



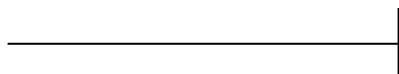
**Annual Report 2017-18**

# Annual Report 2017 - 2018



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## Corporate Information

### BOARD OF DIRECTORS

Mr. Rajneesh Agarwal (DIN: 01273010)	:	Chairman and Independent Director
Mr. Sunil Biyani (DIN: 00006583)	:	Non-Executive Director
Mr. Swapnil Kothari (DIN: 05235636)	:	Non-Executive Director
Mr. Sharad Rustagi (DIN: 07232913)	:	Independent Director
Ms. Udit Jhunjhunwala (DIN: 00120951)	:	Independent Director
Mr. Mayank Tandon (w.e.f. 08/11/2017)	:	Chief Executive Officer
Mr. Tanuj Agarwal (w.e.f. 08/11/2017)	:	Chief Financial Officer

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Suchita Rajput (w.e.f. 08/11/2017)

### STATUTORY AUDITORS

S A R A & Associates  
Chartered Accountants  
202, May Building, 297/299/301, Princess Street,  
Near Marine Lines Flyover, Mumbai-400002  
Tel: 4922 7200

### BANKERS

HDFC Bank Limited  
AXIS Bank  
State Bank of India

### REGISTERED OFFICE & CORPORATE OFFICE (w.e.f. 08/11/2017)

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (E), Mumbai-400072

**Tel.:** (022) 6199 4412

**CIN:** L51900MH1981PLC024988

**E-mail:** investors@thegalaxycorp.com

**Website:** [www.thegalaxycorp.com](http://www.thegalaxycorp.com)

### REGISTRAR AND SHARE TRANSFER AGENT

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

36<sup>th</sup> Annual General Meeting  
on Wednesday, September 19, 2018 at 11.00 a.m.  
at Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

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

**NOTICE** is hereby given that the Thirty Sixth Annual General Meeting of the members of Galaxy Entertainment Corporation Limited will be held on Wednesday, September 19, 2018, at 11.00 a.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Biyani (DIN: 00006583), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider re-appointment of Mr. Sharad Rustagi (DIN: 07232913) as an Independent Director of the Company 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 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sharad Rustagi (DIN: 07232913), an Independent Director of the Company, who is eligible for re-appointment and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years w.e.f. September 29, 2018 and shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Act."

**Registered Office:**

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072

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

Place: Mumbai

Date: August 2, 2018

**By Order of the Board  
For Galaxy Entertainment Corporation Ltd**

**Suchita Rajput  
Company Secretary**

**NOTES:**

1. An explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standards, relating to Special Business to be transacted at the Annual General Meeting ("AGM") is annexed to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.** A person can act as a proxy on behalf of members up to and not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company.  
The instrument appointing proxy in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not less than 48 (Forty Eight) hours before the commencement of the meeting.
3. Corporate members intending to send its authorized representatives to attend the Annual General Meeting in terms of Section 113 of the Act is requested to send the Company a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

4. **The Securities and Exchange Board of India (SEBI) vide their circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 have directed all the listed Companies to record the PAN and Bank Account details of all their shareholders. Accordingly, steps have already been taken for registering the PAN (including joint holders, if any) and Bank Account details. You are requested to forward the same to the Company / Registrar and Share Transfer Agent, TSR Darashaw Limited.**
5. **The Securities and Exchange Board of India (SEBI) vide their circular SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that the transfer of securities of a listed Companies would be carried out in dematerialized form only. Accordingly in terms of amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the shares held in physical form will not be considered for transfer with effect from December 5, 2018.**
6. Any members proposes to seek any clarification on the financial statements are requested to send the queries to the Company at its registered office at least seven working days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
7. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 12, 2018 to Wednesday, September 19, 2018 (both days inclusive).
8. Under Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company has not yet declared dividend.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Independent Director of the Company have been appointed for a maximum term of 5 years in accordance with the relevant provisions of the Act and is not eligible to retire by rotation.
11. Details as required in sub-regulation (3) of Regulation 36 of Listing Regulations in respect of the Directors seeking appointment/ re-appointment, at the AGM forms integral part of the notice. Requisite declarations have been received from the Directors for their appointment / re-appointment.
12. In terms of Section 101 and 136 of the Act read with the Rules made thereunder, electronic copy of the Annual Report is being send to all the Members whose email ID's are registered with the Company / Depository Participant(s) for communication purpose unless any Member has requested for a hard copy of the same.  
  
Physical copy of the Annual Report is being sent to those Members, who have either opted for the same or have not registered their email addresses. In case any Member wishes to get a physical copy of the Annual Report, a request may be sent to [investors@thegalaxycorp.com](mailto:investors@thegalaxycorp.com) or [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com) mentioning the folio number / DP ID and Client ID, as the case may be. The Annual Report is also available in the "Financials" section on the website of the Company at [www.thegalaxycorp.com](http://www.thegalaxycorp.com)
13. Electronic copy of the Notice of the 36<sup>th</sup> AGM of the Company inter alia indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
14. Members may also note that the Notice of the 36<sup>th</sup> AGM, Attendance Slip, Proxy Form, Route Map and the Annual Report for 2018 will also be available on the Company's website [www.thegalaxycorp.com](http://www.thegalaxycorp.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Eyelet House, M.S. Patel Compound, Opp. Shah Industrial Estate, Saki-Vihar, Andheri (East), Mumbai-400072 for inspection during normal business hours on working days. Even after registering

for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication; the shareholders may also send requests to the Company's email id: investors@thegalaxycorp.com.

15. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information related to e-voting are given in this Notice under Note No. 25. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
16. Following statutory registers shall be available for inspection by the Members at the Registered Office of the Company on all working days during business hours:
  - i. Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act. The said Register shall also be produced at the commencement of the AGM and shall remain open and accessible during the continuance of the AGM to any person having the right to attend the AGM.
  - ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act. The said Register shall be kept open for inspection at the AGM and shall be made accessible to any person attending AGM.
17. Members can avail of the nomination facility by filing Form SH – 13, as prescribed under section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company or the RTA.
18. The Annual Reports will not be distributed at the AGM. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the meeting along with the Annual Report.
19. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
20. Documents referred to in the Notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days, (Monday to Friday) from 10.00 a.m to 1.00 p.m., except holidays, upto the date of the 36<sup>th</sup> AGM i.e. September 19, 2018.
21. The Equity Shares of the Company are compulsorily traded in demat form and the shareholders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
22. Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent viz. TSR Darashaw Limited, 6-1, Haji Moosa Patrawala Estate, 20, Dr. E. Moses Road, Mahalaxmi (West), Mumbai – 400 011, Maharashtra.
23. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent, TSR Darashaw Limited:
  - i. The change in the Residential status on return to India for permanent settlement.
  - ii. The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
24. Members desirous of receiving communication from the Company in electronic form, may register their email address with their respective depository participant. If, however, shares are held in physical form, Members are advised to register their e-mail address with the RTA by sending communication on csg-unit@tsrdarashaw.com, along with their folio no. and valid e-mail address for registration.
25. Voting through electronic means:
  - I. A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - i. Open the e-mail and also open PDF file namely "Galaxy e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password. NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

- ii. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- iii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iv. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- v. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Applicant Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- vi. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the Applicant Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

- vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

ix. Now, you will have to click on "Login" button.

x. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see the "EVEN" of the company in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of "Galaxy Entertainment Corporation Limited".
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you have voted on the resolution, you will not be allowed to modify your vote.

II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

III. The remote e-voting period commences on Sunday, September 16, 2018 (9:00 am) and ends on Tuesday, September 18, 2018 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 12, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholders by means of e-voting, shareholders shall not be allowed to change it subsequently.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 10, 2018.

Any person who acquires shares of the Company and becomes member of the Company after the dispatch of the Notice and holding shares as of the cut-off date, i.e. August 10, 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or issuer.

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

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

Mr. Amit Samani, Practising Company Secretary of M/s. Amit Samani & Co., Company Secretaries (Membership No: F7397 and Certificate of Practice No: 7966), Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner at the 36th AGM of the Company.

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

- V. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make within a period of three (3) days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, of the Company.

The results declared along with the report of the scrutinizer shall be placed on the Company's website [www.thegalaxycorp.com](http://www.thegalaxycorp.com) and on the websites of Stock Exchange and NSDL.

- VI. The resolutions shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e. remote e-Voting and voting held at the AGM)
26. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.
27. The road map of the location for the venue of AGM is attached herewith.

**Registered Office:**

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072

CIN: L51900MH1981PLC024988

E-mail: [investors@thegalaxycorp.com](mailto:investors@thegalaxycorp.com)

Website: [www.thegalaxycorp.com](http://www.thegalaxycorp.com)

Place: Mumbai

Date: August 2, 2018

**By Order of the Board  
For Galaxy Entertainment Corporation Ltd**

**Suchita Rajput  
Company Secretary**

## EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to the Special Business for the item No. 3 as stated in the Notice.

### Item No. 3

Mr. Sharad Rustagi, Independent Director of the Company was appointed pursuant to the approval of members through ordinary resolution passed at the Annual General Meeting of the Company held on September 29, 2015. The term of his current appointment is expiring on September 28, 2018.

In terms of Regulation 19(4) read with Para A-5 of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors of the Company at their meeting held on August 2, 2018, approved and recommended to the members for their approval for appointment of Mr. Sharad Rustagi, as a Independent Director for a second term of Five years starting from September 29, 2018 to September 28, 2023.

The Board considered rich experience, knowledge, skills, valuable contribution to the Company and overall performance evaluation of Mr. Sharad Rustagi and recommend his appointment for second term of consecutive five years to the members of the Company for approval.

Pursuant to section 149(10) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, an independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution of the Company and disclosure of such appointment in the Board Report's.

Mr. Sharad Rustagi has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Sharad Rustagi fulfills the conditions as specified in the Companies Act, 2013 and the rules made thereunder read with Schedule IV for appointment as an Independent Director.

Mr. Sharad Rustagi does not hold any share in his name in the Company.

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

Brief profile, qualification, experience, date of appointment on Board, number of Board meeting attended during the financial year 2017-18, directorships, membership/chairmanships of the Committees held in other companies of Mr. Sharad Rustagi, are enclosed along with the explanatory statement/ corporate governance report.

Accordingly, the Board recommends the special resolution as set out in item no. 3 of the notice for the approval of the members.

### Registered Office:

Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East),  
Mumbai - 400072

CIN: L51900MH1981PLC024988

E-mail: [investors@thegalaxycorp.com](mailto:investors@thegalaxycorp.com)

Website: [www.thegalaxycorp.com](http://www.thegalaxycorp.com)

Place: Mumbai

Date: August 2, 2018

**By Order of the Board  
For Galaxy Entertainment Corporation Ltd**

**Suchita Rajput  
Company Secretary**

**ADDITIONAL INFORMATION IN TERMS OF REGULATION 36 OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA AND APPROVED BY THE CENTRAL GOVERNMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT.**

1.	<b>Name of the Director</b>	Mr. Sunil Biyani
	<b>Date of birth</b>	October 24, 1969
	<b>Date of appointment</b>	May 27, 2011
	<b>Director Identification Number</b>	00006583
	<b>Qualification</b>	Master's in Business Administration
	<b>Expertise in specific Functional Areas</b>	Mr. Sunil Biyani is a Commerce graduate and obtained Masters in Business Administration. He is instrumental in setting up various formats in the future group. He has extensive experience in textiles, retail sectors, Building and Construction, property related transaction and project management. He leads the real estate, mall management teams of various group Companies within the Future Group.
	<b>Other Directorship(s) / Designated Partner</b>	Future Market Networks Limited Apollo Design Apparel Parks Limited Goldmohur Design and Apparel Park Limited Bartraya Mall Development Company Private Limited Splendor Fitness Private Limited Star Shopping Centres Private Limited Utility Developers Private Limited Sun City Properties Private Limited IRS Minerals Private Limited IRAA Minerals Private Limited SBRI Minerals Private Limited White Knight Mercantile LLP Oviya Multitrading LLP Biyani Capital Resources LLP GSR Capital Resources LLP
	<b>Membership in Committees</b>	Name of the Company : Apollo Design Apparel Parks Limited Committee : Audit Committee Position held : Member Name of the Company : Goldmohur Design and Apparel Park Limited Committee : Audit Committee Position held : Member Name of the Company : Future Market Networks Limited Committee : Stakeholder Relationship Committee Position held : Member Name of the Company : Galaxy Entertainment Corporation Limited Committee : Stakeholders Relationship Committee Position held : Member
	<b>Relationship between Directors interse</b>	None
	<b>Number of Equity Shares held in the Company</b>	None
	<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2017-18.

2.	<b>Name of the Director</b>	Mr. Sharad Rustagi
	<b>Date of birth</b>	October 13, 1978
	<b>Date of appointment</b>	August 11, 2015
	<b>Director Identification Number</b>	07232913
	<b>Qualification</b>	Chartered Accountant & Company Secretary
	<b>Expertise in specific Functional Areas</b>	Mr. Sharad Rustagi is an aspute professional with more than a decate long experience in Risk and Management Assurance practice with strong working background and enriched knowledge into areas like risk based internal audits, Business process manuals, Due Diligence reviews, System reviews, etc.
	<b>Other Directorship(s) / Designated Partner</b>	Nufuture Digital (India) Limited FLFL Lifestyle Brands Limited Victoria Agro Food Processing Private Limited Ojas Mall Management Private Limited
	<b>Membership in Committees</b>	Name of the Company: Nufuture Digital (India) Limited Commitee: Audit committee, Nomination, Remuneration and Compensation committee Position held: Member Name of the Director: FLFL Lifestyles Brands Limited Committee: Audit Committee, Position held: Member
	<b>Relationship between Directors interse</b>	None
	<b>Number of Equity Shares held in the Company</b>	None
	<b>Number of meetings of the Board attended during the financial year</b>	Please refer Corporate Governance Report section of the Annual Report 2017-18.

To,

## The Members of Galaxy Entertainment Corporation Limited

Your Directors take pleasure in presenting the Thirty Sixth Annual Report of the Company on the business and operations of the Company along with the audited financial statements for the year ended March 31, 2018.

### Financial Results

The Company's financial performance for the financial year ended March 31, 2018 is summarized below:

#### Standalone

(₹ in lakhs)

Particulars	Year ended 31.03.2018	Year Ended 31.03.2017
Revenue from operations	4,052.43	4,174.82
Other Income	201.83	691.30
Total Income	4,254.26	4,866.12
Personnel Cost	638.12	70.02
Operating and other expenses	4268.86	6115.10
Total Expenditure	5356.98	6185.12
(Profit/Loss) before Interest, Depreciation and Tax	(1102.72)	(1319.00)
Less: Interest	-	-
Less : Depreciation	100.81	100.75
Profit/(Loss) before tax	(1203.53)	(1419.75)
Less Provision for Tax	-	-
Profit/(Loss) after Tax	(1203.53)	(1419.75)

### Performance of the Company

During the year under review, Your Company had earned revenue from operations (Gross) of ₹ 4052.43 Lakhs. The Loss before finance cost, depreciation and amortization was of ₹ (1102.72) Lakhs (-27.21% of total revenue) as against ₹ (1319.00) Lakhs (-26.78% of total revenue) in the previous year. The operating Loss after tax reduced to ₹ (1203.53) Lakhs (-29.70% to revenue) as against ₹ (1419.75) Lakhs (-34.01% of revenue) in the previous year, showing a positive trend. The Company is targeting to achieve break even in current financial year.

### Business Review

During the year under review, the Company has opened 5 commissaries in India. The Company operates Commissaries in Mumbai, Pune, Bengaluru, Hyderabad and Kolkata. Commissaries are mainly focused on manufacturing of fresh foods ranging from fresh bakery, desserts, hot meals, cold meals to home meal convenience foods and ready to eat products. Currently the Company does private label for renowned players in retail industry and caters to QSR companies having PAN India presence.

### Dividend

Your Directors have not recommended any dividend on equity shares in respect of the financial year 2017-18. Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") with regard to formulation of Dividend Distribution Policy are not applicable to our Company.

### Transfer to Reserve

The Company has not transferred any amount to reserves during the year and hence no information as per the provisions of Section 134 (3) (j) of the Companies Act, 2013 ("the Act") has been furnished.

## Increase in Share Capital

Pursuant to the approval granted by the shareholders at their Extra Ordinary General Meeting of the Company held on December 8, 2017, the Authorised share Capital of the Company had increased from ₹ 20,00,00,000/- (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity shares of ₹ 10/- (Rupee Ten) each to ₹ 40,00,00,000/- (Rupees Forty Crores) divided into 4,00,00,000 (Four Crore) Equity shares of ₹ 10/- (Rupees Ten) each fully paidup.

The Issued, Subscribed and Paidup Share Capital of the Company as on March 31, 2018 is ₹ 25,22,93,700/- divided into 2,52,29,370 equity shares of ₹ 10/- fully paidup each.

