	466,005	-	-	88,162	554,167	28,593	28,593
SUB TOTAL	16,785,723	-	-	16,785,723	9,034,796	-	-	6,931,548	15,966,344	819,379	819,379
Previous Year	16,785,723	-	-	16,785,723	9,034,796	-	-	6,931,548	15,966,344	819,379	

9. Loans and Advances

	Non-current		Current	
	31.03.2013 Rupees	31.03.2012 Rupees	31.03.2013 Rupees	31.03.2012 Rupees
Security Deposits				
Unsecured, Considered Good	-	-	-	-
Doubtful	529,983	529,983	-	-
Less: Provision for doubtful Security Deposit	471,983	471,983	-	-
(a)	58,000	58,000	-	-
Other Loans and Advances				
Advance Income tax	-	-	-	-
Advances to creditors	-	-	-	-
Total (a+b+c)	58,000	58,000	-	-

10. OTHER NON-CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.
Fixed Deposit with Bank (under Lien against Bank Guarantee)	<u>50,000</u> <u>50,000</u>	<u>50,000</u> <u>50,000</u>
11. CASH AND BANK BALANCES		
Cash and cash equivalents - Current		
Balances with banks:		
In current accounts	105,726	211,726
In unpaid dividend accounts	-	-
Cash on hand	<u>10,576</u>	<u>576</u>
	<u>116,302</u>	<u>212,302</u>
Other bank balances		
Deposit with original maturity for more than 3 months but less than 12 months	<u>-</u> <u>116,302</u>	<u>-</u> <u>212,302</u>
12. Other Income	Year Ended 31.03.2013	Year Ended 31.03.2012
	Rs.	Rs.
Interest on		
Interest Received	-	-
Credit Balances Written Back	-	1,117,799
Provision no longer required, written back	-	-
	<u>-</u>	<u>1,117,799</u>
13. Other Expenses :		
Legal & Professional Fees	135,000	13,000
Bank Charges	-	110
Other Expenses	3,570	56,231
Sundry Debit balances w/off	-	1,145,944
Auditors' Remuneration - (Refer details below)		
As Auditor:		
Audit fee	15,000	15,000
Tax Audit Fee	-	-
In other Capacity:		
Service Tax and Educational Cess	-	-
Reimbursement of expenses	<u>-</u>	<u>-</u>
	<u>15,000</u>	<u>15,000</u>
Less: Cenvat Credit of Service Tax & Cess	<u>-</u> <u>15,000</u>	<u>-</u> <u>15,000</u>
	<u>153,570</u>	<u>1,230,285</u>

Notes on Financial Statements

14. The Company is dealing in only one segment of food and Beverage items. Further the company operates in a single reportable geographical segment viz in India. Since all its customers and assets are located in India.

15. All the existing business operations of the company have been discontinued w.e.f. 01.02.2010 and all the assets and liabilities of the companies have been stated in the balance sheet at their realizable /payable value. The provision for depreciation on fixed assets and provision for all known liabilities is adequate and is not in excess of amounts considered reasonably necessary.

16. Impairment

- a. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment. (item iii to be given in the second year of impairment and onwards)
- c. In the opinion of management, the assets under the head Furniture and Fixtures, Electric installation is of no use, hence discarded from the active use and the carrying amount of the assets under the head plant and machinery are exceeding the recoverable amount, hence the impairment loss to the extent of 95% value of plant and machinery have been accounted for.

17. Balances of sundry debtors, creditors, loans and advances are subject to confirmation.

18. In the opinion of the management, the current assets, loans and advances and current liabilities are of the value stated, if realized/paid in the ordinary course of business.

19. No Provision for the retirement benefits has been made for the year as there is no employee in the company at the year end.

20. Contingent liability:

Sales Tax Assessments with various Sales Tax Authorities for the previous years are pending. In absence of the information, the amount could not be quantified for the year 2012-13

21. Related party disclosures under Accounting Standard:

In accordance with the Accounting Standard 18 as "Related Party Disclosure" issued by the ICAI, the relevant information for the year ended 31st March 2013 is as under:

a. List of Related party.**(I) Company**

Galaxy Entertainment Corporation Ltd. (Holding company)

b. Transactions with Related Parties

Nature Of Transactions	Name of Party	Amount (In Rs.)
Loan Received	Galaxy Entertainment Corporation Ltd	1,74,630 (1,02,671)
Loan Repaid	Galaxy Entertainment Corporation Ltd.	74,000
Outstanding at Year end:		3,54,91,840
Capital Contribution		(3,54,91,840)
		18,022,825
Loan Repayable		(17,922,195)

Figures in bracket are with respect to previous year

22. Earning Per Share- Basic and Diluted:

Particular	2012-2013 Rupees	2011-2012 Rupees
Net Profit (Loss) for the year as per profit and loss account considered as numerator for calculating earnings per share	(1,53,570)	(1,12,486)
Weighted averages number of equity shares outstanding during the year	17,34,592	17,34,592
Nominal Value per share	10	10
Earning per shares- Basic and Diluted	(0.09)	(0.06)

23. Based on the available information with the Management, the company does not owe any sum to a small scale industrial undertaking as defined in Clause (i) of Section 3 of the Industries Development and Regulation Act, 1951 and there are no suppliers who are registered as Micro, Small Medium Enterprises as at March 31, 2013 in terms of the provisions of "The Micro Small Medium Enterprises Development Act, 2006".

24. The Company has not accounted for the Sales Tax demand of Rs. 21,93,128/- for the financial year 2005-06 with U.P. Sales Tax Authorities raised on assessment due to file an appeal against such demand.

25. No deferred tax assets have been recognized due to non virtual reasonable certainty of its realization.

26. Expenditure in Foreign currency : Rs. Nil (Previous year Rs. Nil)

27. Earning in Foreign Currency : Rs. Nil (Previous year Rs. Nil)

28. The figures have been rounded to nearest Rupees.

29. As notified by the Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956, is applicable to the financial statement for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended March 31, 2013 are prepared in accordance with the revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of the Revised Schedule VI.

For G.P. Sharma & Associates

Chartered Accountants
Firm Regn. No. 130532 W

Gopal Prasad Sharma

Proprietor
M. No. 124735

Place: Mumbai
Dated: May 30, 2013

For and on behalf of the Board

Prakash Gupta
Director

Udita Jhunjhunwala
Director

Place: Mumbai
Dated: May 30, 2013

Consolidated Financial Statements

To the Board of Directors of Galaxy Entertainment Corporation Limited

We have audited the accompanying consolidated financial statements of Galaxy Entertainment Corporation Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 11,00,624/- as at March 31, 2013, total nil revenues and net cash outflows amounting to ₹ 96,000/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.

Chartered Accountants
Firm Regn No. 103523W

Sumant Sakhardande

Partner
Membership No: 034828

Place: Mumbai
Date: May 30, 2013

Consolidated Balance Sheet

as at March 31, 2013

galaxy
ENTERTAINMENT CORPORATION LIMITED

	Note No	Rupees	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
I EQUITY AND LIABILITIES				
1 Shareholders' Funds				
(a) Share Capital	3	156,499,350		156,499,350
(b) Reserves & Surplus	4	(152,441,195)		(198,308,452)
(c) Money Received against share warrants		-		-
			4,058,155	(41,809,102)
2 Minority Interest (refer Note No. 33)		-		-
3 Non-Current Liabilities				
(a) Long Term Borrowings	5	32,638,322		71,994,000
(b) Deferred Tax Liabilities (Refer Note No. 34)		-		-
(c) Other Long Term Liabilities	6	638,888		5,738,888
(d) Long Term Provisions	7	867,301		3,033,630
			34,144,511	80,766,518
4 Current Liabilities				
(a) Short Term Borrowings	8	137,383,767		108,478,084
(b) Trade Payables	9	65,359,448		57,075,944
(c) Other Current Liabilities	10	194,702,896		151,431,526
(d) Short Term Provisions	11	146,354		320,214
			397,592,465	317,305,768
Total			435,795,131	356,263,184
II ASSETS				
1 Non-current assets				
(a) Fixed Assets				
(i) Tangible Assets	12	219,942,546		264,370,231
(ii) Intangible Assets	13	-		241,024
		219,942,546	219,942,546	264,611,255
(iii) Capital Work-in-Progress			-	-
(iv) Intangible Assets Under Development			-	-
(b) Non Current Investments	14		63,000	63,000
(c) Deferred Tax Assets (Refer Note No.34)			-	-
(d) Long Term Loans and Advances	15		18,930,466	23,083,627
(e) Other Non Current Assets	16		12,036,662	12,726,214
2 Current Assets				
(a) Current Investments		-		-
(b) Inventories	17	3,087,086		2,362,622
(c) Trade Receivables	18	169,783,123		43,571,495
(d) Cash and Bank Balances	19	1,689,251		831,086
(e) Short Term Loans and Advances	15	9,307,596		7,731,044
(f) Other Current Assets	20	955,401		1,282,841
			184,822,458	55,779,088
Total			435,795,132	356,263,184
Significant Accounting Policies	2			
Accompanying notes are an integral part of the financial statements	3 to 45			

As per our report attached of even date

For Haribhakti & Co.

Chartered Accountants
Firm Regn. No. 103523W

Sumant Sakhardande

Partner
Membership No. 034828

Place : Mumbai
Dated: May 30, 2013

For and on behalf of the Board

Sunil Biyani **Udita Jhunjunwala**
Director Director

Place : Mumbai
Dated: May 30, 2013

Consolidated Statement of Profit and Loss

for the year ended March 31, 2013

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ENTERTAINMENT CORPORATION LIMITED