## Issue and allotment of Equity shares & Compulsorily Convertible Debentures (CCDs) on preferential basis

- During the year under review, the Committee of Directors of the Company at their meeting held on January 2, 2018, had issue and allotted 95,79,435 Equity shares of ₹ 10/- each at a premium of ₹ 11/- per share fully paidup on preferential allotment basis to Promoter group and/or Investors.
- The Committee of Directors of the Company at their meeting held on January 2, 2018 had issued and allotted 9,88,744 Compulsorily Convertible Debentures (CCDs) having face value of ₹ 100/- each fully paidup to Central Departmental Stores Private Limited, promoter group Company, on preferential allotment basis, carrying a coupon rate of 0.01% per annum, which shall be converted into 47,08,304 Equity Shares of ₹ 10/- each at a conversion price of ₹ 21/- each within 18 months from the date of allotment in one or more tranches.

## Conversion of CCDs into Equity Shares:

The Committee of Directors at their meeting held on April 3, 2018 had converted 4,52,179 CCDs out of 9,88,744 CCDs into 21,53,233 Equity shares having face value of Rs. 10/- each fully paidup at a conversion price of Rs. 21/- each.

## Registered office of the Company

During the year under review, the registered office of the Company has been shifted from 3rd floor, Block A, Orchid City Centre Mall, 225, Belasis Road, Mumbai Central, Mumbai-400008 to Eyelet House, M.S. Patel Compound, Near John Baker Bus Stop, Opp. Shah Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai-400072, w.e.f. November 8, 2017.

## Internal Controls

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

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

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

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

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

## Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

## Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

## Risk Management

The Board of Directors of the Company has formulated a Risk Management Policy which aims at minimizing the risk and enhancing the value and reviews the elements of risks with regard to the business.

The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

## Cash Flow Statement

In conformity with the provisions of Regulation 34 of Listing Regulations, Cash Flow Statement for the year ended March 31, 2018 has been provided in the Annual Report and which forms part of this report.

## Subsidiaries

The Company is not a holding Company in terms of Section 2 (46) of the Act. There are no subsidiary, associate or joint venture Companies within the meaning of Section 2(6) of the Act. Hence, Form AOC-1 pursuant to provisions of Section 129(3) of the Act, is not provided in this report.

## Particulars of Employees and other additional information

The ratio of the remuneration of each key managerial personal (KMP) to the median of employee's remuneration as per section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 forms part of the Board's Report under (Annexure 'A').

None of the employees are drawing remuneration as per the ceiling stipulated in terms of Rule 5 (2) (ii) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Act, Extract of the Annual Return for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is attached as (Annexure 'B') and which forms part of this Report.

A copy of the same is also placed at the website of the Company and shall be available at [www.thegalaxycorp.com](http://www.thegalaxycorp.com)

## Board Diversity

The Company recognizes and embraces the importance of a diverse board in success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experiences, cultural and geographical background, age, ethnicity, race and gender, which will help us to retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

## Secretarial Auditor and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed Mrs. Nidhi Bajaj of M/s. Nidhi Bajaj & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-2018 is annexed herewith as (Annexure 'C') and forms part of this report. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

## Corporate Governance

Corporate Governance is about maximizing shareholders value legally, ethically and sustainably. At GECL, the goal of corporate governance is to ensure fairness for every shareholder. We believe sound corporate governance is critical to enhance and retain investor trust. Our Board exercises its fiduciary responsibilities in the widest sense of the team. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

## Certificate on Corporate Governance

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, the auditor's certificate on corporate governance is enclosed as (Annexure 'D') to the Board's report. The auditor's certificate for financial year 2018 does not contain any qualification, reservation or adverse remark.

## Management's discussion & analysis

The Management Discussion and Analysis Report on the operations of the Company, as required under Regulation 34 of Listing Regulations is provided in a separate section and forms an integral part of this Report.

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

### Meetings of Board

The Board of Directors met five (5) times during the financial year ended March 31, 2018 in accordance with the provisions of the Act and rules made there under. All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time. Additionally, on February 13, 2018, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Act and the provisions of Listing Regulations.

The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Act.

### Audit Committee

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Act. The Audit Committee comprises of Mr. Rajneesh Agarwal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors and Mr. Swapnil Kothari, Non-Executive Director. Five meetings of the Audit Committee were held during the year. Kindly refer section on Corporate Governance, under head 'Audit Committee' for matters relating to constitution, meetings and functions of this Committee.

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

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

## Directors and Key Managerial Personnel

The Board had judicious combination of Non-Executive and Independent Directors to maintain the independence of the Board and separate its functions of governance and management. As of March 31, 2018, the Board of Directors of the Company consists of Mr. Rajneesh Agarwal, Ms. Udit Jhunjhunwala and Mr. Sharad Rustagi, Independent Directors, Mr. Sunil Biyani and Mr. Swapnil Kothari, Non-Executive Directors.

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

In accordance with the provisions of Section 149 of the Act read with Listing Regulations, your Board of Directors recommend for re-appointment of Mr. Sharad Rustagi, as Independent Directors for a further term of 5 (five) consecutive years commencing from September 29, 2018 to September 28, 2023.

The notice convening forthcoming AGM includes the proposal for appointment/re-appointment of aforesaid Directors. A brief resume of the Directors seeking appointment/re-appointment at the forthcoming AGM and

other details as required to be disclosed in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) forms part of the Notice calling the AGM. None of the Directors are disqualified for appointment/ re-appointment under Section 164 of the Act.

During the year under review, Mr. Vikas Kedia, Chief Financial Officer/Compliance Officer had resigned from the post of Chief Financial Officer/Compliance of the Company and the followings Key Managerial Personnels of the Company were appointed w.e.f. from November 8, 2017:

- Mr. Mayank Tandon - Chief Executive Officer
- Ms. Suchita Rajput - Company Secretary
- Mr. Tanuj Agarwal - Chief Financial Officer

## **Declarations by Independent Directors**

Pursuant to the provisions of sub-section (7) of Section 149 of the Act, the Company has received individual declaration from all independent Directors, confirming that they fulfill the criteria of independence laid down in Section 149 of the Act and Regulation 25 of Listing regulation.

## **Policy on Director's Appointment and Remuneration**

The policy of the Company on Director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Act is available on our website at [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

There has been no change in the policy since last fiscal. We affirm that the sitting fees paid to Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

## **Board Evaluation**

Listing Regulations mandates that the Board shall monitor and review the evaluation framework. The frame work includes the evaluation of Directors on various parameters.

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

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

## **Familiarization program for independent Directors**

At the time of the appointment of an independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The letter of appointments issued to Independent Directors is available on our website at [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

## **Code of conduct for prevention of insider trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

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

## **Listing on Stock Exchange**

The Company has entered into Listing Agreement with BSE Limited (BSE) in terms of the Listing Regulations and the listing fee for the year 2018-19 has been paid.

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

## Director's Responsibility statement

In terms of Section 134(5) of the Act, in relation to the audited financial statements of the Company for the year ended March 31, 2018, the Board of Directors hereby confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures, wherever applicable;
- ii. such accounting policies have been selected and applied 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, 2018 and of the loss of the Company for the year ended on that date;
- iii. proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## Nomination, Remuneration and Compensation Committee

A Nomination, Remuneration and Compensation Committee is in existence in accordance with the provisions of sub-section (1) of Section 178 of the Act. Kindly refer section on Corporate Governance, which is forming part of this report, under head 'Nomination, Remuneration and Compensation Committee' for matters relating to constitution, meetings, functions of the Committee.

## Secretarial Standard

The Company complies with all applicable secretarial standards.

## Auditors and Auditor's Report

M/s. S A R A & Associates, Chartered Accountants, Statutory Auditors of the Company, bearing ICAI Registration No. 120927W, have been appointed as the Statutory Auditors of the Company for a period of 3 years From the conclusion of thirty fourth AGM till the thirty seventh AGM of the Company subject to ratification by the members in every AGM.

In view of recent amendment in the Act, which were notified with effect from May 07, 2018 by the Ministry of Corporate Affairs, the requirement of ratification of Auditors at every year has been removed and accordingly, there is no requirement of ratification of appointment of Auditors.

The Statutory Auditors have confirmed their eligibility to continue to act as the auditors of the Company and they are not disqualified from completing the term of appointment.

The notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments and explanations. The Auditors' Report does not contain any qualification, reservation or adverse remark. No instance of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Act. The Auditor's Report is enclosed with the financial statements in this Annual Report.

## Corporate Social Responsibility

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to Company.

## Related Party Transactions

All transactions with related parties are placed before the Audit Committee for review and approval. Prior omnibus approval has obtained for transactions with related parties which are repetitive in nature.

All transactions entered into with related parties during the financial year under review were in ordinary course of Business and on arm's length basis. During the year under review, the Company has not entered

into any material related party transactions, as defined under the RPT policy of the Company. Accordingly, the disclosure in respect of contracts or arrangement with related parties, as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

The policy on materiality of related party transactions and dealing with related party transactions ("**RPT Policy**") as approved by the Board is available on the website of the Company [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

### **Disclosure relating to equity shares with differential rights**

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

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

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

### **Disclosure relating to sweat equity shares**

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

### **Disclosures in respect of voting rights not directly exercised by employees**

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

### **Disclosure of Orders passed by Regulators or Courts or Tribunal**

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

### **Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo**

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

### **Declaration by Chief Executive Officer**

As per Regulation 34(3) read with Schedule V of the Listing Regulations, declaration stating that the members of board of Directors and senior management personnel have affirmed compliance with the code of conduct of board of Directors and senior management is enclosed as (Annexure 'F').

### **Deposits from Public**

During the year under review, your Company neither accepted any deposits nor there were any amounts outstanding at the beginning of the year which were classified as 'Deposits' in terms of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

### **Disclosures under section 134(3)(I) of the Companies Act, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

### **Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013**

Details of loans, Guarantees and Investments covered under the provisions of Section 186 of the Act form part of the notes to the Financial Statements provided in this Annual Report.

## Prevention of Sexual Harassment Policy

The Company has in place a prevention of Sexual Harassment Policy in line with the requirements of the sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with law of the Land. We have also constituted an internal Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013. All employees (Permanent, contractual, temporary and trainees) are covered under this policy.

During the year 2017-18, no complaints were received by the Company related to sexual harassment.

## Green Initiatives

Electronic copies of the Annual report 2017-18 of 36<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

## Vigil Mechanism

The Company has established a vigil mechanism to provide a framework for promoting responsible and secure whistle blowing and to provide a channel to the employee(s), Directors and other stakeholders to report to the management, concerns about unethical behavior, actual or suspected fraud or violation the code of conduct or policy/ies of the Company, as adopted/framed from time to time.. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website viz. [http://www.thegalaxycorp.com/Corporate\\_Policies\\_and\\_Code.html](http://www.thegalaxycorp.com/Corporate_Policies_and_Code.html)

## Detection of Fraud

No Fraud has been reported by the auditor's viz. statutory and internal auditors to the Audit Committee or the Board in terms of Section 143 (12) of the Act.

## Acknowledgement

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

## Cautionary Note

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

For and behalf of the Board of Directors

Place: Mumbai  
Date: August 2, 2018

Sunil Biyani  
(Director)  
DIN: 00006583

Sharad Rustagi  
(Director)  
DIN: 07232913

## ANNEXURE 'A' TO THE BOARD'S REPORT

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. The Directors of the Company does not draw remuneration from the Company. Hence, the ratio of the remuneration of each Director to the median remuneration of the employees of the Company cannot be determined.
- ii. The percentage increase in remuneration of Chief Financial Officer, Chief Executive Officer and Company Secretary of the Company during the financial year 2017-18, is as under:  
The Chief Financial Officer, Chief Executive Officer and Company Secretary of the Company has been appointed w.e.f November 8, 2018. Hence, percentage of increase in remuneration cannot be determined.
- iii. The percentage increase in the median remuneration of employees in the financial year: N.A.\*
- iv. There are 310 permanent employees on the rolls of Company as on March 31, 2018.
- v. Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in the last financial period i.e. 2016-17: N.A.\*
- vi. Percentage increase/ (decrease) in the managerial remuneration: N.A.
- vii. Justification, including any exceptional circumstances, for increase in the managerial remuneration: N.A.
- viii. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

\* The percentage increase in median remuneration and average percentage increase/decrease in salary of employees cannot be determined for the period under the review because 292 employees out of 310 permanent employees were appointed during the year and hence the same cannot be determined.

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

- i. There were no employees in the Company who were drawing a remuneration throughout the financial year 2017-18 as stipulated in Rule 5 (2) (i).
- ii. There were no employees in the Company who were drawing a remuneration for the part of the financial year 2017-18 as stipulated in Rule 5 (2) (ii).
- iii. The Directors of the Company does not draw remuneration from the Company and none of the employees directly or indirectly holds more than 2% of the equity shares of the Company.

**For and behalf of the Board of Directors**

Place: Mumbai  
Date: August 2, 2018

**Suchita Rajput**  
**Company Secretary**

**ANNEXURE 'B' TO THE BOARD'S REPORT****EXTRACT OF ANNUAL RETURN****as on the financial year ended March 31, 2018****[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]****FORM NO. MGT – 9****I. Registration and other details**

CIN	L51900MH1981PLC024988
Registration Date	13/08/1981
Name of the Company	Galaxy Entertainment Corporation Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details.	Eyelet House, M.S. Patel Compound, Opp. Shah Industrial Estate, Saki-Vihar, Andheri (East), Mumbai - 400072 Tel. No: 022-61994412
Whether Listed Company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011. Tel No.: 022-66568484 Email Id: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>

**II. Principal Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Food & Beverages	107	93.44

**III. Particulars of Holding, Subsidiary and Associate Companies**

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i. Category-wise Shareholding -**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual / HUF	50,000	-	50,000	0.32	50,000	-	50,000	0.20	-0.12
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	91,19,163	-	91,19,163	58.27	1,34,00,653	-	1,34,00,653	53.11	-5.16
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	91,69,163	-	91,69,163	58.59	1,34,50,653	-	1,34,50,653	53.31	-5.28

<b>2) Foreign</b>									
a) NRI's- Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>91,69,163</b>	<b>-</b>	<b>91,69,163</b>	<b>58.59</b>	<b>1,34,50,653</b>	<b>-</b>	<b>1,34,50,653</b>	<b>53.31</b>	<b>-5.28</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2) Non - Institutions</b>									
a) Bodies Corporate									
i. Indian	28,96,142	100	28,96,242	18.51	69,07,603	100	69,07,703	27.38	8.87
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	17,81,093	42,191	18,23,284	11.65	15,66,915	42,191	16,09,106	6.38	-5.27
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	15,44,422	18,000	15,62,422	9.98	31,17,863	18,000	31,35,863	12.43	2.45
c) Others (specify)									
i. Non-Resident Indian (Repat)	43,650	-	43,650	0.28	30,284	-	30,284	0.12	-0.16
ii. Non-Resident Indian (Non-Repat)	69,867	-	69,867	0.45	58,680	-	58,680	0.23	-0.21
iii. Clearing Member	85,307	-	85,307	0.55	37,081	-	37,081	0.15	-0.40
iv. Directors & Relative	-	-	-	-	-	-	-	-	-
v. Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>64,20,481</b>	<b>60,291</b>	<b>64,80,772</b>	<b>41.41</b>	<b>1,17,18,426</b>	<b>60,291</b>	<b>1,17,78,717</b>	<b>46.69</b>	<b>5.28</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>64,20,481</b>	<b>60,291</b>	<b>64,80,772</b>	<b>41.41</b>	<b>64,20,481</b>	<b>60,291</b>	<b>1,17,78,717</b>	<b>46.69</b>	<b>5.28</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grant Total (A+B+C)</b>	<b>1,55,89,644</b>	<b>60,291</b>	<b>1,56,49,935</b>	<b>100.00</b>	<b>2,51,69,079</b>	<b>60,291</b>	<b>*2,52,29,370</b>	<b>100.00</b>	<b>-</b>

\* During the F.Y. 2017-18, the Company had allotted 95,79,435 Equity shares of ₹ 10/- each at a premium of ₹ 11/- each fullypaid on preferential basis to Promoter group Company and/or Investors.

## ii. Shareholding of Promoters

Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in Shareholding during the year
	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
Future Enterprises Limited	49,37,935	31.55	Nil	49,37,935	19.57	Nil	-11.98
Central Departmental Stores Private Limited (#)	0	0	Nil	42,81,490	16.97	Nil	16.97
Bellona Hospitality Services Ltd.	36,86,491	23.56	Nil	36,86,491	14.61	Nil	-8.95
Ashbee Investments & Finance Pvt. Ltd.	3,50,000	2.24	Nil	3,50,000	1.39	Nil	-0.85
Senior Advisory Services Pvt. Ltd.	97,237	0.62	Nil	97,237	0.39	Nil	-0.24
Atul Ashok Ruia	50,000	0.32	Nil	50,000	0.20	Nil	-0.12
Ashok Apparels Pvt. Ltd.	47,500	0.30	Nil	47,500	0.19	Nil	-0.11
<b>Total</b>	<b>91,69,163</b>	<b>58.59</b>	<b>Nil</b>	<b>1,34,50,653</b>	<b>53.31</b>	<b>Nil</b>	<b>-5.28</b>

(#) 42,81,490 Equity Shares has been allotted to Central Departmental Stores Private Limited, Promoter Group Company on preferential allotment basis on January 2, 2018.