	Note No	Year Ended 31.03.2013 Rupees	Year Ended 31.03.2012 Rupees
I REVENUE			
(a)Revenue From Operations	21	280,249,255	166,467,374
(b)Other Income	22	<u>1,138,112</u>	<u>8,306,333</u>
Total Revenue		<u>281,387,367</u>	<u>174,773,707</u>
IV EXPENSES			
(a)Consumption of Restaurant Supply & Gaming Expenses	23	36,644,117	34,695,008
(b)Employees Benefits Expense	24	27,082,647	33,501,849
(c)Finance Costs	25	31,190,393	37,624,488
(d)Depreciation and Amortisation Expenses	26	49,393,509	54,265,317
(e)Other Expenses	27	<u>91,209,444</u>	<u>95,242,963</u>
Total Expenses		<u>235,520,110</u>	<u>255,329,625</u>
Profit before tax		45,867,257	(80,555,918)
Tax Expenses			
Current Tax		-	-
Earlier Year Tax		-	-
Deferred Tax		-	-
Profit after Tax		<u>45,867,257</u>	<u>(80,555,918)</u>
Minority Interest in loss of the subsidiaries (Refer Note No. 33)		-	-
Balance carried to Balance Sheet		<u>45,867,257</u>	<u>(80,555,918)</u>
Earnings per Equity Share			
(face value of Rs. 10 each)			
Basic and Diluted	37	2.93	(5.15)
Significant Accounting Policies	2		
Accompanying notes are an integral part of the financial statements	3 to 45		
As per our report attached of even date			
For Haribhakti & Co.		For and on behalf of the Board	
Chartered Accountants			
Firm Regn. No. 103523W			
Sumant Sakhardande		Sunil Biyani Udita Jhunjunwala	
Partner		Director Director	
Membership No. 034828			
Place : Mumbai		Place : Mumbai	
Dated: May 30, 2013		Dated: May 30, 2013	

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ENTERTAINMENT CORPORATION LIMITED

Consolidated Cash Flow Statement

for the year ended March 31, 2013



	2012-13		2011-12	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT / (LOSS) BEFORE TAX		45,867,257		(80,555,918)
Adjustment for :				
Depreciation for the year	49,393,509		54,265,317	
Interest expense	31,190,393		37,624,488	
Interest income	(871,992)		(1,151,742)	
(Gain)/Loss on foreign exchange fluctuation	(2,882,574)		5,994,510	
(Profit) /Loss on sale of Fixed Assets	1,280,594		(5,000)	
Sundry Assets W/off	7,209,346		6,884,993	
Sundry balances written back	(41,699)		(5,455,781)	
		<u>85,277,577</u>		<u>98,156,785</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		131,144,834		17,600,867
(Increase)/ decrease in working capital:				
Inventories	(724,464)		2,258,154	
Trade & Other Receivables	(124,346,292)		(33,509,956)	
Trade Payables and other current asset	15,848,565		64,604,149	
Other Current Assets	1,110,395		2,278,172	
		<u>(108,111,796)</u>		<u>35,630,519</u>
CASH USED IN OPERATIONS		23,033,038		53,231,386
Payment of Taxes (Net of Refunds)		120,230		(654,897)
NET CASH GENERATED (USED IN)/FROM OPERATING ACTIVITIES	(A)	<u>23,153,268</u>		<u>52,576,489</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :				
(Decrease)/Increase in fixed asset		(11,934,145)		(602,213)
Interest received		89,037		1,151,744
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES (B)		<u>(11,845,108)</u>		<u>549,531</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from / (Repayment of) borrowings		(10,449,995)		(15,998,575)
Interest Paid				(37,624,488)
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES (C)		<u>(10,449,995)</u>		<u>(53,623,063)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		858,165		(497,043)
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR		831,086		1,328,129
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR		<u>1,689,251</u>		<u>831,086</u>
Cash and cash equivalents comprise of :				
Cash & Bank Balances Note Nos. 19		1,689,251		831,086
Total		<u>1,689,251</u>		<u>831,086</u>

- 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 attached of even date

For Haribhakti & Co.
 Chartered Accountants
 Firm Regn. No. 103523W

Sumant Sakhardande
 Partner
 Membership No. 034828

Place : Mumbai
 Dated: May 30, 2013

For and on behalf of the Board

Sunil Biyani **Udita Jhunjunwala**
 Director Director

Place : Mumbai
 Dated: May 30, 2013

on Consolidated Financial Statements for the Year Ended March 31, 2013

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2013

1. Background

Galaxy Entertainment Corporation Limited ('the Company') was incorporated on August 13, 1981. It operates leisure and entertainment centres across the country and as at the balance sheet date it has 17 centres offering a variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court, etc. The company has two subsidiaries namely, Galaxy Rain Restaurants Private Limited and Rain Fruits & More Private Limited.

2. Significant Accounting Policies

a. Basis for preparation of Consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, on accrual basis of accounting and in conformity with Accounting Standard (AS-21) notified under the Companies (Accounting Standards) Rules, 2006 and pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

b. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of the revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which they arise.

c. Principals of Consolidation

The consolidated financial statements relate to Galaxy Entertainment Corporation Limited ('the Parent') and its subsidiary companies (the "Group"). The consolidated financial statements have been prepared in accordance with the principle and procedures required for the preparation and presentation of financial statements as laid down under the Accounting Standard (AS-21) notified under the Companies (Accounting Standards) Rules, 2006 and pronouncement issued by the Institute of Chartered Accountants of India. The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and transactions and resulting unrealized gain/losses.

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

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

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

Name of the entity	Country of Incorporation	Proportion of ownership interest/ voting power (%)
Galaxy Rain Restaurants Private Limited	India	100
Rain Fruits & More Private Limited	India	72.19

d. Tangible Assets and Depreciation

Tangible assets are stated at their original cost of acquisition or construction less accumulated depreciation. Costs include all costs incurred to bring the assets to their present condition and location.

on Consolidated Financial Statements for the Year Ended March 31, 2013

Depreciation is charged on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, or based on estimated useful life of assets (keeping in view the nature of operations), whichever is higher. The depreciation rates used are as follows:

Particulars	Rate
Plant & Machinery	10%
Furniture & Fixtures– Others	15%
Furniture & Fixtures- Digital Print Board	50%
Computers	20%
Vehicles	25%

In case of the Subsidiaries, depreciation has been provided on written down value method at the rates prescribed in Schedule – XIV to the Companies Act, 1956.

Depreciation has been fully charged on assets whose actual cost does not exceed Rs.5,000. Improvements to leasehold premises are amortized over the period of the lease.

e. Intangible Assets and Amortisation

The Company accounts for costs incurred in making of a film as "Intangible Asset" representing self generated "Film Rights". Costs comprise of all expenditure directly attributable for creating, producing and making of the Film but exclude all selling and distribution costs. Such costs are amortized over the economic life which is based on economic benefits flowing to the Company by way of realized/expected revenues on exploitation of various rights. The value of rights is re-assessed periodically to determine whether there is any impairment and consequent write down in the value of intangible.

The amortisation rate used for other intangible asset is as follow:

Particulars	Rate
Intangibles License	20%

f. Impairment of Assets

An asset is treated as impaired when the carrying value of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g. Investments

Investments are classified as current or long term in accordance with Accounting Standard 13 on "Accounting for Investments" notified under the Companies (Accounting Standard) Rules, 2006, as amended. Current investments are stated at lower of cost and fair value. Any reduction in the carrying amount of investments and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Long term investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of long term investments.

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

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.

on Consolidated Financial Statements for the Year Ended March 31, 2013

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.

Sponsorship income is recognized over the period of the sponsorship contracts.

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

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

j. Retirement and other employee benefits

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

k. Taxes on income

Provision for tax is made for both current and deferred tax. Provision for current tax is made, at the current rate of tax, based on assessable income. Deferred tax resulting from timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidence.

l. Foreign Currency Transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Monetary foreign currency assets and liabilities outstanding at the year end are translated at the year end exchange rates. Resultant gains and losses on settlement/restatement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Premium or discount on forward exchange contracts and currency option contracts are amortized and recognized in profit and loss account over the period of the contract. Forward exchange contract and currency option contracts outstanding at the balance sheet date, other than designated cash flow hedge are stated at fair values and any gains or losses are recognized in Statement of profit & 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 lessor 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 in hand and short-term highly liquid investments with an original maturity period of three months or less.

p. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. 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 recognised 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.

on Consolidated Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
3. Share Capital		
Authorised		
20,000,000 Equity Shares of Rs.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 Rs.10/- each fully paid-up (Previous Year 15,649,935 Equity Shares)	156,499,350	156,499,350
Add : Forfeited Shares Account	-	-
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 31.03.2013		As At 31.03.2012	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
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 Rs. 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 31.03.2013		As At 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pantaloon Retail (India) Ltd.	4,937,935	31.55	4,937,935	31.55
Bellona Finvest Limited	3,686,491	23.56	3,686,491	23.56
Eclipse Trade Pvt. Ltd.	1,029,432	6.58	1,029,432	6.58
Merlin Enclaves pvt. Ltd.	895,626	5.72	895,626	5.72
Winstar India Investment Co. Ltd.	-	-	-	-

d. Aggregate numbers of Equity shares allotted as fully paid up pursuant to the contract without payment received in cash:

Particulars	Aggregate no. of shares				
	2007-08	2008-09	2009-10	2010-11	2011-12
Fully Paid up equity shares	2,937,935	-	-	-	-

on Consolidated Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
4. Reserves & Surplus		
Security Premium account	318,497,460	318,497,460
General Reserve		
Opening Balance	18,062,972	18,062,972
Add: Amount transferred from surplus balance of statement of Profit and Loss	-	-
	18,062,972	18,062,972
Less: Adjustment	-	-
Closing Balance	18,062,972	18,062,972
Surplus in the Statement of Profit and Loss		
Opening balance	(534,868,884)	(454,312,966)
Profit/(Loss) for the year	45,867,257	(80,555,918)
Less: Appropriations		
Proposed dividend	-	-
Tax on proposed dividend	-	-
Transfer to General Reserve	-	-
Closing Balance	(489,001,627)	(534,868,884)
Total Reserves and Surplus	(152,441,195)	(198,308,452)
5. Long Term Borrowings		
Secured		
Term Loan from Banks	32,638,322	71,994,000
(Rs.4,68,00,000 is payable annually in four quarterly equal installment and interest rate is between 15% and 15.75% p.a) (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company and personal guarantee of one of the Promoters) (Current maturities of Long Term Loans have been disclosed under Other Current Liabilities in Note No. 10) In respect of Term Loan from bank, detail of defaults as on the balance sheet date are as under: <u>Period and Amount of Default</u> (a) in respect of Principal , 60 Days Rs. 6,190,333		
Total	32,638,322	71,994,000
6. Other Long Term Liabilities		
Deposits	-	5,100,000
Income Received in Advance	638,888	638,888
Total	638,888	5,738,888
7. Long Term Provisions		
Provision for Employees Benefits		
Gratuity	642,357	1,673,995
Leave Encashment	224,944	1,359,635
Total	867,301	3,033,630