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

	Shareholders Name	Shareholding at the beginning of the year 01.04.2017		Date	Increase/ Decrease in shareholding	Reason	Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Future Enterprise Limited	49,37,935	31.55	02/01/2018	-11.98	Note	49,37,935	19.57
2.	Central Departmental Stores Private Limited	-	-	02/01/2018	16.97	Allotment of 42,81,490 Equity shares on preferential basis	42,81,490	16.97
3.	Bellona Hospitality Services Limited	36,86,491	23.56	02/01/2018	-8.95	Note	36,86,491	14.61
4.	Ashbee Investments & Finance Private Limited	3,50,000	2.24	02/01/2018	-0.85	Note	3,50,000	1.39
5.	Senior Advisory Services Private Limited	97,237	0.62	02/01/2018	-0.24	Note	97,237	0.38
6.	Atul Ashok Ruia	50,000	0.32	02/01/2018	-0.12	Note	50,000	0.20
7.	Ashok Apparels Private Limited	47,500	0.30	02/01/2018	-0.11	Note	47,500	0.19
	<b>Total</b>	<b>91,69,163</b>	<b>58.59</b>		<b>-5.28</b>		<b>1,34,50,653</b>	<b>53.31</b>

**Note .** Dilution of % of shareholding pursuant to allotment of Equity shares to Promoter group Company and/ or to Investors on January 2, 2018.

## iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1. Darshita Landed Property LLP	-	-	33,33,924	13.21
2. Eclipse Trades Private Ltd.	10,29,432	6.58	10,29,432	4.08
3. Vikas Kushal Pincha	-	-	9,82,011	3.89
4. Merlin Enclaves Private Ltd.	8,95,626	5.72	8,95,626	3.55
5. C Mackertich Private Limited	7,02,926	4.49	7,02,926	2.79
6. Osian Townships And Resorts Pvt Ltd	-	-	4,91,005	1.95
7. Aishwarya Vikas Pincha	-	-	4,91,005	1.95
8. Shivanand Shankar Mankekar	3,24,302	2.07	3,24,302	1.29
9. Coppola Holdings Private Ltd.	1,24,255	0.79	1,24,255	0.49
10. Kedar Shivanand Mankekar	1,04,600	0.67	1,04,600	0.41

## v. Shareholding of Directors and Key Managerial Personnel

Each of the Directors and KMP	Shareholding at the beginning of the year.		Cumulative Shareholding during the year	
	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

## V. INDEBTEDNESS –

(₹ In Crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	7.24	12.28	-	19.52
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>7.24</b>	<b>12.28</b>	<b>-</b>	<b>19.52</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	-	-	-	-
ii. Reduction	(4.01)	(11.15)	-	(15.16)
<b>Net Change</b>	<b>3.23</b>	<b>1.13</b>	<b>-</b>	<b>4.36</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	2.17	1.13	1.44	4.74
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>2.17</b>	<b>1.13</b>	<b>1.44</b>	<b>4.74</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No	Particulars of Remuneration	Amt in ₹	Amt in ₹
1)	Gross Salary	-	-
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2)	Stock Options	-	-
3)	Sweat Equity	-	-
4)	Commission	-	-
	- as % of profit	-	-
	- as others specify	-	-
5)	Others , Please specify	-	-
	<b>Total A</b>	-	-

### B. Remuneration to other Directors :

(Amt in ₹)

S. No	Particulars of Remuneration	Fee for attending board / committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	1. Rajneesh Agarwal	1,50,000	-	-	1,50,000
	2. Udit Jhunjhunwala	1,65,000	-	-	1,65,000
	3. Sharad Rustagi	1,55,000	-	-	1,55,000
	<b>Total (1)</b>	<b>4,70,000</b>	-	-	<b>4,70,000</b>
2.	Other Non- Executive Directors				
	1. Sunil Biyani	30,000	-	-	30,000
	2. Swapnil Kothari	1,55,000	-	-	1,55,000
	<b>Total (2)</b>	<b>1,85,000</b>	-	-	<b>1,85,000</b>
	<b>Total (B) = (1+2)</b>	<b>6,55,000</b>	-	-	<b>6,55,000</b>
	<b>Total Managerial Remuneration</b>				
	Overall Ceiling as per the Act	Sitting fees is paid within the limit specified under the Companies Act, 2013.			

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mayank Tandon	Tanuj Agarwal	Suchita Rajput
1.	Gross salary	25.41	6.37	2.69
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.88	0.13	-
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others, Allowances	-	-	-
	<b>Total</b>	<b>26.29</b>	<b>6.50</b>	<b>2.69</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

**ANNEXURE 'C' TO THE BOARD'S REPORTS**  
**FORM NO. MR. 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

The Members

**GALAXY ENTERTAINMENT CORPORATION LIMITED**

**CIN: L51900MH1981PLC024988**

Eyelet House, M.S. Patel Compound,

Opp. Shah Industrial Estate,

Saki-Vihar, Andheri (E),

Mumbai – 400 072.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GALAXY ENTERTAINMENT CORPORATION LIMITED** (CIN: L51900MH1981PLC024988) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, legal papers, minutes books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 and made available to me, according to the provisions of:
  - i. The Companies Act, 2013 ('the Act') and the rules made thereunder to the extent applicable;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings, **as applicable**;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
    - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - vi. The Management has identified and confirmed the following laws as specifically applicable to the Company
    - i. Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971,
    - ii. Maharashtra Plastic Carry Bags (Manufacture and Usage) Rules, 2006,
    - iii. Maharashtra State Tax on Professions, Trades, Callings And Employments Act, 1975,

- iv. Environment (Protection) Act, 1986,
  - v. E-Waste (Management and Handling) Rules, 2011, Maharashtra Shops and Establishments Act, 1948,
  - vi. The Trade Marks Act, 1999,
  - vii. The Prevention of Food Adulteration Act, 1954,
  - viii. Food Safety and Standards Act, 2006 and Food Safety and Standards Act, 2011 and applicable general business laws, rules, regulations and guidelines.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 requiring compliance thereof by the Company during the Audit period.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
3. I have also examined compliance with applicable clauses of Secretarial Standards including the amended Secretarial standards applicable with effect from 1<sup>st</sup> October, 2017 issued by the Institute of Company Secretaries of India under the provisions of the Act.

During the Financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the period under review the Company has complied with the provisions of the above mentioned Act, Rules, Regulations, Guidelines and Standards mentioned above subject to the following observation:

- The Company has complied with the provisions related to appointment of Key Managerial Personnel in terms of the provisions of Section 203 of the Act and Rules 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The Company has made preferential allotment of 95,79,435 Equity Shares of ₹ 10/- each fully paidup at a premium of ₹ 11/- each & 9,88,744 Compulsorily Convertible Debentures (CCDs) of ₹ 100/- each fully paidup having a tenure of 18 months.

## **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and Woman Director. No composition of the Board of Directors took place during the financial year under report.

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

None of the members have communicated dissenting views, in the matters/agenda proposed from time to time for consideration of the Board and its Committee thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

**For Nidhi Bajaj & Associates**

**Company Secretaries**

**Nidhi Bajaj**  
**Proprietor**  
**ACS- 28907**  
**COP-14596**

Date : July 30, 2018

Place : Mumbai

## **ANNEXURE 'D' TO THE BOARD'S REPORT PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Galaxy Entertainment Corporation Limited

I have examined the compliance of conditions of corporate governance by Galaxy Entertainment Corporation Limited ("the Company"), for the financial year ended March 31, 2018, as prescribed in Regulation 17 to 27, 46 (2) (b) to (i) and para C, D, and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The compliance conditions carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

**For Amit Samani & Co.**

Company Secretaries

s/d

**Amit Samani**

Proprietor

CP. NO: 7966

Place: Mumbai

Date: August 2, 2018

**ANNEXURE 'E' TO THE BOARD'S REPORT****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**A. CONSERVATION OF ENERGY**

- a) Energy Conservation steps taken;
- b) Steps taken by the Company for utilizing alternate sources of energy and
- c) Capital investment on energy conservation equipment's.

**Disclosure for (a) to (c):** The Company's operations involve very low energy consumption. Wherever possible energy conservation measures have been implemented and there are no further areas where energy conservation measures can be taken. However, efforts to conserve and optimize the use of Energy through improved Operational methods and other means will continue.

The Company has no collaborations and is engaged in the manufacture of the products by its own developed methods/operations. The Company has setup a Business Intelligence Team whose emphasis is on product development, product quality, Cost reduction, energy conservation and improvement in process productivity.

**B. TECHNOLOGY ABSORPTION****Research and Development (R & D):**

Specific areas in which R&D is carried out by the Company:	Nil
Benefits derived as a result of the above R & D	
Future Plan of Action	
<b>Expenditure on R &amp; D</b>	Nil
a. Capital	
b. Recurring	
c. Total	
d. Total R & D expenditure as a percentage of total turnover	

**Technology absorption, adaptation and innovation:**

Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
Benefit derived like product improvement, cost reduction, product development, import substitution etc.	Nil
In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
a) Technology Imported	
b) Year of Import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Amount in ₹)

	<b>Current Year</b>	<b>Previous Year</b>
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

**ANNEXURE 'F' TO THE BOARD'S REPORTS**  
**DECLARATION BY CHIEF EXECUTIVE OFFICER**

To

The Members Galaxy Entertainment Corporation Limited

Sub: Declaration regarding compliance with the Company's Code of Conduct for Directors and Employees

Ref: Regulation 34 (3) read with Part D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Mayank Tandon, Chief Executive Officer of Galaxy Entertainment Corporation Limited, hereby declare that all the members of the Board of Directors and Senior Management have affirmed compliances with the Code of Conduct for Directors and Employees of the Company.

**for Galaxy Entertainment Corporation Limited**  
**Sd/-**

Place: Mumbai  
Date: August 2, 2018

**Mayank Tandon**  
**Chief Executive Officer**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations").

## I. Company's Philosophy on Code of Corporate Governance

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

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

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

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

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

### ● Appropriate Governance Structure with defined roles and responsibilities

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

### ● Ethics / Governance Policies

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

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

### ● Audits and internal checks

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

### ● Management initiatives for Internal Controls

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

### ● Best Corporate Governance practices

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

- ☐ All securities related filings with Stock Exchange and SEBI are reviewed every quarter by the Board.
- ☐ The Company's internal audit is conducted by an external firm acting as independent auditors.
- ☐ The Company also undergoes secretarial audit conducted by an Independent Company Secretary in wholetime practice. The secretarial audit reports and reports on internal financial control are placed before the Board.

- **Shareholders' communications**

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

- **Role of the Company Secretary in overall governance process**

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

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

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

## II. Board Composition

### Composition of the Category Board

Your Company has Non-Executive Directors in conformity with Regulation 17 of the Listing Regulation.

There were no changes in the Board composition during the year. The Board consists of five members, out of which three are independent Directors including a Women Director and two Non – Executive Director, which are in line with the requirements of the Act and the Listing Regulations. Your Directors have rich and varied experience in fields of business management, banking and finance, project management, risk management, real estate, corporate governance and bring in extensive knowledge and expertise to the Board. Board provides strategic guidance to the Company and ensures effective monitoring to the management and corporate governance practices.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013 ("the Act").

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. Further, disclosures have been received by the Directors regarding their Chairmanships/ Memberships of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

The Composition of the Board as on March 31, 2018 and other relevant details are as under:

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

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

### Chairman of the Board

Mr. Rajneesh Agarwal, Non-Executive and Independent Director is the Chairman of the Board.

### Responsibilities of the Chairman

The Board upon recommendation of the Nomination and Remuneration Committee, unanimously appointed, Mr. Mayank Tandon as the Chief Executive Officer and Mr. Tanuj Agarwal as the Chief Financial Officer and Ms. Suchita Rajput, Company Secretary of the Company. w.e.f. November 8, 2017.

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

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

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

Executive management is responsible for corporate strategy, brand equity, planning, external contacts and all matters related to the management and operations of the Company.

## **Role of the Board of Directors**

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic Direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and social expectations.

## **Independent Directors**

The Act and the Listing Regulations defines an "Independent Director" as a person who is not a promoter or employee or one of the Key Managerial personnel (KMP) of the Company and its subsidiaries. The law also states that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an independent Director and we abide by these definitions of independent Director.

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

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

## **Selection of new Directors**

The Board is responsible for selection of new Directors. The Board delegates the screening and selection process to the Nomination, Remuneration and Compensation Committee which consist majority of Independent Directors. The Committee, based on defined criteria, makes recommendations to the Board on the induction of new Directors.

The nomination, remuneration and compensation committee, works with the entire board to determine the appropriate characteristic's skills and experience required for the board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.

## **Tenure of Directorships**

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of twothird of the non-independent directors (who are liable to retire by rotation) every year and qualifies the retiring members for reappointment. Independent Director hold office for a maximum term of five consecutive years on the Board of the Company and shall be eligible for re-appointment for a further term of 5 years on passing of a special resolution by the Company.

Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent Directors fulfill the conditions specified in Act and Listing Regulations and are independent of the Management.

## **Familiarization programmes for Independent Directors**

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

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

## Board Member Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination, remuneration and compensation committee to lay down the evaluation criteria for the performance of the Chairman, the Board, the Board Committees and non-executive / Independent Directors through a peer evaluation, excluding the Director being evaluated.

Independent Directors mainly performs key rolls on governance, control and guidance. Some of the performance indicators, based on which the independent directors, are evaluated includes:

- ☐ The ability to contribute to and monitor corporate governance practices.
- ☐ The ability to contribute by introducing best practices to address business challenges and risks.
- ☐ Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include active participation in Board and Committee meetings.

The evaluation process focused on Board dynamics and softer aspects. The process also involves independent discussion with all Board members. The Board carried out the annual performance evaluation for the year ended March 31, 2018.

The Board expressed its satisfaction on the process as well as performance of all Directors, committees, and Board as a whole.

## III. Board Meetings

### Scheduling and selection of agenda items

The Board oversees the entire functioning of the Company and is involved in strategic decision-making on a collective basis.

Your Board meets at least four times a year and the interval between any such two meetings has not been more than 120 days. Board meeting dates are finalized in consultation with all the directors. Additional Board meetings shall be convened by giving appropriate notice to address the Company's specific needs.

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with Chief Financial Officer and Chief Executive Officer and distributes these in advance to the Board of Directors. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meetings ("AGM").

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

During Financial year 2017-18, meetings of the Board of Directors were held on:

i.	May 22, 2017	ii.	July 26, 2017
iii.	August 14, 2017	iv.	November 8, 2017
v.	February 7, 2018		

### Attendance of Director's and other Directorships held.

The names and categories of the Directors on the Board, their attendance at Board meetings and AGM held during the year, the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on March 31, 2018 are given herein below.

Name	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	last AGM Attendance	Number of Directorship of other public companies (excluding the Company and private limited companies, foreign companies and Section 8 companies)	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman	Member	
Mr. Rajneesh Agarwal	Independent Director	5	4	Yes	-	Nil	Nil	None
Ms. Udit Jhunjhunwala	Independent Director	5	5	No	1	Nil	Nil	None
Mr. Swapnil Kothari	Non-Executive Director	5	5	Yes	2	Nil	Nil	None
Mr. Sunil Biyani	Non-Executive Director	5	3	Yes	3	Nil	3	None
Mr. Sharad Rustagi	Independent Director	5	5	Yes	2	Nil	2	None

As on March 31, 2018, the number of directorship/ committee membership / chairmanship of all the Directors are within the respective limits prescribed under the Act and the Listing Regulations.

Notes:

- Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 companies and of companies incorporated outside India.
- Directorships in foreign companies and membership in governing councils, chambers and other bodies are not included.
- None of the Directors is a Member of the Board of more than 10 Public Companies in terms of Section 165 of the Companies Act, 2013; Member of more than 10 committees and Chairman of more than 5 committees in terms of the Listing Regulations, across all the companies in which he is a Director.
- Mandatory committees are the committees prescribed under the Listing Regulations i.e. Audit Committee and Stakeholders Relationship Committee of public companies.
- During the year 2017-18, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board for its consideration.
- The Directorship/Committee Membership is based on the latest disclosures received from Directors.
- Video conferencing facility was made available to Directors to participate in the proceedings of the Board and its committees.
- Excluded the separate meeting of independent Directors, in which non independent Directors were not eligible to participate.

## Availability of information to Board members

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

Annual operating plans and budgets including capital budgets and any updates

- Annual operating plans and budgets including capital budgets and any updates.
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report.
- Quarterly results and update on operations.
- Financial results for the relevant period along with limited review / audit report thereon.
- Minutes of various committee meetings of the Company and abstracts of circular resolutions.
- General notices of interest received from Directors.
- Shareholding pattern as per Regulation 31(1) (b) of the Listing Regulations.
- Statement of shareholder grievance received/disposed during each quarter.
- Materially important litigations, show cause, demand, prosecution and penalty notices.
- The information on recruitment and remuneration of senior officers below the board level, including appointment or removal of the Chief Financial Officer and the Company Secretary, if any.
- Approval of related party transactions.
- Non-compliance with any regulatory, statutory or listing requirements, as well as shareholder services.
- Quarterly compliance reports and investor grievance report.
- Declaration of Independent Directors at the time of appointment / annually.
- Appointment of Internal and Secretarial Auditors.
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls, if any.
- Proposals for major investments, mergers, amalgamations and reconstructions

## Recording minutes of proceedings at Board and Committee meetings

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

## Post meeting follow-up mechanism

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

## Compliance

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

## Independent Directors meeting

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

During the year under review, a separate meeting of Independent Directors was held on February 13, 2018 and Independent Directors reviewed all the matters as per Schedule IV of the Act. All the Independent Directors were present at the meeting.

## Remuneration Paid to Directors in fiscal 2018

			Amt in ₹
Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Mr. Sunil Biyani	30,000	-	30,000
Mr. Rajneesh Agarwal	1,50,000	-	1,50,000
Ms. Udit Jhunjhunwala	1,65,000	-	1,65,000
Mr. Swapnil Kothari	1,55,000	-	1,55,000
Mr. Sharad Rustagi	1,55,000	-	1,55,000

### Notes:

- Sitting fees include payment to the Directors for attending meetings of Board, Audit Committee, Nomination Remuneration and Compensation Committee and Meeting of Independent Directors.
- GST is not included.

## Board Committees

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

### A. Audit Committee

As on March 31, 2018, the Committee comprises of 4 Directors out of which 3 are Independent Directors. All the members, including Chairman of the Audit Committee are financially literate and have the ability to read and understand the financial statement. Composition of the committee as on March 31, 2018 are as under:

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

The Audit Committee met five times i.e. on May 22, 2017, July 26, 2017, August 14, 2017, November 8, 2017 and February 7, 2018 and the time interval between any two Audit Committee meetings was not more than 120 days.

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

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Rajneesh Agarwal	Independent Director	Chairman	5	4
Mr. Swapnil Kothari	Non-Executive Director	Member	5	5
Ms. Udit Jhunjhunwala	Independent Director	Member	5	5
Mr. Sharad Rustagi	Independent Director	Member	5	5

The Chief Financial officer, Chief Executive Officer, Company Secretary, Internal Auditor and the Statutory Auditors are invitees to the relevant meetings of the Audit Committee in respect of businesses related to them. The Company Secretary acts as Secretary to the Audit Committee.

## General

- At present the members of the Audit Committee are paid sitting fees of ₹ 25,000/- for every meeting of the Committee attended by them.
- Executives of Accounts Department, Corporate Secretarial Department and representatives of statutory and internal auditors attend the Audit Committee Meetings.
- The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 15, 2017.

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

The primary objective of the audit committee is to monitor and to provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditors, and notes the processes and safeguards employed by each of them. The Audit Committee is responsible to select, evaluate and, where appropriate, replace the independent auditors in accordance with the law. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors.

### i. Powers of the Audit Committee

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

### ii. Internal Controls and Governance Processes

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

### iii. Terms of reference of the Audit Committee

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.

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

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

## B. Nomination, Remuneration and Compensation Committee

Our Nomination, Remuneration and Compensation Committee comprised two independent Directors and one Non-Executive Director as on March 31, 2018. The Committee's constitution and terms of reference are in compliance with the Regulation 19 of the Listing Regulations and Section 178 of the Act.

In the Financial year 2017-18, one meeting of the Committee was held on November 8, 2017. The minutes of the meetings of the Nomination, Remuneration and Compensation Committee are reviewed and noted by the Board. Composition of Committee and members attendance at the meeting during the year are as under:

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

The Company Secretary acts as the Secretary of the Committee.

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

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

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

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

**Brief about Remuneration Policy:**

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

**1. Remuneration structure of Directors:**

- i. Independent/Non-Executive Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) subject to ceiling/ limits as provided under the Act and rules made thereunder or any other enactment for the time being in force.
- ii. No remuneration other than sitting fees has been paid to any of the Directors.

**2. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management Personnels is as detailed hereunder:**

- i. The compensation of KMP and Senior Management Personnels shall be approved by the Nomination, Remuneration and Compensation Committee.
- ii. The Compensation of a KMP and Senior Management Personnels is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- iii. The remuneration structure of KMPs and Senior Management personnel may include a variable performance linked component.

**C. Stakeholders' Relationship Committee**

Committee performs various functions conferred under the Listing Regulations and Section 178 of the Act, which mainly covers ensuing resolution of grievances of security holders of the Company.

The Committee comprises of three Directors out of which one Independent Director, namely Mr. Rajneesh Agarwal, Two Non-Executive Director, namely Mr. Swapnil Kothari and Mr. Sunil Biyani.

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

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

- a. To approve the Transfer/Transmission of Shares, dematerialization and rematerialization of Shares of the Company.
- b. To approve deletion of name.
- c. To approve split, consolidation and issuance of duplicate shares.

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

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

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2018, no investor complaints were received and no complaints were outstanding as on March 31, 2018.

## **Compliance Officer:**

Ms. Suchita Rajput, Company Secretary is the Compliance Officer responsible for complying with requirements of Securities Laws, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## **D. Committee of Directors**

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

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

In the Financial year 2017-18, the committee met 3 (Three) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

## **E. Shareholders**

Disclosure regarding the appointment or re-appointment of Directors.

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

### **Mr. Sunil Biyani: Non-Executive Director**

Mr. Sunil Biyani is a Commerce Graduate and obtained Masters in Business Administration. he is instrumental in setting up various formats in the Future Group.

He has extensive experience in textiles, retail sectors, Building and Construction, Property related transaction and project management. He leads the real estate, mall management teams of various group companies within the Future Group.

### **Mr. Sharad Rustagi: Independent Director**

Mr. Sharad Rustagi, was appointed as an Independent Director on the Board for a period of 3 (three) consecutive years for a term up to September 29, 2018. The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director. He has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act. The said Director has offered himself for reappointment and resolution for his reappointment, is incorporated in the Notice of the ensuing Annual General Meeting.

## Means of Communication

Website	Your Company maintains a website <a href="http://www.thegalaxycorp.com">www.thegalaxycorp.com</a> . The website provides details, inter alia, about the Company, its performance including quarterly financial results, annual reports, press release, shareholding pattern, contact details etc.
Quarterly/ Annual Financial Results	Generally published in Business Standard (English Daily Newspaper) and Mumbai Lakshadweep (Marathi Newspaper). The results are also uploaded by BSE on their website <a href="http://www.bseindia.com">www.bseindia.com</a> .
Stock exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE. The filings required to be made under the Listing Regulations, including the Shareholding pattern and Corporate Governance Report for each quarter are also filed on BSE Listing Centre.
Investor servicing	A separate e-mail id <a href="mailto:investors@thegalaxycorp.com">investors@thegalaxycorp.com</a> has been designated for the purpose of registering complaints by shareholders or investors.

## Details of non-compliance

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

## Auditor's Certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Auditor's certificate on corporate governance is annexed to the Board's report.

In addition to the certificate by Auditors, Mr. Amit Samani of M/s. Amit Samani & Co., Practicing Company Secretaries has also issued a certificate on corporate governance as part of the secretarial audit.

## CEO and CFO certification

As required by Listing Regulations, the CEO / CFO certification is provided in this Annual Report.

## Code of conduct

Board of Directors have laid down Code of Conduct for Directors and Senior Management (the Code) for all the Board Members and senior management personnel in terms of Regulation 26(3) of the Listing Regulations and the Act.

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. The code of conduct has been posted on the website of the company [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

## Prohibition of Insider Trading

The Company has devised and adopted a Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price-sensitive information of the Company in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is Compliance Officer for the purpose of this code.

The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on need basis. During the year there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchange from time to time. The policy is available on our website, [www.thegalaxycorp.com](http://www.thegalaxycorp.com).

## General Body Meetings

The Company convenes Annual General Meeting (AGM) within the stipulated time period. During the year under review, the Company has also convened Extraordinary General Meetings (EOGM). The details of the Special Resolutions passed at the previous three AGM and EOGM are given below:

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

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2014-15	Tuesday, September 29, 2015, 01.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ Approval for entering into related party transactions which are material in nature.
2015-16	Tuesday, September 20, 2016, 03.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ No special resolution have been passed
2016-17	Friday, September 15, 2017, 3.00 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ No special resolution have been passed

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

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2017-18	Friday December 8, 2017 11.00 a.m.	Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400 018	▪ Issue of Equity shares on preferential basis ▪ Issue of Compulsorily Convertible Debentures on preferential basis

**c. Details of Postal Ballot during the FY 2017-18:**

During the period under review, the Company has not passed any special resolution through postal ballot pursuant to section 110 of the Act and other applicable provisions of the Act, if any, read together with the Companies (Management and Administration) Rules, 2014.

**IV. General Shareholders information:**

**a. Company Registration Details:** The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51900MH1981PLC024988.

**b. Annual General Meeting**

- i. AGM Date, Day : September 19, 2018, Wednesday
- ii. Time & Venue : 11.00 a.m., Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

**c. Financial Year** : April 1 to March 31

**d. Book Closure Period** : September 12, 2018 to September 19, 2018 (both days inclusive)

**e. Tentative Calendar for Financial Year ending March 31, 2019**

The tentative dates for Board Meetings for consideration of quarterly financial year are as follows:

- First Quarterly Result : on or before 14th August 2018  
 Second Quarterly Result : on or before 14th November 2018  
 Third Quarterly Result : on or before 14th February 2019  
 Financial year ending : on or before 30th May 2019

**f. Listing of Equity Shares on Stock Exchange**

**BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai 400 001

**Scrip Code:** 506186

**ISIN -** INE403B01016

## Stock Market Data

High, lows and Volumes of GECL from April 1, 2017 to March 31, 2018 at BSE.

Month	BSE		
	High (₹)	Low (₹)	Volume (Number of Shares Traded)
April 2017	26.90	18.25	2,05,109
May 2017	24.00	18.05	20,315
June 2017	18.10	15.55	13,110
July 2017	16.80	16.00	1,567
August 2017	16.00	15.20	1,300
September 2017	15.00	13.15	7,497
October 2017	19.10	11.90	47,727
November 2017	19.10	16.40	35,387
December 2017	21.60	17.50	21,211
January 2018	30.10	20.60	2,07,424
February 2018	26.25	22.00	44,612
March 2018	22.00	16.55	19,065

## g. Distribution of Shareholding

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2018 is as below:

### i. Distribution of shareholding as on March 31, 2018

Distribution Range of Shares	No. of Shares	% of shares	No. of Shareholders	% of Shareholders
1 – 500	3,63,677	1.44	2361	74.69
501 – 1000	2,90,309	1.15	339	10.72
1001 – 2000	3,06,988	1.22	199	6.30
2001 – 3000	1,77,169	0.70	68	2.15
3001 – 4000	1,46,546	0.58	41	1.30
4001 – 5000	1,34,156	0.53	28	0.89
5001 – 10000	3,62,007	1.43	49	1.55
Greater than 10000	2,34,48,518	92.94	76	2.40
<b>Total</b>	<b>2,52,29,370</b>	<b>100.00</b>	<b>3,161</b>	<b>100.00</b>

### ii. Shareholding pattern by ownership as on March 31, 2018

Categories	As on March 31, 2018	
	No. of Shares	Percentage
Promoters, Relatives and Associates	1,34,50,653	53.31
Directors	-	-
Foreign Institutional Investor/ Mutual Funds	-	-
Public Financial Institutions / State Financial Corporation / Insurance Companies	-	-
Mutual Funds (Indian) and UTI	-	-
Nationalized and other Banks	-	-
NRI / OCBs	88,964	0.35
Public	47,44,969	18.81
Others (CM/Other Body Corporate/HUF/Trusts/Foreign Portfolio Investor (Corporate))	69,44,784	27.53
<b>Total</b>	<b>2,52,29,370</b>	<b>100.00</b>

## h. Dematerialization of Shares

As on March 31, 2018, 2,51,69,079 Equity Shares representing 99.76% of the total Equity Capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form as on March 31, 2018, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	60,291	0.24
Demat Segment		
NSDL	1,48,67,563	58.93
CDSL	1,03,01,516	40.83
<b>Total</b>	<b>2,52,29,370</b>	<b>100.00</b>

**i. Registrar and Transfer system:**

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

**j. Address for correspondence:**

**i. Any Query on Annual Report:**

Ms. Suchita Rajput  
Company Secretary & Compliance Officer  
Eyelet House, M.S. Compound, Opp. Shah Industrial Estate,  
Saki-Vihar, Andheri (East), Mumbai-400072.  
Phone: 022 61994412  
Email id for investors: [investors@thegalaxycorp.com](mailto:investors@thegalaxycorp.com)

**ii. Shareholders correspondence should be addressed to:**

**TSR Darashaw Limited,**  
6-10, Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai-400011  
Phone: 022-66568484  
Email Id: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**k. Adoption of Non-Mandatory Requirements**

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

**V. Additional Shareholders Disclosure/information**

- During the Financial Year 2017-18, there were no transactions of material nature with the Directors or the management or relatives that had potential conflict with the interest of the Company.
- Neither there were any non-compliances, nor any penalties or structures have been imposed on your Company by the Stock Exchange nor SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- Your Company has a Whistle blower Policy in place. During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.
- Your Company has complied with all the mandatory requirements of the Listing Regulations relating to corporate governance.
- At present, the Equity shares of the Company are listed on the BSE Limited (BSE). The Annual Listing fees for the year 2018-19 have been paid to BSE.
- The company has paid custodial fees for the year 2018-19 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.
- The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The financial statements have been prepared on an accrual basis under the historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

## CEO / CFO Certification

The Members,

Galaxy Entertainment Corporation Limited

Sub: Compliance certificate under Regulation 17(8) read with Part B of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that for the financial year ended 31<sup>st</sup> March, 2018:

1. We have reviewed the financial statements and the cash flow statement for the financial year as aforesaid and to the best of our knowledge and belief:
  - a. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affair and are in compliance with existing Accounting Standards (Ind AS), applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct for Directors and Employees;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems for financial reporting of the Company and there were no deficiencies in the design or operation of such internal controls; and
4. We have indicated to the Auditors and the Audit Committee:
  - a. that there were no significant changes in internal control, over financial reporting, during the year;
  - b. all significant changes in the accounting policy during the year, if any, have been disclosed in the notes in respective place in the financial statement; and
  - c. there were no instance of fraud, of which we have become aware of.

For **Galaxy Entertainment Corporation Limited**

**Mayank Tandon**  
Chief Executive Officer

**Tanuj Agarwal**  
Chief Financial Officer

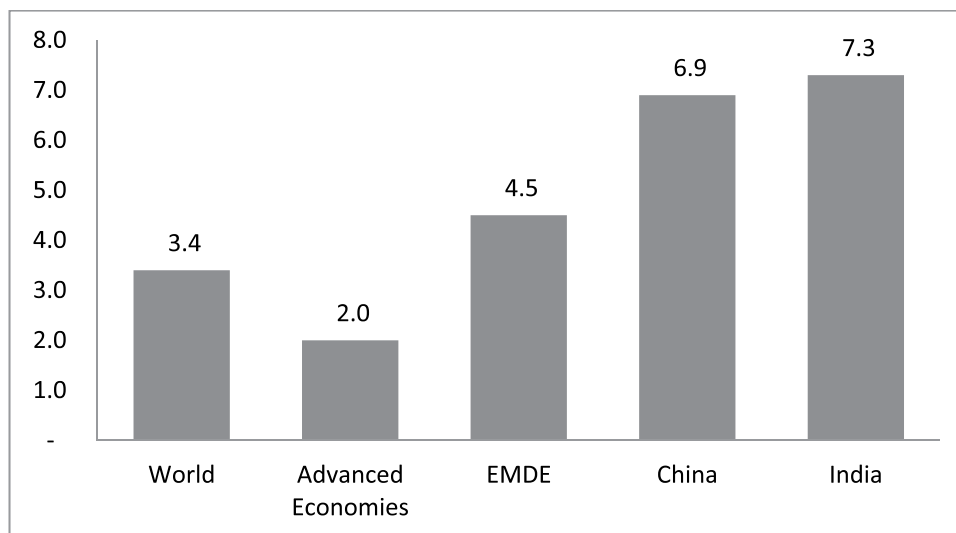
## MANAGEMENT DISCUSSION AND ANALYSIS

- (a) Industry structure and developments.
- (b) Segment-wise or product-wise performance.
- (c) Opportunities and Threats.
- (d) Outlook
- (e) Risks and concerns.
- (f) Internal control systems and their adequacy.
- (g) Material developments in Human Resources / Industrial Relations front, including number of people employed
- (h) Discussion on financial performance with respect to operational performance.

### (a) Industry structure and developments.

With Gross Domestic Product (GDP), growth averaging 7.5 percent between 2014-15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 percent in 2017-18, bringing the 4 year average to 7.3 percent, the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies respectively. In 2017-18, service sector is expected to grow at 8.3 percent, as compared to 7.7 percent in 2016-17. Within the services sector, only the growth of 'Public administration, defence & other services' sector is expected to decline in 2017-18.