on Consolidated Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013 Rupees	As At 31.03.2012 Rupees
8. Short Term Borrowings		
Secured Loan		
Working Capital Loan Repayable on Demand from Banks (Secured against hypothecation charge on entire present and future movable fixed/ current assets of the company and personal guarantee of one of the Promoters) In respect of interest on CC account, detail of defaults as on the balance sheet date are as under: Period and Amount of Default (a) in respect of Interest, 60 Days Rs.98,967	9,333,767	3,578,084
Unsecured Loan		
- from related party	16,500,000	-
- from others (ICD)	111,550,000	104,900,000
In respect of interest on ICD, detail of defaults as on the balance sheet date are as under: Period and Amount of Default (a) in respect of one party, 24 months Rs. 14,151,688. (b) in respect of other party, 18 months Rs. 3,779,073.		
Total	137,383,767	108,478,084
9. Trade Payables		
Micro, Small & Medium Enterprises (Refer Note No. 40)	-	-
Others	65,359,448	57,075,944
Total	65,359,448	57,075,944
10. Other Current Liabilities		
Current Maturities of Long Term Debts (Refer Note No. 5)	46,800,000	46,800,000
Interest Accrued & Due	34,779,762	11,427,736
Payable Towards Capital Goods	61,345,344	41,049,464
Other Advances	25,000,000	25,000,000
Salary & Reimbursements Payable	3,113,324	4,242,425
Contribution to PF	72,316	67,996
Advances from Customers	20,585	5,944
Statutory Dues	2,731,154	1,894,904
Income Received in Advance - Current Portion	-	555,556
Book Overdraft	1,793,839	1,807,176
Liabilities for Expenses	19,046,572	18,580,325
Retention Money	-	-
Total	194,702,896	151,431,526
11. Short Term Provisions		
Provision for Employees Benefits		
Gratuity	71,373	205,272
Leave Encashment	74,981	114,942
Total	146,354	320,214

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

(Amount in Rs.)

Particulars	Gross Block					Depreciation / Impairment					Net Block	
	As at 01.04.2012	Addition	Acquisition through Business Combination	Deductions	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	Provision for Impairment as at 1.04.2012	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Improvements to Licensed Premises	60,569,104	-	-	10,940,564	49,628,540	25,690,214	5,991,121	6,090,657	-	25,590,678	24,037,862	34,878,890
Plant and Machinery	416,150,138	17,015,932	-	14,084,986	419,081,084	197,766,551	39,083,739	7,712,604	-	229,137,686	189,943,398	218,383,587
Furniture and Fixtures	37,259,398	102,031	-	9,259,972	28,101,457	26,296,433	3,961,428	8,089,097	-	22,168,764	5,932,693	10,962,966
Computers	3,482,631	-	-	117,506	3,365,125	3,337,841	116,197	117,506	-	3,336,532	28,593	144,790
Motor Car	-	-	-	-	-	-	-	-	-	-	-	-
Total	517,461,271	17,117,963	-	34,403,028	500,176,206	253,091,039	49,152,485	22,009,864	-	280,233,660	219,942,546	264,370,233
Previous Year	535,894,671	607,213	-	19,040,613	517,894,671	211,790,651	53,456,006	12,155,617	6,931,584	253,091,039	264,370,233	324,104,019

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

(Amount in Rs.)

Particulars	Gross Block					Depreciation / Impairment					Net Block	
	As at 01.04.2012	Addition	Acquisition through Business Combination	Deductions	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	Provision for Impairment as at 1.04.2012	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Intangibles Goodwill on Consolidation	13,380,922	-	-	-	13,380,922	13,380,922	-	-	-	13,380,922	-	-
Rights of Film Khel /Brand	86,512,743	-	-	-	86,512,743	86,512,743	-	-	-	86,512,743	-	-
Liquor License	4,035,500	-	-	-	4,035,500	3,794,476	241,024	-	-	4,035,500	-	241,024
Total	103,929,165	-	-	-	103,929,165	103,688,141	241,024	-	-	103,929,165	-	241,024
Previous Year	103,929,165	-	-	-	103,929,165	102,878,830	809,311	-	-	103,688,141	241,024	1,050,335

14. Non Current Investments

Details of Investments - (valued at cost unless stated otherwise)										
Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount in Rupees	
			31.03.2013	31.03.2012			31.03.2013	31.03.2012	31.03.2013	31.03.2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Other Investments									
	National Saving Certificates (Under Lien)								63,000	63,000
	Total Non Current Investments								63,000	63,000

Particulars	31.03.2013	31.03.2012
	Rs.	Rs.
Aggregate amount of quoted investments (Market value Rs. NIL(Previous year Rs. Nil))	-	-
Aggregate amount of Unquoted Investments	63,000	63,000
Aggregate Provision for Diminution in Value of Investments	-	-

on Consolidated Financial Statements for the Year Ended March 31, 2013

15. Loans and Advances

	Long Term		Short Term	
	31.03.2013 Rupees	31.03.2012 Rupees	31.03.2013 Rupees	31.03.2012 Rupees
Security Deposits				
Unsecured, Considered Good	17,439,524	21,426,627	68,339	80,499
Less: Provision for Doubtful Deposits	471,983	471,983		
Total (a)	16,967,541	20,954,644	68,339	80,499
Other Loans and Advances (Unsecured, Considered Good)				
Advance Fringe Benefit Tax (Net of Provision)	-	45,828	-	-
Advance Income tax	1,962,925	2,083,155	-	-
Advances to Creditors	-	-	1,034,471	962,481
Advance to Employees for Expenses	-	-	690,778	996,337
Service Tax Receivables	-	-	59,757	-
Prepaid Expenses	-	-	1,643,635	2,351,760
Dues from Others	-	-	1,680,892	1,674,792
Advance Sales Tax/Entertainment Tax Paid	-	-	4,129,724	1,665,175
Total (b)	1,962,925	2,128,983	9,239,257	7,650,545
Total (a+b)	18,930,466	23,083,627	9,307,596	7,731,044