**Average growth of GDP during 2014-17 (percent)**



\*Source: Based on IMF's World Economic Outlook Database (October 2017)

The real per capita income (measured in terms of per capita net national income at constant (2011-12) prices) is one of the important indicators representing the welfare of people of a country. It is expected to increase from Rs. 77,803/- in 2015-16 to Rs. 86,660/- in 2017-18, growing at an annual average rate of 5.5 percent. In nominal terms it increased by an average of 9.0 percent per annum from Rs. 94,130/- in 2015-16 to Rs. 1,11,782/- in 2017-18.

Various reforms taken by the Government of India have led to increase in India's ranking in the World Bank's Ease of Doing Business Index from 130 in Year 2017 to 100 in year 2018. India's ranking in the taxation and insolvency parameters improved by 53 and 33 spots, respectively, on the back of administrative reforms undertaken by the Government of India in the areas of taxation and passage of Insolvency and Bankruptcy Code (IBC), 2016.

GST was successfully launched in July 2017 with the aim to consolidate all other indirect tax laws (save a few) and to also bring a harmonized tax structure and uniform compliance practices both by regulators and businesses. Food items have been placed in zero or the minimum slab while luxury items get taxed more. The government ruled out having a single rate for all commodities under the Goods and Services Tax (GST).

## Food Service Industry

India, the fastest growing economy in the world, is known for its rich and diverse culture and is a home to people from different religions and languages living together. Geographically also, India has varied climate and agriculture conditions. With these diversities, India offers a wide variety of traditional cuisines. These cuisines vary significantly geographically from north to south and east to west of India and are also influenced by local availability of spices, herbs, vegetables and fruits. These traditional cuisines are getting evolved over a period of time and are now served in different avatars, e.g., inclusion of new ingredients or flavors and change in the traditional preparation style.

Every country's journey toward economic growth results in improvement in its food supply, both quantitative and qualitative, and a gradual reduction in nutritional deficiencies and India is not an exception. This also results in the development of the production, processing, distribution and marketing of food. Further, diets and taste change due to factors such as per capita income, prices, individual preferences and beliefs, urbanization, globalization etc. This has led to the growth and increasing acceptance of processed/package foods and beverages by Indian consumers.

India offers the largest diversified production base in the food sector. This is advantageous to the Indian food and beverage industry to source its raw materials.

India, being the second most populated country in the world, is one of the global leaders in the food and beverage industry. As per the EMIS Insights Industry Report on Food and Beverages Sector 2016-17, the gross value added of the food and beverage sector expanded at a CAGR of 4.8% over FY 2013-16. The food and beverage industry was the fifth-largest sector in manufacturing. Thanks to the entry of multinational companies and their expansion in the market, India is rapidly becoming a production hub for processed foods, which are increasingly consumed in India as well as exported to countries in South Asia, the Middle East and Africa.

India's food processing sector is also witnessing a tremendous growth with multinational companies increasingly strengthening their presence in India/entering in the Indian market. India's strong macro-economic indicators and policies have resulted in a steep increase in foreign investments and collaborations in recent times. Between April 2000 and June 2017, the Indian food processing sector received FDI of US\$7.81 billion, making it the 13<sup>th</sup> largest sector receiving FDI in the country. Further, it would be prudent to note that over 80% of the sector's FDI since April 2000 has been received since April 2012. F.Y. 2017-18 is already showing strong promise for foreign investment in the sector, with US\$263 million having already been invested within the first quarter (April to June 2017).

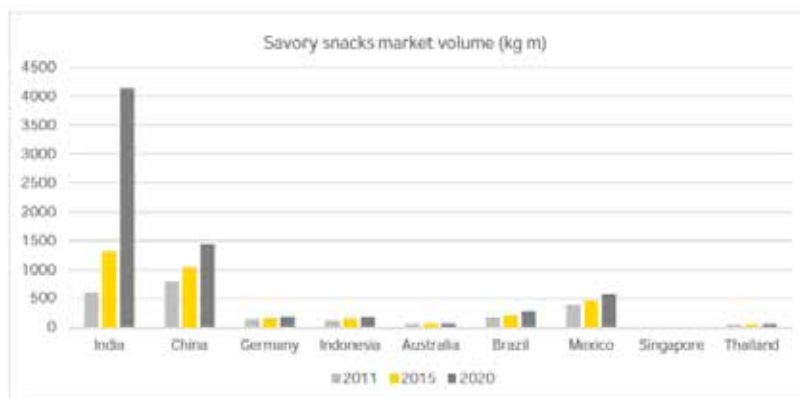
Increasing foreign investments and collaboration in India in the food processing sector signify a vast increase in the food and beverages products being offered by global multinational Companies as well as domestic Companies

Apart from India's strong macro-indicators and production base, there are seven factors that have led to an increase in the consumption of these fast growing food and beverage segments in India. These factors have positioned India as one of the most attractive markets globally in the high growth segments.



## Savory snacks

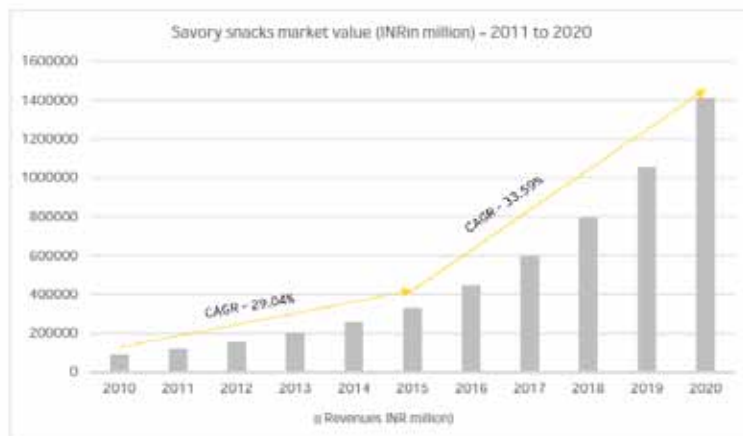
Savory snacks are the most convenient food as they are portable and quick to consume. Apart from daily consumption, savory snacks are increasingly consumed by the Indians when they are traveling, in between meals, having a get together or during special occasions. Indian consumers are looking for snacks that are fresh, crisp and flavorful. Freshness is one of the top criteria in choosing a snacking product. A comparison of the countries in terms of market volume of the breakfast cereals consumed shows that India is the fastest growing market in savory snacks, which is expected to rise at 25.92% in terms of volume during the period 2015-20. Countries like China (expected CAGR – 6.98%), Germany (expected CAGR – 2.50%), Indonesia (expected CAGR – 4.16%), Mexico, Australia and Singapore have lower market volume and expected CAGR. Given the fact that India is the second most populated country in the world and the expected CAGR for the next four years is approximately 25.92%, it makes the savory snacks market a very critical market for business.



Source: GlobalData report - Savory Snacks Market - Market snapshot to 2020 (May 2017)

### (b) Segment-wise or product-wise performance

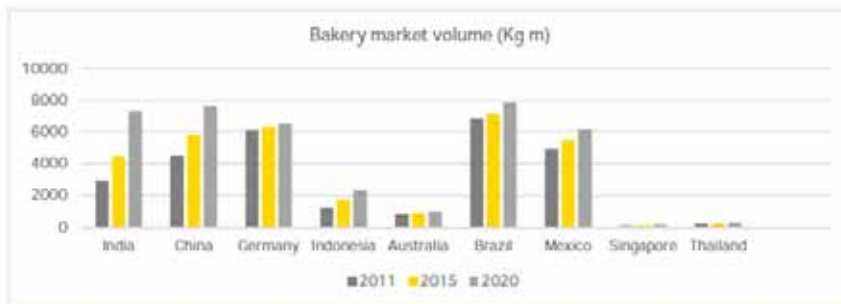
The savory snacks market in India grew at a very promising CAGR of 29.04% during the period 2010-15. The market value of this high-growth segment was at INR 92,686.8 million in 2010 and more than tripled to INR 331,577.7 million by 2015. It is expected that savory snack would continue to grow at a CAGR of 33.59% and is expected to reach INR 1,410,936.0 million by 2020. Ethnic and traditional snacks is the largest category in the Indian savory snacks market.



Source: GlobalData report - Savory Snacks Market in India - Market snapshot to 2020 (May 2017)

## Bakery

India's bakery market in terms of volume is smaller than that of China, Germany, Brazil and Mexico but larger than that of countries like Indonesia, Australia and Singapore. Given the fact that India is the second most populated country in the world and demand for various bakery products is increasing rapidly, the Indian bakery market holds tremendous potential yet to be tapped. This is evident from the forecasts for the period 2016-2021 wherein the bakery market volume in India is expected to grow at a CAGR of approximately 10.48% as compared to that of China, which is expected to grow at a CAGR of approximately 5.65%. Therefore, the Indian bakery market holds tremendous potential that can be harnessed with focused strategies



Source: GlobalData - Bakery market: Market snapshot (September 2017)

The bakery market in India grew at a very promising CAGR of approximately 12.76% during the period 2011-16. The market value of this segment was at INR 222,987.87 million in 2011 and increased to INR 406,437.80 million by 2016. It is expected that the bakery market in India would continue to grow at a CAGR of approximately 10.98% and reach INR 5,83,191.33 million by 2020. In 2016, Cookies (sweet biscuits) was the largest category in the Indian bakery market, accounting for 49.72% of the total market with a value of INR 202,088.89 million.

### (c) Opportunities and Threats

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

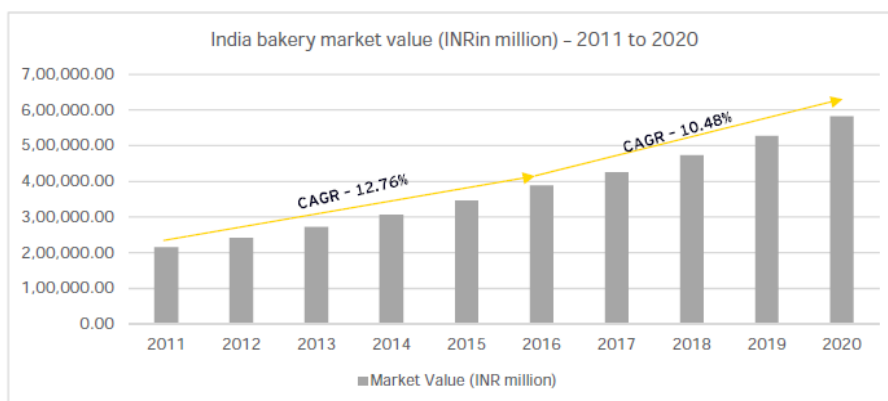
**Legal Compliance:** Being in food industry, the Company is required to obtain various license related to food safety in addition to normal manufacturing licenses and need to ensure product quality. The Company ensures the same with help of state of art quality labs at all its centralised kitchen facilities.

**Market:** As the Company has tie-ups with various B2B customers like, Café Coffee Day, Easy Day, Heritage, Big Bazaar etc. and further negotiations are going on with many other companies, the marketing support would not be a concern at present. However, the Company would require to continue its effort to penetrate in market and establish its products through better quality and prompt service of the orders, about which the management is confident.

### (d) Out look

Considering the huge cost involved in operation and maintenance, the Company consolidated its operations to sectors that are profits making in terms of location and formats. This has reduced the operational cost significantly. The Company propose to focus more on such formats and locations to strengthen the financials and may take up additional business activities in line with the objects of the Company.

The overall bakery market has so far grown at CAGR of about 13% and is now poised to grow at CAGR of about 10.5% upto FY 2019-20. The Company wish to set a target to show a performance which should be better than the industry. For this purpose the management has already geared up to reduce the cost at each possible processing level and at the same time introduce such products which would find good market and also at the same time generate better margin for the business.



Source: GlobalData - Bakery & Cereals Market in India : Market snapshot to 2021 (September 2017)

**(e) Risk and Concerns**

The state of external environment, including factors like interest rates, inflation, and growth in economic activity and job creation and consumer sentiment continues to be the biggest source of threat as well as opportunity for the Company. Any slowdown in the economic activity in the country, significant job losses or high rates of inflation can severely impact the consumption and therefore growth of the Company. Other external factors, including a steep rise in interest rates or drastic changes in the policy or regulatory environment can pose financial challenge for the Company. However, the continued steps taken by the Company has reduced its reliance on the debt funds while improving its debt maturity profile. Reduction in the cost of finance had also reduced stress on its cash flow, thereby improving business efficiency and helped in reducing overall operating cost.

The set controls and defined responsibilities at each level of management require evaluation of the various existing risks and new expected risks at an early stage and immediate action plan to mitigate such risks. Further the authorities given at each management level ensures implementation and execution of such action plan with minimised risk. Further, use of information technology for implementation as well as regular review and evaluation of such risks and risk mitigation action plan by management ensures minimisation of such risks.

**(f) 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.

**(g) Human Resources/Industrial Relation Font:**

The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2018 stood at 310.

**(h) Financial performance with respect to operational performance**

**Sales:** The Company achieved total revenue of Rs. 4254.25 lakh during the financial year ended March 31, 2018 in comparison to Rs. 4866.12 lakh in previous twelve months.

**Profit/Loss after Tax:** The Company recorded loss of Rs. 1221.98 lakhs for financial year ended March 31, 2018 in comparison of loss of Rs. 1421.33 lakh in previous financial year.

**Interest:** Interest & Financial charges outflow has decreased from Rs. 200.87 lakh incurred in previous twelve months of 2016-17 to Rs. 121.14 lakh for financial year ended March 31, 2018. The decrease in interest and financial charges is due to repayment of certain debt funds.

**Dividend:** The Board of Directors has not recommended any dividend for year under review.

**Equity Share Capital:** The equity share capital of the Company has been increased from Rs. 156.50 lakh to Rs. 252.29 lakh due to issue of equity shares on preferential basis during the financial year under review.

**Compulsorily Convertible Debentures:** 988744 Compulsorily Convertible Debentures (CCDs) having face value of Rs. 100 per debenture, aggregating to Rs. 9.89 crore were allotted on 2nd January 2018, pursuant to the preferential issue. The CCDs would be convertible within a period of eighteen months from the date of allotment. Based on the terms of the issuance 452179 number of CCDs have been converted into 2153233 equity shares at a price of Rs.21 (including a premium of Rs. 11 per share) on 3rd April, 2018.

**Earnings Per Share (EPS):** The Company's Basic EPS has improved marginally from Rs. (9.07) in previous financial year to Rs. (6.70) per share for the current financial year ended March 31, 2018.

**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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

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

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

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

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Loss (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**EMPHASIS OF MATTERS**

1. Without qualifying our opinion, we draw attention to Note No. 20(iii) to the financial statement wherein the Company had 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. The company has provided for the custom duty of Rs.653.36 Lakhs in the previous financial year, however the company has not provided for the interest liability as the management is certain that the interest liability will not arise.
2. We draw attention to Note No. 21 to the financial statement, wherein the Company has written off fixed assets and written back the credit balance during the previous financial year based on order passed by Hon'ble High Court of Bombay dated July 20, 2016 dismissing the winding up petition filed by the creditor. However, an appeal has been filed against the said order by the Creditor (petitioner) which is pending for admission.
3. Without qualifying our opinion, we draw attention to the financial statement wherein the Company has reported a net loss of ₹1,203.53/- Lakhs. The company incurred substantial loss during the year due to operational inefficiency. The accumulated losses of the company exceeded its paid-up capital and reserves and the company's current liabilities exceed its current assets. The management of the company has represented that the business of the company cannot be affected materially on account of the aforesaid provisions and also the going concern concept.

Our Opinion is not modified in respect of these matters

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and according to the information and explanation given to us, we give in the "**Annexure B**" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
  - g) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts hence the question of making a provision for any resulting material foreseeable losses does not arise; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### For S A R A & Associates

Chartered Accountants  
Firm Regn No: 120927W

### Alok Bairagra

Partner  
Membership No: 105153

Place: Mumbai  
Date: May 16, 2018

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

We have audited the internal financial controls over financial reporting of Galaxy Entertainment Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITORS' RESPONSIBILITY**

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

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For S A R A & Associates**

Chartered Accountants  
Firm Regn No: 120927W

### **Alok Bairagra**

Partner  
Membership No: 105153  
Place: Mumbai  
Date: May 16, 2018

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2018. We report that;

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, a part of fixed assets have been physically verified by the management during the year in the phased periodical manner which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) Since the Company does not have any immovable properties, therefore the provisions of the Clause 3(i) (c) of the Order are not applicable to Company.
- (ii) As explained to us, inventory consisting of consumables and supplies has been physically verified by the management during the year and no material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the provisions of the Clause 3(iii)(a)(b)(c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us during the year there are no loans, investment, guarantees and security given by the Company. Therefore the provisions of the Clause 3(iv) of the Order are not applicable to the Company.
- (v) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore provisions of the Clause 3(v) of the order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues as at 31<sup>st</sup> March, 2018 which has not been deposited on account of dispute, are as follows

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Sales Tax	Sales Tax	16,68,316	F.Y. 2003-04	Deputy Commissioner of Sales Tax
West Bengal Sales Tax	Sales Tax	81,211	F.Y. 2011-12	Joint Commissioner of Sales Tax
Income Tax Act, 1961	Income Tax	2,260 13,39,320 17,410	A.Y. 2011-12 A.Y. 2012-13 A.Y. 2013-14	ITAT ITAT Assistant Commissioner of Income Tax

- (viii) According to the information and explanation given to us and on the basis of our examination of relevant records the company has not defaulted in repayment of loans or borrowings to financial institution, bank, government or dues to debenture holders as at the balance sheet date.
- (ix) The Company did not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during course of our audit.
- (xi) According to the information and explanation given to us and on the basis of our examination of relevant records, no managerial remunerations were paid or provided by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and on the basis of our examination of relevant records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act wherever

applicable and details of such transaction have been disclosed in the financial statements as required under IND AS 24, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2015.

- (xiv) According to the information and explanation given to us by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, to the information and explanations given by management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanation given to us and on the basis of our examination of the records, the company has not entered in to any non-cash transaction with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

## **For S A R A & Associates**

Chartered Accountants

Firm Regn No: 120927W

## **Alok Bairagra**

Partner

Membership No: 105153

Mumbai

May 16, 2018

# Balance Sheet

as at March 31, 2018

Annual Report 2017-2018

Particulars	Note	(₹ in thousand)	
		As at 31st March, 2018	As at 31st March, 2017
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	100,146.17	109,462.03
Financial Assets			
Loans and Advances	4 (a)	-	-
Other Non Current Financial Assets	4 (b)	21,104.50	19,721.95
Other Non Current Assets	5 (a)	9,269.62	5,878.21
<b>Total Non- Current Assets</b>		<b>130,520.29</b>	<b>135,062.19</b>
<b>Current Assets</b>			
Inventories	6	24,229.56	1,791.68
Financial Assets			
Trade Receivables	4 (c)	83,432.13	168,402.06
Cash and Cash Equivalents	4 (d)	1,074.90	459.47
Loans and Advances	4 (e)	14,692.22	2,459.33
Other Current Assets	5 (b)	2,136.14	5,255.69
Total Current Assets		125,565.95	178,368.23
<b>Total Assets</b>		<b>256,086.24</b>	<b>313,430.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	7 (a)	252,293.70	156,499.35
Other Equity	7 (b)	(356,335.58)	(308,273.08)
Compulsorily Convertible Debentures	7 (c)	98,874.40	-
<b>Total Equity</b>		<b>(5,167.48)</b>	<b>(151,773.73)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities :			
Non Current Borrowings	8 (a)	-	86,577.75
Non Current Provisions	10 (a)	2,051.24	288.24
<b>Total Non Current Liabilities</b>		<b>2,051.24</b>	<b>86,865.99</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Current Borrowings	8 (b)	33,007.70	95,247.77
Other Current Financial Liabilities	8 (c)	6,782.42	-
Trade Payable	8 (d)	147,497.54	211,104.01
Other Current Liabilities	9	6,479.38	6,632.85
Current Provisions	10 (b)	65,435.43	65,353.53
<b>Total Current Liabilities</b>		<b>259,202.47</b>	<b>378,338.16</b>
<b>Total Equity and Liabilities</b>		<b>256,086.24</b>	<b>313,430.42</b>

Significant Accounting Policies

2

The above balance sheet should be read in conjunction with the accompanying notes.

As per our Report of even date

For and on behalf of the Board of Directors

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**Alok Bairagra**

Partner

Membership No. 105153

**Udita Jhunjunwala**

DIN : 00120951

Director

**Sunil Biyani**

DIN : 00006583

Director

Mumbai

May 16, 2018

**Tanuj Agarwal**

Chief Finance Officer

**Suchita Rajput**

Company Secretary

# Statement of Profit and Loss

Annual Report 2017-2018

for the year ended March 31, 2018

(₹ in thousand)			
Particulars	Note	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Revenue from Operations	11	405,243.23	417,481.82
Other Income	12	20,182.67	69,129.97
<b>Total Income</b>		<b>425,425.90</b>	<b>486,611.79</b>
<b>Expenses</b>			
Cost of Materials Consumed	13	250,727.87	9,533.77
Purchases of Stock In Trade	14	1,773.83	392,717.02
Employee Benefits Expense	15	63,811.64	7,002.08
Finance Costs	16	12,113.54	20,086.86
Depreciation and Amortization Expense	17	10,080.78	10,075.09
Impairment of Fixed Assets (Refer Note-3)		-	105,009.35
Other Expenses	18	207,270.97	84,163.09
<b>Total Expenses</b>		<b>545,778.63</b>	<b>628,587.26</b>
Profit / (Loss) before exceptional items and tax		(120,352.73)	(141,975.47)
Exceptional Items		-	-
<b>Profit / (Loss) before tax</b>		<b>(120,352.73)</b>	<b>(141,975.47)</b>
<b>Tax expense :</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>(120,352.73)</b>	<b>(141,975.47)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of net defined benefit plans		(1,844.91)	(157.61)
Income tax relating to above		-	-
<b>Other Comprehensive Income / (Loss) for the year, Net of Tax</b>		<b>(1,844.91)</b>	<b>(157.61)</b>
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(122,197.64)</b>	<b>(142,133.08)</b>
<b>Earnings per equity share</b>			
Basic and Diluted (face value of ₹ 10 each)		(6.70)	(9.07)

Significant Accounting Policies

2

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**For and on behalf of the Board of Directors**

**Alok Bairagra**

Partner

Membership No. 105153

**Udita Jhunjunwala**

DIN : 00120951

Director

**Sunil Biyani**

DIN : 00006583

Director

Mumbai

May 16, 2018

**Tanuj Agarwal**

Chief Finance Officer

**Suchita Rajput**

Company Secretary

# Statement of Change in Equity

Annual Report 2017-2018

as at March 31, 2018

(₹ in thousand)

Particulars	Equity Share Capital	Other Equity			Compulsorily Convertible Debentures	Total Equity
		Share premium	General Reserve	Retained Earnings		
<b>Balance as at 1st April, 2016</b>	156,499.35	318,497.46	18,062.97	(502,700.44)	-	(9,640.66)
Changes in equity share capital during the year						
Profit / (Loss) for the year	-	-	-	(141,975.47)	-	(141,975.47)
Other comprehensive income for the year	-	-	-	(157.61)	-	(157.61)
<b>Total Comprehensive income for the year</b>	<b>156,499.35</b>	<b>318,497.46</b>	<b>18,062.97</b>	<b>(644,833.52)</b>	<b>-</b>	<b>(151,773.74)</b>
<b>Balance as at 31st March, 2017</b>	<b>156,499.35</b>	<b>318,497.46</b>	<b>18,062.97</b>	<b>(644,833.52)</b>	<b>-</b>	<b>(151,773.74)</b>
<b>Balance as at 31st March, 2017</b>	156,499.35	318,497.46	18,062.97	(644,833.52)	-	(151,773.74)
Changes in equity share capital during the year	95,794.35	105,373.79	-	-	98,874.40	300,042.54
Profit / (Loss) for the year	-	-	-	(120,352.73)	-	(120,352.73)
Other comprehensive income for the year	-	-	-	(1,844.91)	-	(1,844.91)
Impact of Prior Period Items	-	-	-	(28,887.77)	-	(28,887.77)
Share Capital Issue Exp	-	(2,350.87)	-	-	-	(2,350.87)
<b>Total Comprehensive income for the year</b>	<b>252,293.70</b>	<b>421,520.38</b>	<b>18,062.97</b>	<b>(795,918.93)</b>	<b>98,874.40</b>	<b>(5,167.48)</b>
<b>Balance as at 31st March, 2018</b>	<b>252,293.70</b>	<b>421,520.38</b>	<b>18,062.97</b>	<b>(795,918.93)</b>	<b>98,874.40</b>	<b>(5,167.48)</b>

The above statement of changes in Equity should be read in conjunction with the accompanying notes.

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**For and on behalf of the Board of Directors**

**Alok Bairagra**

Partner

Membership No. 105153

**Udita Jhunhunwala**

DIN : 00120951

Director

**Sunil Biyani**

DIN : 00006583

Director

Mumbai

May 16, 2018

**Tanuj Agarwal**

Chief Finance Officer

**Suchita Rajput**

Company Secretary

# Cash Flow Statement

for the year ended March 31, 2018

Annual Report 2017-2018

(₹ in thousand)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A Cash Flow from operating activities</b>		
Profit before income tax	(120,352.73)	(141,975.47)
Adjustments for non cash and non operating items		
Interest received	(1,535.88)	(1,499.32)
Credit Balance Written Bank	(10,312.60)	(55,930.28)
Profit on Sales of Fixed Assets	-	(95.21)
Sundry Balance written off	(28,887.77)	-
Depreciation and amortization expenses	10,080.78	10,075.09
Finance costs	12,113.54	20,086.86
Impairment of Fixed Assets	-	105,009.35
(Gain) / Loss on Foreign Exchange Fluctuation	-	2,756.62
Provision for Custom Duty Payable	-	65,336.37
<b>Operating Cash Profit before Working Capital Changes</b>	<b>(138,894.66)</b>	<b>3,764.01</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade receivables	84,968.93	(157,518.49)
(Increase)/decrease in loans and advances	(12,232.89)	(22.00)
(Increase)/decrease in other current assets	(271.86)	(4,364.21)
(Increase)/decrease in Other Financial Assets	(1,382.55)	910.24
(Increase)/decrease in inventories	(22,437.88)	(1,673.07)
Increase/(decrease) in trade payables	(53,293.90)	143,588.22
Increase/(decrease) in other financial liabilities	6,782.42	(238.74)
Increase/(decrease) in provisions	-	24.63
Increase/(decrease) in other liabilities	(153.47)	(3,579.05)
<b>Cash outflow from operations</b>	<b>(136,915.86)</b>	<b>(19,108.46)</b>
Income taxes paid	-	-
<b>Net cash outflow from operating activities</b>	<b>(136,915.86)</b>	<b>(19,108.46)</b>
<b>B Cash inflow from investing activities:</b>		
Sale proceeds of property, plant and equipment	-	20,807.52
Purchase of property, plant and equipment	(764.91)	
Proceeds from issue of Share	198,817.27	-
Proceeds from issue of Debenture	98,874.40	
Interest received	1,535.88	1,499.32
<b>Net cash inflow from investing activities</b>	<b>298,462.65</b>	<b>22,306.84</b>

# Cash Flow Statement

for the year ended March 31, 2018

Annual Report 2017-2018

(₹ in thousand)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>C Cash outflow from financing activities</b>		
Proceeds from / ( Repayment of ) Borrowings	(157,949.08)	(4,161.44)
Interest paid	(12,113.54)	(20,086.86)
<b>Net cash outflow from financing activities</b>	<b>(170,062.62)</b>	<b>(24,248.30)</b>
Net increase/(decrease) in cash and cash equivalents	(8,515.83)	(21,049.92)
Add: Cash and cash equivalents at the beginning of the financial year	459.47	1,848.72
Cash and cash equivalents at the end of the year	<b>(8,056.36)</b>	<b>(19,201.20)</b>

Notes :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS -7) - Statement of Cash Flows
2. Cash and Cash Equivalent as per above comprises of the following

(₹ in Thousand)

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Cash and Cash Equivalents (Note 4 (d))	1,074.90	459.47
Bank Overdraft (Note 8 (b) )	(9,131.26)	(19,660.67)
Balance as per statement of Cash Inflows	<b>(8,056.36)</b>	<b>(19,201.20)</b>

As per our Report of even date

**For S A R A & Associates**

Chartered Accountants

Firm Regn No.120927W

**For and on behalf of the Board of Directors**

**Alok Bairagra**

Partner

Membership No. 105153

**Udita Jhunjunwala**

DIN : 00120951

Director

**Sunil Biyani**

DIN : 00006583

Director

Mumbai

May 16, 2018

**Tanuj Agarwal**

Chief Finance Officer

**Suchita Rajput**

Company Secretary

**SIGNIFICANT ACCOUNTING POLICES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS****1) CORPORATE INFORMATION**

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

As at the balance sheet date it has four centers offering a variety of facilities such as bowling, pool and video games, Central Kitchen etc.

In addition to Leisure and Entertainment Services the company also deals in trading in fabric.

**2) SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of preparation of financial statements****(i) Compliance with Ind AS:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 15th May, 2018.

**(ii) Historical cost convention:**

The financial statements have been prepared on a historical cost basis, except for the following:

- a. defined benefit plans - plan assets measured at fair value,

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

**(b) Use of estimates and judgments**

The estimates and judgments used in preparation of financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are materialized.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment which are ready for use as intended by the management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the property, plant and equipment will flow to the company and the cost of the property, plant and equipment can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit or Loss during the reporting period in which they are incurred. Assets classified as held for sale are reported at the lower of the carrying value or the fair value less cost to sell.

**Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The estimated useful lives of assets are as follows:

**Asset Class Useful Life**

Plant & Machinery	15 Years
Furniture & Fixtures	10 Years
Computer	3 Years
Improvement to Licensed Premises	10 Years

The useful lives have been determined as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss, if any.

**(d) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on straight line basis from the date they are available for use.

**Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of its Intangibles recognized as at 1<sup>st</sup> April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangibles

**(e) Impairment of non-financial assets**

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the assets is increased to its revised recoverable amount, provided that this amount doesn't exceed the carrying amount that would have been determined, had no impairment loss being recognized for the asset in prior years.

**(f) Investments and other financial assets****(i) Classification**

The company classifies its financial assets in the following measurement categories:

- (a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (b) Those measured at amortized cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) Measurement**

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt Instruments:**

A subsequent measurement of debt instruments depends on the company's business model for managing the assets and the cash flow characteristics of the asset. The company classifies its debts instruments in to following categories:

**Amortised Cost:** Assets that are held for collection of contractual cash flows represents solely payments of principal and interest are measured at amortised cost.

**Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow present solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses).

**Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Statements of Profit and Loss.

**Equity Instrument:**

The Company measures all equity investment at fair value except investment in subsidiaries, joint ventures and associates which are measured at cost less impairment if any. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss.

**(iii) Impairment of financial asset:** The Company assesses on a forward looking basis the expected credit losses associated with its assets. The Impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) De-recognition of financial assets**

A financial asset is derecognized only when

- (a) The company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

**(g) Income recognition**

**(i) Interest income:** Interest income from debt instruments is recognized using the effective interest rate method.

**(ii) Dividends:** Dividends are recognized in profit or loss only when the right to receive payment is established

**(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.

Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(i) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

- (i) **Sale of services:** The Company's revenues from leisure and entertainment services primarily include income from bowling, pool and video games and restaurant services. 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.

The company offers recharge card to the customers, against which services can be availed in future, to that extent revenue is deferred by the company and recognized as and when services are rendered.

- (ii) **Sale of Goods:** sales are recognized at net of returns and trade discounts, taxes as applicable on dispatch of goods.

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as service tax, excise duty, value added tax, goods and services tax, etc.

**(j) Employee benefits****(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee's service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of the reporting period. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized as an item of Other Comprehensive Income in the statement of profit and loss.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as provident fund.

**Gratuity obligations:** The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contribution plans:** Defined contribution plans such as provident fund etc are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(vi) Termination benefits**

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due for more than twelve months after the balance sheet date are discounted using the applicable discount rate.

**(k) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(l) Foreign Currency Translation**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

**(m) Lease – Operating**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

**(n) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**(o) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(p) Non-current assets (or disposal groups) held for sale and discontinued operations**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

**(q) Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

**(r) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**(s) Provisions and Contingent Liabilities**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**(t) Earnings per share****(i) Basic earnings per share**

Basic earnings per share are calculated by dividing:

- a) the profit attributable to owners of the company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(u) Recent accounting pronouncements:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are not applicable to the company.