16. Other Non Current Assets

Fixed Deposits with Bank (under Lien against Bank Guarantee)	12,036,662	12,726,214
Total	12,036,662	12,726,214

17. Inventories

(Valued of Cost or NRV, whichever is lower)

Restaurants supplies and consumables	3,087,087	2,362,622
Video Games Consumables	-	-
Total	3,087,087	2,362,622

18. Trade Receivable

Trade Receivables outstanding for a period less than six months from the date they are due for payment:

(a) Secured, considered good	147,264,847	20,170,769
(b) Un-secured, considered good	-	2,678,335
(c) Un-secured, considered doubtful	-	-
	147,264,847	22,849,104
Less: Provision for doubtful debts	-	-
	147,264,847	22,849,104

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	22,518,276	20,722,391
(c) Un-secured, considered doubtful	-	-
	22,518,276	20,722,391
Less: Provision for doubtful debts	-	-
	22,518,276	20,722,391
Total	169,783,123	43,571,495

on Consolidated Financial Statements for the Year Ended March 31, 2013

	As At 31.03.2013	As At 31.03.2012
	Rupees	Rupees
19. Cash & Bank Balances		
Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	342,623	594,345
In Unpaid Dividend Accounts	-	-
Cash on Hand	1,346,628	236,741
Total	1,689,251	831,086
20. Other Current Assets		
Interest Accrued on Fixed Deposits	955,401	1,282,841
Interest accrued on Inter Corporate Deposits	-	-
Total	955,401	1,282,841
21. Revenue From Operation	Year Ended	Year Ended
	31.03.2013	31.03.2012
	Rupees	Rupees
Sale of Services		
Games	22,865,792	10,452,536
Restaurants	103,807,273	111,243,818
Sponsorships	804,380	991,476
Other Operating Income		
Income from Machine Hire Charges	555,556	37,875,248
Business Conducting Income	2,880,000	1,075,000
Revenue from Assignment/Transfer of Brand	145,000,000	
Service Charges Received	4,082,799	4,549,931
Scrap Sale	253,455	279,365
Total	280,249,255	166,467,374
22. Other Income		
Interest on Bank Deposits	871,992	1,151,742
Interest - Others	-	-
Miscellaneous Income	224,421	1,698,810
Provision no longer required, written back	41,699	5,455,781
Total	1,138,112	8,306,333
23. Consumption of Restaurant Supply and Gaming Expenses		
Games Expenses	596,308	-
Wine, Liquor, Beverage, Tobbaco & Food Consumables	36,047,809	34,695,008
Total	36,644,117	34,695,008
24. Employee Benefit Expenses		
Salaries, Wages, Bonus and Ex-gratia	25,098,313	31,137,384
Gratuity (Refer Note No. 39)	-	242,079
Contribution to Provident and other Funds	1,699,919	1,600,020
Staff Welfare Expenses	284,415	522,366
Total	27,082,647	33,501,849

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	Year Ended 31.03.2013 Rupees	Year Ended 31.03.2012 Rupees
25. Finance Costs		
Interest on ICD	12,853,452	13,575,328
Interest on Term Loan	17,159,115	23,057,776
Interest on Cash Credit	1,161,800	991,384
Interest on others	16,026	-
Total	31,190,393	37,624,488
26. Depreciation and Amortisation Expenses		
Depreciation on Tangible Assets	49,393,509	53,456,006
Amortisation on Intangible Assets	-	809,311
Total	49,393,509	54,265,317
27. Other Expenses :		
Fuel, Power & Light	12,102,037	8,124,584
Repairs & Maintenance		
-Building	191,585	239,074
-Machinery	1,313,766	2,459,558
-Others	855,607	2,409,238
Insurance	827,801	1,187,725
Rent	43,227,019	41,809,973
Rates and Taxes	5,934,499	4,719,084
Travelling and Conveyance Expenses	2,605,307	2,135,606
Legal and Professional Fees	3,483,124	2,975,813
Advertisement and Publicity	2,099,872	4,163,139
Printing and Stationery	449,302	539,875
Communication Expenses	859,597	891,229
Provision for Dimunation in Investment/loan & advances in Subsidiaries	-	-
Bank Charges	71,032	88,767
Sundry debit balance Written off	45,828	5,903,499
Security Charges	1,327,579	1,254,681
Commission on Credit Card	1,009,865	1,061,876
Sundry Expenses	2,404,119	1,133,567
Bad Debts Written off	7,176,000	76,060
Directors' Sitting Fees	145,000	160,000
Sundry Assets Write Off	7,209,346	6,884,993
(Gain)/Loss on foreign exchange fluctuation in respect of Foreign Currency	(2,882,574)	5,994,510
Auditors' Remuneration		
As Auditor:		
Audit fee	420,000	518,000
Tax Audit fee	100,000	100,000
In other Capacity:		
Limited Review	150,000	300,000
Service Tax and Educational Cess	80,958	105,431
Reimbursement of expenses	2,775	6,681
	753,733	1,030,112
Less: Cenvat Credit of Service Tax & Cess	-	-
Total	91,209,444	95,242,963

on Consolidated Financial Statements for the Year Ended March 31, 2013

28. Capital and Other Commitments

a) Capital Commitment

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

b) Other Commitment

The Company has entered into certain non-cancellable agreements with landlord for premises. Commitment toward the same is Rs. 651,000(Previous Year Rs. 2,170,000).