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### Note 3 : Property, Plant and Equipment

(₹ in thousand)

Particulars	Improvement to Licensed Premises	Plant & Machinery	Furniture & Fixtures	Computer	Total
<b>As at 31st March, 2017</b>					
<b>Gross Carrying Amount</b>	<b>93,277.28</b>	<b>145,195.23</b>	<b>6,485.58</b>	<b>277.72</b>	<b>245,235.81</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>93,277.28</b>	<b>145,195.23</b>	<b>6,485.58</b>	<b>277.72</b>	<b>245,235.81</b>
Accumulated Depreciation					
Depreciation charge for the year	4,515.31	5,164.02	308.09	87.67	10,075.09
Impairment Loss	53,192.32	51,218.62	442.44	136.06	104,989.44
Deductions and Adjustments	-	16,438.23	4,248.11	22.91	20,709.25
<b>Closing Accumulated Depreciation</b>	<b>57,707.63</b>	<b>72,820.87</b>	<b>4,998.64</b>	<b>246.64</b>	<b>135,773.78</b>
<b>Net Carrying Amount as at 31st March, 2017</b>	<b>35,569.65</b>	<b>72,374.36</b>	<b>1,486.94</b>	<b>31.08</b>	<b>109,462.03</b>
<b>As at 31st March, 2018</b>					
Gross Carrying Amount	35,569.65	72,374.36	1,486.94	31.08	109,462.03
Additions	-	764.91	-	-	764.91
Disposals	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>35,569.65</b>	<b>73,139.27</b>	<b>1,486.94</b>	<b>31.08</b>	<b>110,226.94</b>
Accumulated Depreciation					
Depreciation charge for the year	4,502.80	5,253.73	308.09	16.16	10,080.78
Impairment Loss	-	-	-	-	-
Deductions and Adjustments	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>4,502.80</b>	<b>5,253.73</b>	<b>308.09</b>	<b>16.16</b>	<b>10,080.78</b>
<b>Net Carrying Amount as at 31st March, 2018</b>	<b>31,066.85</b>	<b>67,885.54</b>	<b>1,178.85</b>	<b>14.92</b>	<b>100,146.16</b>

Note:

- All fixed assets of the Company are subject to charges created in favour of Bank for term loan availed. Refer Note 26 for information on property, plant and equipment pledged as security by the Company.
- Impairment Loss includes losses derived out of furniture and fittings, plant and machinery and equipments of the units / outlets closed.

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Particulars	(₹ in thousand)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Note 4 (a) : Non Current Loans and Advances</b>		
(Unsecured, Considered Doubtful)		
Loans and Advances	1,711.92	1,711.92
Less : Provision for Doubtful Loans and Advances	(1,711.92)	(1,711.92)
<b>Total Non Current Loans and Advances</b>	<b>-</b>	<b>-</b>
<b>Note 4 (b) : Other Non Current Financial Assets</b>		
(Unsecured unless otherwise stated)		
Deposit with Bank ( Under lien against Bank Guarantee)	18,610.88	18,318.95
Interest accrued on Bank Deposit	2,493.62	1,403.00
<b>Total Other Non Current Financial Assets</b>	<b>21,104.50</b>	<b>19,721.95</b>
<b>Note 4 (c) : Trade Receivables</b>		
(Unsecured and Considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	17,931.67	9,468.66
Others	66,713.86	160,145.79
Less: Allowance for bad and doubtful debts	(1,212.40)	(1,212.39)
<b>Total Trade receivables</b>	<b>83,433.13</b>	<b>168,402.06</b>
Refer Note 28 for information about credit risk of trade receivable		
<b>Note 4 (d) : Cash and Cash Equivalents</b>		
Cash on hand	401.30	343.07
<b>Balances with Banks</b>		
In current accounts	673.60	116.40
<b>Total Cash and Cash Equivalents</b>	<b>1,074.90</b>	<b>459.47</b>
<b>Note 4 (e) : Current Loan and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
<b>Other</b>		
Security Deposits	14,393.75	2,437.33
Advance against salary	298.47	22.00
<b>Total Current Loan and Advances</b>	<b>14,692.22</b>	<b>2,459.33</b>
<b>Note 5 (a) : Other Non Current Assets</b>		
Balances with Government Authorities	9,269.62	5,878.21
<b>Total Other Non Current Assets</b>	<b>9,269.62</b>	<b>5,878.21</b>
<b>Note 5 (b) : Other Current Assets</b>		
Advances to Suppliers	1,881.07	2,110.61
Prepaid Expenses	255.07	3,145.08
<b>Total Other Current Assets</b>	<b>2,136.14</b>	<b>5,255.69</b>

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**Note 6 : Inventories****Particulars**

(₹ in thousand)

(Valued at cost or NRV, whichever is lower)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Food & Beverages Supplies and Consumables	24,210.45	-
Redemption Stock	19.11	17.85
Fabric Stock	-	1,773.83
<b>Total Inventories</b>	<b>24,229.56</b>	<b>1,791.68</b>

**Note 7 (a) : Equity Share Capital****Equity Share capital**

Authorized

40,000,000 [31st March, 2017: 20,000,000] Equity Shares of ₹ 10 each 400,000.00 200,000.00

Issued, subscribed and fully paid up

2,52,29,370 [31st March, 2017: 15,649,935] Equity Shares of ₹ 10 each 252,293.70 156,499.35

**Total Equity Share Capital Issued, Subscribed and Fully Paid Up** **252,293.70** **156,499.35****a) Reconciliation of number of shares****Equity Shares :**

Balance as at the beginning of the year 15,649,935 15,649,935

Add: Shares issued during the year 9,579,435 -

**Balance as at the end of the year** **25,229,370** **15,649,935****b) Rights, preferences and restrictions attached to shares**

**Equity shares:** The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company****Nos of Shares**

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Future Enterprises Ltd. (Formerly known as Future Retail Ltd)	4,937,935	4,937,935
Bellona Hospitality Services Limited	3,686,491	3,686,491
Eclipse Trade Pvt. Ltd.	1,029,432	1,029,432
Merlin Enclaves Pvt. Ltd.	895,626	895,626
Central Departmental Stores Pvt Ltd	4,281,490	-
Darshita Landed Property LLP	3,333,924	-

**Holding in %**

Future Enterprises Ltd. (Formerly known as Future Retail Ltd)	19.57%	31.55%
Bellona Hospitality Services Limited	14.61%	23.56%
Eclipse Trade Pvt. Ltd.	4.08%	6.58%
Merlin Enclaves pvt. Ltd.	3.55%	5.72%
Central Departmental Stores Pvt Ltd	16.97%	0.00%
Darshita Landed Property LLP	13.21%	0.00%

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**Note 7 (b) : Other Equity**

(₹ in thousand)

**Particulars**

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Share Premium	421,520.38	318,497.46
General Reserve	18,062.97	18,062.97
Retained Earnings	(795,918.93)	(644,833.52)
	<b>(356,335.58)</b>	<b>(308,273.09)</b>
<b>Share Premium</b>		
Opening Balance	318,497.46	318,497.46
Add : Increase during the year	105,373.79	-
Less : Share Issue Expenses	(2,350.87)	-
Closing Balance	<b>421,520.38</b>	<b>318,497.46</b>
<b>General Reserve</b>		
Opening Balance	18,062.97	18,062.97
Change during the Year	-	-
Closing Balance	<b>18,062.97</b>	<b>18,062.97</b>
<b>Retained Earnings</b>		
Opening Balance	(644,833.52)	(502,700.44)
Less : Impact of Prior Period Items ( Prior period Expenses Refer Note : 7 (b) (i)	(28,887.77)	-
Net Profit / (Loss) during the year	(120,352.73)	(141,975.47)
<b>Items of other comprehensive income recognized directly in retained earnings</b>		
Remeasurements of post-employment benefit obligation, net of tax	(1,844.91)	(157.61)
Closing Balance	<b>(795,918.93)</b>	<b>(644,833.52)</b>

**Note 7 (b) (i) : Reconcilliation of retained earnings**

(₹ in thousand)

<b>Particulars</b>	<b>As At 1st April, 2015</b>	<b>As At 31st March, 2016</b>	<b>As At 31st March, 2017</b>	<b>As At 31st March, 2018</b>
<b>Opening Balance</b>	<b>(488,780.58)</b>	<b>(517,668.35)</b>	<b>(531,588.21)</b>	<b>(673,721.29)</b>
Net Profit / (Loss) during the year	-	(15,007.23)	(141,975.47)	(120,352.73)
Items of other comprehensive income recognized directly in retained earnings				
Remeasurements of post-employment benefit obligation, net of tax	-	1,087.37	(157.61)	(1,844.91)
Impact of Prior Period Adjustment	(28,887.77)	-	-	-
<b>Closing Balance</b>	<b>(517,668.35)</b>	<b>(531,588.21)</b>	<b>(673,721.29)</b>	<b>(795,918.93)</b>

Note:

Prior period expenses :

The company incurred certain CAM charges under the previous GAAP. Under Ind AS, those expenses have to be recognised in the year to which it pertains, since it is impracticable to restate in the year of which it pertains, therefore as per Indian Accounting Standard the company is restating the prior period expenses for the earliest prior period presented i.e. 01/04/2015. Accordingly the retained earnings are adjusted from the earliest prior period presented and Total equity has decreased by an amount of ₹ 28,887.77/- (₹ in Thousand).

**Nature and purpose of other reserves****Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

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**Note 7 (c) : Compulsorily Convertible Debentures**

**Particulars**

(₹ in thousand)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Compulsorily Convertible Debentures	98,874.40	-
	<b>98,874.40</b>	<b>-</b>

- (i) The company has issued 9,88,744 Compulsory Convertible Debentures ("CCD") having face value of Rs. 100/- each, fully paid up carrying a coupon rate of 0.01% per annum aggregating to ₹ 9,88,74,400/- and having a term of 18 months from the date of allotment.
- (ii) The CCDs shall be converted into Equity Shares at the options of the CCD holders in one or more tranches at a conversion price of ₹ 21/- per share within a period of 18 months from the date of such allotment.
- (iii) The Conversion Shares shall rank pari passu with the then existing equity shares of the Company in all respects, including as to dividend.
- (iv) The CCDs and Conversion Shares issued and to be issued and allotted shall be subject to lock-in as provided under the provisions of SEBI Regulations. Subject to the aforesaid lock-in requirements, the CCDs, Conversion Shares and Investor Shares shall be freely transferable.

**Note 8 (a) : Non Current Borrowings**

**Secured**

Term Loans from Banks	12,597.37	52,636.45
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**Unsecured**

Loans from Corporates*	-	73,966.05
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**Total Long Term Borrowing**

12,597.37	126,602.50
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Less: Current maturities of Term Loan

12,597.37	40,024.75
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**Total Non Current Borrowings**

-	<b>86,577.75</b>
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**Note 8 (b) : Current Borrowings**

**Secured**

Current maturities of Term Loan	12,597.37	40,024.75
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Bank Overdraft	9,131.26	19,660.67
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**Unsecured**

Loans from Others	-	24,283.28
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Loans from Related Party	11,279.07	11,279.07
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**Total Current Borrowings**

<b>33,007.70</b>	<b>95,247.77</b>
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**Secured borrowings and assets pledged as security**

Interest Rate is 11.20% p.a. (12% p.a. & 12.5% p.a. in FY 2016-17) for Term Loan from Bank

Term loan from Bank secured against hypothecation charges on entire present and future movable fixed / current assets of the company, Corporate guarantee by Future Enterprises Ltd. And personal guarantee of one of the Promoters.

**Unsecured borrowings**

\*Loan taken from Corporate are payable on end of the term carrying interest rate of 10% p.a.

The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note 25.

Refer Note 28 for information about liquidity risk of borrowings

**Note 8 (c) : Other Current Financial Liabilities**

**Particulars**

(₹ in thousand)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Other Payables	6,782.42	-
<b>Total Other Current Financial Liabilities</b>	<b>6,782.42</b>	<b>-</b>

on Financial Statements for the year ended March 31, 2018

**Note 8 (d) : Trade Payables****Particulars**

(₹ in thousand)

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Trade payables	147,497.54	202,935.65
Trade Payable - Micro, Small & Medium Enterprises	-	-
Amounts due to related parties	-	8,168.36
<b>Total Trade Payables</b>	<b>147,497.54</b>	<b>211,104.01</b>

(i) 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, 2018 in terms of the provisions of "The Micro, Small, Medium Enterprise Development Act, 2006".

**Note 9 : Other Current Liabilities**

Statutory dues	5,698.72	2,544.17
Advance from customers	780.66	4,088.68
<b>Total Other Current Liabilities</b>	<b>6,479.38</b>	<b>6,632.85</b>

**Note 10 (a) : Non Current Provisions**

Gratuity	986.93	206.57
Leave entitlement	1,064.31	81.67
<b>Total Non Current Provisions</b>	<b>2,051.24</b>	<b>288.24</b>

**Note 10 (b) : Current Provisions**

Gratuity	17.69	2.45
Leave entitlement	81.37	14.71
Provision for Custom Duty Payable	65,336.37	65,336.37
<b>Total Current Provisions</b>	<b>65,435.43</b>	<b>65,353.53</b>

**Information about provisions and significant estimates :****Provision for Custom Duty Payable**

Provision is made for Custom Duty Payable. The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015 or such other dates as may be permitted by DGFT.

**Movements in provisions :****Provision for Custom Duty Payable**

Opening Balance	65,336.67	-
Additional Provisions recognized	-	65,336.67
<b>Closing Balance</b>	<b>65,336.67</b>	<b>65,336.67</b>

**Leave entitlement**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Gratuity**

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or company scheme whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

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(₹ in thousand)

**Particulars****Gratuity**

	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
Opening defined benefit obligation	209.02	204.65
Current service cost	575.15	44.17
Interest expense/(income)	15.46	11.26
Total amount recognised in profit and loss	590.60	55.43
Remeasurements	-	-
(Gain)/loss from change in demographic assumptions	16.61	-
(Gain)/loss from change in financial assumptions	-	14.83
Experience (gains)/losses	194.43	61.82
Total amount recognised in other comprehensive income	211.04	76.65
Employer contributions	(6.04)	(127.71)
Benefit payments	-	-
Closing defined benefit obligation	1,004.62	209.02

The net liability disclosed above relates to unfunded plans are as follows:

Defined benefit obligation	1,004.62	209.02
Fair value of plan assets	-	-
Surplus /(Deficit)	1,004.62	209.02
Effect of assets ceiling	-	-
Net Defined Benefit Liability/(Assets)	1,004.62	209.02

Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

Discount rate	7.50%	7.50%
Salary growth rate	5.00%	5.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Discount rate		
a. Discount rate -100 basis point	1,159.41	239.26
b. Discount rate+100 basis point	876.59	176.51
Salary growth rate		-
a. Rate -100 basis point	868.43	179.54
b. Rate+100 basis point	1,167.39	243.99

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**Note 11 : Revenue from Operations****Particulars**

(₹ in thousand)

	<b>Year Ended 31st March, 2018</b>	<b>Year Ended 31st March, 2017</b>
Sale of Services		
Games	8,114.57	12,214.03
Food & Beverages	361,401.48	3,241.36
Event Management Income	15,478.41	9,011.29
Sale of Fabric	1,778.09	392,828.79
Other Operating Income	18,470.68	186.35
<b>Total Revenue from Operations</b>	<b>405,243.23</b>	<b>417,481.82</b>

**Note 12 : Other income**

Interest on Fixed Deposit	1,535.88	1,499.32
Fair Value of Financial Liabilities	-	11,605.16
Credit Balance Written Back	10,312.60	55,930.28
Profit on Sale of Fixed Assets (Net)	-	95.21
Lease Income	2,000.55	-
Interest on ICD (Ind AS)	5,700.68	-
Interest on SD Rent (Ind AS)	632.96	-
<b>Total Other income</b>	<b>20,182.67</b>	<b>69,129.97</b>

**Note 13 : Cost of materials consumed**

Raw materials consumed	237,068.39	1,723.96
Event Management Expenses	13,659.48	7,809.81
<b>Total Cost of materials consumed</b>	<b>250,727.87</b>	<b>9,533.77</b>

**Note 14 : Purchases of Stock-in-Trade**

Purchases of Stock-in-Trade	1,773.83	392,717.02
<b>Total Purchases of Stock-in-Trade</b>	<b>1,773.83</b>	<b>392,717.02</b>

**Particulars****Note 15 : Employee benefits expense**

Salaries and wages	57,938.34	6,453.34
Contribution to provident funds and other funds	4,509.22	316.04
Defined benefit plan expense	-	55.43
Leave salary expense	-	29.44
Workmen and Staff welfare expenses	1,364.08	147.83
<b>Total Employee benefits expense</b>	<b>63,811.64</b>	<b>7,002.08</b>

**Note 16 : Finance costs**

Interest on Overdraft	1,672.31	1,876.55
Interest on Term Loan	4,528.87	9,495.74
Interest on Inter Corporate Deposit	5,872.82	8,708.73
Other Borrowing Cost	39.54	5.84
<b>Total Finance costs</b>	<b>12,113.54</b>	<b>20,086.86</b>

**Note 17 : Depreciation and amortization expense**

Depreciation on Property, Plant and Equipment	10,080.78	10,075.09
<b>Total Depreciation and amortization expense</b>	<b>10,080.78</b>	<b>10,075.09</b>

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**Note 18 : Other expenses****Particulars***(₹ in thousand)*