29. Contingent Liabilities not provided for:

a) In respect of guarantees given by Company's banker on behalf of the Company of Rs. 11,398,459 (Previous Year Rs. 11,533,959)

b) In respect of disputed tax demand not provided as following:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Entertainment Tax Demand	1,603,718	1,603,718
Indirect Tax Demand		
2003-2004	2,168,316	2,168,316
2008-2009	7,492,720	-

c) Claims on accounts of service Tax on rental premises consequent to retrospective charge of service on renting activity by Finance Act 2010. Amount which is not demanded has not been provided.

d) The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015. Outstanding as at balance sheet date is Rs. 529, 663,942 (Previous Year Rs. 529,663,942).

30. Going Concern:

The Statutory Auditors had made an observation in their audit report for the year ending 31 March, 2012 as the going concern assumption due to complete erosion of net worth. The Company has turned around during the year and there is no negative net worth as on 31 March, 2013.

31. The Board of Directors of the Company has decided to transfer, sell and/or dispose off 5 centres of Sports Bar Undertaking operated by the Company in terms of business transfer agreement dated 28th March 2012, The approval of Shareholders of the Company under the provision of section 293(1) (a) read with section 192A is also given, As the agreement is subject to certain conditions, the disclosure required under Accounting Standard 24-"Discontinuing Operations" will be made after fulfillment of such conditions.

32. The Company operates in a single business segment of Leisure and Entertainment services. Further, the Company operates in a single reportable geographical segment, i.e. within India.

33. Minority Interest

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

Share in profit/(Loss) of subsidiary relating to minority interest of Rs. (42,723) (Previous Year Rs. (31,294)) is credited/(debited) to consolidated statement of profit & loss. Aggregated of losses applicable to minority interest debited to consolidated Statement of profit and loss as on 31st March 2013 amounts to Rs. 6,534,618 (Previous Year Rs. 6,491,895).

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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. In accordance with the Accounting Standard 18 on "Related Party Disclosure" notified under the Companies (Accounting Standard) Rules, 2006, as amended, the relevant information for the year ended March 31, 2013 is as under:

Names of related parties and description of relationship:

- I. Entity where control exists through substantial equity interest:
Pantaloon Retail (India) Ltd. ("PRIL")
- II. Key Managerial Personnel:
Mr. Rohinton Rabady (April – September)

The following are the volume of transactions with related parties during the year and outstanding balances as at the year end:

Nature of transaction	Entities where control exists Rupees	Key Management Personnel Rupees	Total Rupees
Salaries and Allowances - Mr. Rohinton Rabady	- (-)	1,519,652 (2,842,282)	1,519,652 (2,842,282)
Loan Received from PRIL	16,500,000 (22,000,000)		16,500,000 (22,000,000)
Loan Repaid to PRIL	- (22,000,000)		- (22,000,000)
Purchases / Services from: PRIL	799,913 (3,320)		799,913 (3,320)
Sales/Hire Charges to: PRIL	- (4,714,740)		- (4,714,740)
Rent Paid: PRIL	2,589,023 (388,136)		2,589,023 (388,136)
Interest Paid : PRIL	- (-)		- (-)
Outstanding at year-end: Sundry Debtors – PRIL	8,045,802 (4,658,059)		8,045,802 (4,658,059)

Figures in bracket are with respect to previous year, the related parties are as identified by the management and relied upon by the Auditors.

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36. Properties which are under Operating Agreements:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Business conducting / License charges recognized in the Statement of Profit and Loss during the year	-	-
Total of future minimum lease payments under non-cancelable operating agreements:		
- Not later than 1 year	651,000	1,860,000
- Later than 1 year and not later than 5 years	-	310,000
- Later than 5 years	-	-
Total of future minimum lease payments payable under operating agreements	651,000	2,170,000

37. Earnings Per Share - Basic and Diluted:

Particulars	2012-2013 Rupees	2011-2012 Rupees
Net Profit / (Loss) for the year as per Statement of Profit and Loss considered as numerator for calculating earnings per share	45,867,257	(80,555,918)
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	2.93	(5.15)

38. Un-hedged Foreign Currency Exposure:

Un-hedged foreign currency exposures as at March 31, 2012 are as under:-

Particulars	Amount in Foreign Currency		Amount in Indian Rupees	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Accounts Payable	USD 75,677	USD 75,677	Rs. 4,108,167	Rs. 3,871,374
Accounts payable	JPY 64,583,351	JPY 64,512,949	Rs. 37,156,068	Rs. 40,275,434

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

I. Defined Contribution Plans

Provident Fund

The Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2013 (Rupees)
Employer's contribution to Provident Fund	825,702