	<b>Year Ended 31st March, 2018</b>	<b>Year Ended 31st March, 2017</b>
Power, Fuel, Light and Water	29,448.28	1,374.81
Communication Expenses	353.11	114.25
Rent - Building	28,640.56	4,180.30
Rent - Plant & Equipment	19,995.46	-
Hire Charges	40,682.91	-
Repairs to Building	-	15.12
Repairs to Plant and Equipment	4,848.74	266.69
Repairs to Others	-	1,231.17
Insurance	372.59	300.29
Rates & taxes (a)	17,902.68	67,835.62
Advertising and sales promotion	39.24	37.00
Carriage and freight	27,815.23	241.71
Printing & Stationery	1,932.80	106.09
Audit Committee Fees	335.00	85.00
Director Sitting Fees	457.50	220.00
Nomination, Remuneration & Compensation Directors Fees	60.00	-
Professional & Consultancy Charges	2,977.22	1,280.55
Legal Fees	297.00	855.80
Postage & Courier Charges	98.73	37.17
Security Charges	2,728.52	12.50
Miscellaneous Expenses	5,493.29	623.45
Travelling and Local Conveyance Expenses	2,764.77	2,246.16
Net (Gain) / Loss on Foreign Currency transactions and translation	-	2,756.62
Payment to Statutory Auditors (b)	441.11	342.79
FMV of Financial Liabilities (Ind AS)	19,586.23	-
<b>Total Other expenses</b>	<b>207,270.97</b>	<b>84,163.09</b>

**(a) Rates & Taxes**

Rate & Taxes	2,928.13	2,499.25
GST Reversal Input Credit	14,974.55	-
Provision for Custom Duty Payable (Refer Note - 10(b))	-	65,336.37
<b>Total Rates &amp; taxes</b>	<b>17,902.68</b>	<b>67,835.62</b>

**(b) Payment to Statutory Auditors**

For Audit Fees	240.00	145.00
For Tax Audit Fees	80.00	60.00
For Limited Review Fees	60.00	45.00
For Other Services	55.00	70.75
For Reimbursement of Expenses	6.11	22.04
<b>Total Payment to Statutory Auditors</b>	<b>441.11</b>	<b>342.79</b>

**Note 19 : Capital and Other Commitments :**

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

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**Note 20 : Contingent Liabilities not provided for :**

- (i) In respect of guarantees provided by Company's banker on behalf of the Company ₹11,138.46 thousands (Previous Year ₹ 11,138.46 thousands)
- (ii) In respect of disputed tax demand not provided as following:

Particulars	(₹ in thousand)	
	As at 31st March, 2018	As at 31st March, 2017
Entertainment Tax Demand (Karnataka) (Inclusive of Interest & Penalty)	-	2,004.65
<b>Sales Tax Demand:</b>		
2003-2004 (Maharashtra)	1,668.32	1,668.32
2011-2012 (West Bengal)	81.21	81.21
<b>Income Tax:</b>		
A.Y. 2011-2012	2.26	2.26
A.Y. 2012-2013	1,339.32	1,339.32
A.Y. 2013-2014	17.41	17.41

(iii) The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme of the Government of India, at concessional rates of duty, on an undertaking to fulfill export obligation by October 2015 or such other dates as may be permitted by DGFT. Outstanding as at balance sheet date is ₹ 65,396.37 thousands (Previous Year ₹ 65,396.37 thousands).

**Note 21 : Winding Up Petition**

Winding up petition filed by Manjiro Works, Japan against the Company under section 433 (e) / 434 of the Companies Act, 1956 was dismissed by the Hon'ble High Court of Bombay on July 20, 2016. The Company has made necessary accounting treatments (write back / off ) in this regard during the aforesaid financial year. However, an appeal has been filed against the said order by the creditor (Petitioner) which is pending for admission.

**Note 22 : Going Concern Assumption**

The company has incurred a loss in the current year ₹ 1,22,197.64 thousands (Previous Year ₹ 1,42,133.08 thousands) and the accumulated losses of the company as at March 31, 2018 is ₹ 7,95,918.93 thousands (Previous Year ₹ 6,44,833.52 thousands). The investor holding stake in the company has given letter of support to extend any financial support which may be required by the company.

The Company has also entered into new business and based on the projections, the company hopes to better the financial position in the coming financial years.

**Note 23: 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.

**Note 24: Related Party Disclosure**

In accordance with the Ind AS - 24 on "Related Party Disclosure" the relevant information for the year ended March 31, 2018 is as under

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

Sr. No.	Name of the Related Party	Nature of Relationship
1	Future Enterprises Ltd. (Formerly known as Future Retail Ltd)	Enterprises where control exists through substantial equity interest
2	Splendor Fitness Pvt Ltd	Enterprises in which a director is a member / Director
3	Star Shopping Centers Pvt Ltd.	Enterprises in which a director is a member / Director
4	Vikas Kedia	Key Managerial Personnel ( Upto 08th November, 2017)
5	Mayank Tandon	Key Managerial Personnel ( From 08th November, 2017)
6	Tanuj Agarwal	Key Managerial Personnel ( From 08th November, 2017)
7	Suchita Rajput	Key Managerial Personnel ( From 08th November, 2017)

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(ii) Transactions during the year with related parties :

(₹ in thousand)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Enterprises in which a director is a member / Director	Enterprises where control exists through substantial equity interest	Total
1	Net Loans and Advances Taken	- (-)	32,571.00 (-)	32,571.00 (-)
2	Net Loans and Advances Repaid	(-) (16,500.00)	32,571.00 (-)	32,571.00 (16,500.00)
3	Electricity Expenses	1,676.16 (-)	- (-)	1,676.16 (-)
4	Common Area Maintenance Charges	- (2,117.76)	- (-)	- (2,117.76)
5	Rent Charges	560.25 (-)	11,007.66 (-)	11,567.91 (-)
6	Revenue from Sales	(-) (104.06)	1,778.09 (-)	1,778.09 (104.06)
7	Event Management expenses	197.15 (-)	- (-)	197.15 (-)
8	Trade Receivable	3,349.40 (-)	- (-)	3,349.40 (-)
9	Trade Payables	2,468.17 (10,476.80)	17,369.13 (-)	19,837.30 (10,476.80)

#### Key management personnel compensation

(₹ in thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short-term employee benefits	4362.03	689.82
Post-employment benefits	-	-
Long-term employee benefits	798.45	9.52
Termination benefits	-	-
<b>Total</b>	<b>5160.48</b>	<b>699.34</b>

(iii) Balance as at 31st March, 2018

(₹ in thousand)

Sr. No.	Nature of Transaction (Excluding Reimbursements)	Enterprises in which a director is a member / Director	Enterprises where control exists through substantial equity interest	Total
1	Loans and Advances Taken	11,279.07 (11,279.07)	32,571.00 (-)	43850.07 (11,279.07)
2	Trade Receivables	- (5,043.41)	3024.74 (8,168.36)	3024.74 (13,211.77)

Note : Related Party relationship is as identified by the Company and relied upon by the Auditors

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## Note 25: Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non - current borrowings are :

Particulars	(₹ in thousand)	
	As at 31st March, 2018	As at 31st March, 2017
<b><u>Current Assets</u></b>		
Inventories	24,229.56	1,791.68
Financial Assets		
Trade Receivables	83,433.13	168,402.06
Cash and Cash Equivalents	1,074.90	459.47
Loans and Advances	14,692.22	2,459.33
Other Current Assets	2,136.14	5,255.69
Total Current Assets	125,565.95	178,368.23
Non Current Assets classified as held for sale		-
<b>Total Current Assets</b>	<b>125,565.95</b>	<b>178,368.23</b>
<b><u>Non Current Assets</u></b>		
Property, Plant and Equipment	100,146.17	109,462.03
Other Non Current Financial Assets	21,104.50	19,721.95
<b>Total Non Current Assets</b>	<b>121,250.67</b>	<b>129,183.98</b>
<b>Total Assets pledged as security</b>	<b>246,816.62</b>	<b>307,552.21</b>

## Note 26: Offsetting Financial Assets and Financial Liabilities

There are no offset for the recognised financial instruments as at 31st March, 2018 and 31st March, 2017

## Note 27: Fair Value Measurements

### 27(a) : Financial Instruments by Category

Particulars	(₹ in thousand)	
	As at 31st March, 2018 Amortised cost	As at 31st March, 2017 Amortised cost
<b>Financial Assets</b>		
Loans and Advances	14,692.22	2,459.33
Trade receivables	83,433.13	168,402.06
Cash and Cash Equivalents	1,074.90	459.47
Other Financial Assets	21,104.50	19,721.95
<b>Total Financial Assets</b>	<b>120,304.75</b>	<b>191,042.81</b>
<b>Financial Liabilities</b>		
Borrowings	33,007.70	181,825.52
Trade Payable	147,497.54	211,104.01
Other Financial Liabilities	6,782.42	-
<b>Total Financial Liabilities</b>	<b>187,287.66</b>	<b>392,929.53</b>

**No Financial instruments are measured at Fair Value.**

**27(b):** Assets and liabilities which are measured at amortised cost for which fair values are disclosed are calculated under Level 3 except other financial assets and borrowings other than bank borrowings which are at level 2.. During the year there are no financial instruments which are measured at Level 1.

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(₹ in thousand)

Particular	As at 31st March, 2018	As at 31st March, 2017
<b>Financial Assets</b>		
Loans and Advances	14,692.22	2,459.33
Trade receivables	83,433.13	168,402.06
Cash and Cash Equivalents	1,074.90	459.47
Other Financial Assets	21,104.50	19,721.95
<b>Total Financial Assets</b>	<b>120,304.75</b>	<b>191,042.81</b>
<b>Financial Liabilities</b>		
Borrowings	33,007.70	181,825.52
Trade Payable	147,497.54	211,104.01
Other Financial Liabilities	6,782.42	-
<b>Total Financial Liabilities</b>	<b>187,287.66</b>	<b>392,929.53</b>

The fair value of financial instruments referred above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1: This hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Valuation processes :

For level 2 financial instruments the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

#### 27(c) Fair value of financial assets and liabilities measured at amortised cost

(₹ in thousand)

Particular	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Loans and Advances	14,692.22	14,692.22	2,459.33	2,459.33
Trade receivables	83,433.13	83,433.13	168,402.06	168,402.06
Cash and Cash Equivalents	1,074.90	1,074.90	459.47	459.47
Other Financial Assets	21,104.50	20,679.50	19,721.95	19,296.95
Total Financial Assets	120,304.75	119,879.75	191,042.81	190,617.81
<b>Financial Liabilities</b>				
Borrowings	33,007.70	33,007.70	181,825.52	180,684.01
Trade Payable	147,497.54	147,497.54	211,104.01	211,104.01
Other Financial Liabilities	6,782.42	6,782.42	-	-
Total Financial Liabilities	187,287.66	187,287.66	392,929.53	391,788.02

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values largely due to short term maturities of the instruments.

The fair values of other financial assets and borrowings other than bank borrowings were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

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The fair value of the long-term borrowing from bank with floating-rate of interest is not impacted due to interest rate changes and will not be significantly different from their carrying amounts as there is no significant change in the underlying credit risk of the company's borrowing (since the date of inception of the loans). Further, the company has no long-term Borrowings with fixed rate of interest.

### Note 28: Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### A. Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

The company is not significantly exposed to foreign currency risk. Moreover, the company has no investments in equity shares thus the company is not exposed to price risk also.

##### (a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, management of the Company performs a corporate interest rate risk.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or 20 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in thousand)	
	As at 31st March, 2018	As at 31st March, 2017
Variable rate borrowings	33,007.70	181,825.52
Percentage of variable rate borrowings to total borrowings	100%	100%
<b>Total Borrowings</b>	<b>33,007.70</b>	<b>181,825.52</b>

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Interest rates – increase by 100 basis points*	330.08	1,818.26
Interest rates – decrease by 20 basis points*	66.02	363.65

\*Holding all other variables constant

#### B. Credit Risks

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities primarily trade receivables and from its loans and advances and other financial instruments.

##### Trade receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management.

The Company measures the expected credit loss of trade receivables and loan & advances customers wise based on historical trend. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

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### Movement in provisions of doubtful debts

(₹ in thousand)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Opening provision</b>	1,212.39	1,212.39
Add:- Additional provision made	-	-
Less:- Provision write off	-	-
Less:- Provision reversed	-	-
<b>Closing provisions</b>	<u>1,212.39</u>	<u>1,212.39</u>

### Movement in provisions of doubtful Loans & Advance

<b>Opening provision</b>	1,711.92	1,711.92
Add:- Additional provision made	-	-
Less:- Provision write off	-	-
Less:- Provision reversed	-	-
<b>Closing provisions</b>	<u>1,711.92</u>	<u>1,711.92</u>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

### C. Liquidity Risk:

Liquidity risk is the risk that the company will face in meeting its obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the company's credit rating and impair investor confidence.

The following table shows the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows as at the balance sheet date:

Maturity patterns of liabilities:

(₹ in thousand)

Particulars	Less than 12 months	More than 12 months	Total
<b>As at 31st March, 2018</b>			
Trade payables	147,497.54	-	147,497.54
Borrowings	35,747.27	-	35,747.27
Other Non Financial liabilities	6,479.38	-	6,479.38
<b>As at 31st March, 2017</b>			
Trade payables	211,104.01	-	211,104.01
Borrowings	102,397.88	135,286.48	237,684.36
Other Non Financial liabilities	6,632.85	-	6,632.85

### D. Capital Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company does not distribute dividends to the shareholders.

### Note 29: Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief finance officer of the Company. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in Ind AS - 108.

The Company has identified two reportable segments viz. Leisure and Entertainment Services and Trading. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

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The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting:

- a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

**(a) Description of segments and principal activities**

- (i) Leisure and Entertainment Services: Under this segment the company is offers variety of facilities such as bowling, pool and video games, restaurant services, bakery, food court etc.
- (ii) Trading Merchandise: Under this segment the company deals in trading of merchandise.

**(b) Segment Details**

The company operates as a two segment. The segment revenue is measured in the same way as in the statement of profit or loss.

(₹ in thousand)

**Particulars**

	<b>Year Ended 31st March, 2018</b>	<b>Year Ended 31st March, 2017</b>
<b>Segment Revenue</b>		
Leisure and Entertainment Services	403,465.14	24,653.03
Trading Merchandise	1,778.09	392,828.79
<b>Total Segment Revenue</b>	<b>405,243.23</b>	<b>417,481.82</b>
<b>Segment Result</b>		
Leisure and Entertainment Services	(08,243.45)	(122,000.38)
Trading Merchandise	4.26	111.77
<b>Total</b>	<b>(108,239.19)</b>	<b>(121,888.61)</b>
Less: Other un-allocable expenditure net off un-allocable income	(12,113.54)	(20,086.86)
<b>Total Profit Before Tax</b>	<b>(120,352.73)</b>	<b>(141,975.47)</b>
<b>Segment Assets</b>		
Leisure and Entertainment Services	252,826.53	159,688.68
Trading Merchandise	3,259.71	153,742.74
<b>Total Segment Assets</b>	<b>256,085.24</b>	<b>313,431.42</b>
<b>Segment Liabilities</b>		
Leisure and Entertainment Services	261,253.71	300,283.87
Trading Merchandise	-	164,920.28
<b>Total Segment Liabilities</b>	<b>261,253.71</b>	<b>465,204.15</b>

on Financial Statements for the year ended March 31, 2018

### Note 30: Earnings per share

Particulars	(₹ in thousand)	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the company	(120,352.73)	(141,975.47)
<b>Total basic earnings per share attributable to the equity holders of the company</b>	<b>(120,352.73)</b>	<b>(141,975.47)</b>
<b>(b) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	17,959,497	15,649,935
Earning Per Share - Basic and diluted ( Face value of ₹ 10 Per Share)	(6.70)	(9.07)

**Note 31 :** Balances of Trade Receivable and Payables are subject to confirmations and reconciliation.

**Note 32:** In the opinion of the Board, all assets other than fixed assets and non-current investments have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

**Note 33 :** The figures for the previous financial year are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure.



## GALAXY ENTERTAINMENT CORPORATION LIMITED

CIN: L51900MH1981PLC024988

Registered Office: Eyelet House, M.S. Patel Compound, Opp. Shah Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (East), Mumbai-400072.

Tel No.: 022 - 6199 4412, E-mail: investors@thegalaxycorp.com Website: www.thegalaxycorp.com

### FORM NO. MGT – 11

### PROXY FORM

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

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

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

- 1) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- 2) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- 3) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 36<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 19<sup>th</sup> day of September 2018 at 11.00 a.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as are indicated below:

Resolutions	Optional*	
	For	Against
<b>Ordinary Business</b>		
1. Consider and adopt Audited Financial Statement of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.		
2. Appointment of Director in place of Mr. Sunil Biyani (DIN: 00006583) who retires by rotation and being eligible offers himself for re-appointment.		
<b>Special Business</b>		
3. To consider re-appointment of Mr. Sharad Rustagi (DIN: 07232913) as an Independent Director of the Company		

Signed this ..... day of ..... 2018.

Signature of shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

AFFIX RE.1/-  
REVENUE  
STAMP

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

For Resolutions, Explanatory Statements and Notes, please refer Notice of 36<sup>th</sup> Annual General Meeting of the Company.

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



## 36<sup>th</sup> AGM – Route Map to the AGM Venue





CIN: L51900MH1981PLC024988

**Regd. Office:** Eyelet House, M.S. Patel Compound,  
Opp. Shah Industrial Estate, Saki-Vihar Road,  
Saki Naka, Andheri (East), Mumbai-400072.

Tel No.: 022 - 6199 4412, Fax No.: 022 - 6199 5054

Website: [www.thegalaxycorp.com](http://www.thegalaxycorp.com)