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:

on Consolidated Financial Statements for the Year Ended March 31, 2013

Discount Rate (per annum)	8.00%
Rate of increase in compensation levels (per annum)	5.00%
Attrition Rate	1%
Mortality Table	LIC(1994-96) Ultimate

The following tables summarise 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, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Defined Benefit Obligation as at beginning of the period	1,879,267	1,474,578	1,702,858	1,582,869
Interest Cost	150,341	117,966	163,419	163,700
Current Service Cost	223,871	121,655	399,729	544,594
Benefits Paid	(702,305)	(369,418)	(119,703)	(162,437)
Actuarial (gain) / loss on Obligations	(837,444)	(1,044,856)	(267,036)	(654,148)
Present Value of Defined Benefit Obligation as at the end of the period	7,13,730	299,925	1,879,267	1,474,578

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

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Funded Obligation as at end of the period	713,730	299,925	1,879,267	1,474,578
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	642,357	224,944	1,673,995	1,359,635
Short Term Provision	71,373	74,981	205,272	114,942

on Consolidated Financial Statements for the Year Ended March 31, 2013

C. Amount recognized in the Balance Sheet:

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Present Value of Defined Benefit Obligation as at the end of the period	7,13,730	299,925	1,879,267	1,474,578
Fair Value of Plan Assets as at end of the period	Nil	Nil	Nil	Nil
Liability / (Net Asset) recognized in the Balance Sheet	7,13,730	299,925	1,879,267	1,474,578

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

Particulars	Year Ended March 31, 2013		Year Ended March 31, 2012	
	Gratuity (Rs.)	Leave Encashment (Rs.)	Gratuity (Rs.)	Leave Encashment (Rs.)
Current Service Cost	223,871	121,655	399,729	544,594
Past Service Cost	Nil	Nil	1,068	Nil
Interest Cost	150,341	117,966	163,419	163,700
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	(8,37,444)	(1,044,856)	(267,036)	(654,148)
Total Expenses recognized in the Statement of Profit and Loss	463,232	805,235	297,180	54,146

40. Based on the available information with the management, the Company does not owe any sum to suppliers who are registered as Micro, Small, Medium Enterprise as at March 31, 2013 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".
41. In respect of amounts payable to overseas creditors for import of certain gaming machinery all liability has been provided in the respective year of imports and the management believes no further liability is to be recorded in respect of such imports.
42. The agreement for certain premises occupied by the Company has expired during the year the Company is in the process of executing revised agreements.
43. During the year the Company has assigned/transferred the Brand "Sports Bar Express". The brand was self generated and hence had no cost of acquisition. The amount receivable on such assignment has been disclosed under Other Operating Income.
44. Balances of Debtors and Creditors are subject to confirmations and reconciliation.
45. In the opinion of the Board, all assets other than fixed assets and non-current investments have value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

For and on behalf of the Board

Place: Mumbai
Dated: May 30, 2013

Sunil Biyani
Director

Udita Jhunjunwala
Director



ENTERTAINMENT CORPORATION LIMITED

GALAXY ENTERTAINMENT CORPORATION LIMITED

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

PROXY FORM

I / We _____

of _____

being a Shareholder/Shareholders of GALAXY ENTERTAINMENT CORPORATION LIMITED hereby appoint

_____ of _____ of failing him/her

_____ of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on Friday the 27th day of September, 2013 at 01.00 p.m. and at any adjournment thereof.

Signed on this _____ day of _____ 2013

Signature of Shareholder _____

Affix
Revenue
Stamp of
Re.1/-

Note:

The Proxy form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

Name _____

Address _____

Regd. Folio. No. _____ No. of Shares held _____

Client I.D. No. _____ DP. ID. No. _____



ENTERTAINMENT CORPORATION LIMITED

GALAXY ENTERTAINMENT CORPORATION LIMITED

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company at Sunville Banquets 9, Dr. Annie Besent Road, Worli, Mumbai-400 018 on Friday the 27th day of September, 2013 at 01.00 p.m.

Name _____ Address _____

_____ Regd. Folio. No. _____ No. of Shares held _____

Client ID. No. _____ DP. ID. No. _____

Name of Proxy/Representative, if any _____

Signature of the Shareholder(s)/Proxy/Representative _____

Book Post

If undelivered, please return to :

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ENTERTAINMENT CORPORATION LIMITED

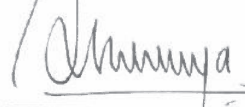

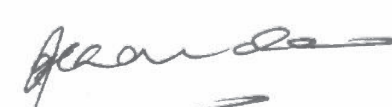
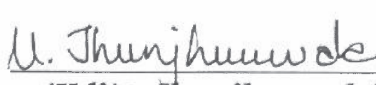
Registered Office:

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



FORM A

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

1.	Name of the Company	GALAXY ENTERTAINMENT CORPORATION LIMITED
2.	Annual Financial Statements for the year ended	31st MARCH, 2013
3.	Type of Audit observation	UNQUALIFIED
4.	Frequency of observation	QUARTERLY
5.	Signed by	
	- Director	 (Sunil Biyani)
	- Chief Financial Officer	 (Jugal Sharma)
	- Auditor of the Company	 (Sumant Sakhardande)
	- Audit Committee Member	 (Udit Jhunjhunwala)

**The Chairman of the Audit Committee was not present at the time of signing of the form

*Company do not have CEO/ Managing Director as on date.

Registered Office :

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