

**GALAXY KNITS LIMITED**  
**BALANCE SHEET AS AT 31.03.2014**

	Note	As at 31.03.2014	As at 31.03.2013
<b>(in ₹)</b>			
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	5,00,000	5,00,000
(b) Reserves and Surplus	4	(42,051)	(32,433)
		4,57,949	4,67,567
<b>2 Current Liabilities</b>			
(a) Trade Payables	5	5,000	1,000
		4,62,949	4,68,567
<b>B ASSETS</b>			
<b>1 Current Assets</b>			
(a) Cash and Cash Equivalents	6	4,18,084	4,23,702
(b) Other Current Assets	7	44,865	44,865
		4,62,949	4,68,567
		4,62,949	4,68,567


Accompanying notes form part of the financial statements

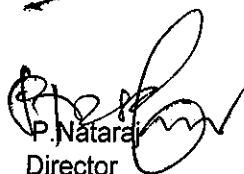
For and on behalf of the Board


"To be read with my report of even date"

K.P.Ramasamy  
Managing Director



  
KPD Sigamani  
Director

  
P. Nataraj  
Director

  
A. Vetrivel  
Chartered Accountant

**A.VETRIVEL, B.Sc., F.C.A.**  
CHARTERED ACCOUNTANT  
M.No. 25028  
1/1, SETH NARAYANDAS LAY-OUT-II  
TATABAD, COIMBATORE - 641 012  
Phone : 2495760, 4378813

Coimbatore  
07.05.2014

**GALAXY KNITS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31.03.2014**

	Note	Year Ended 31.03.2014	Period Ended 31.03.2013
		(in ₹)	
<b>I. Revenue from Operations</b>		-	-
Less: Excise Duty		-	-
<b>Revenue from Operations (Net)</b>		-	-
II. Other Income		-	-
<b>III. Total Revenue</b>		-	-
<b>IV. Expenses</b>			
Cost of Materials Consumed		-	-
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Other Expenses		-	-
<b>Total Expenses</b>	8	9,618	32,433
		<b>9,618</b>	<b>32,433</b>
<b>V. Profit Before Tax</b>		(9,618)	(32,433)
Tax Expense			
1. Current Tax Expense for Current Year		-	-
2. Less: MAT Credit Entitlement		-	-
3. Current Tax Expense relating to Prior Years		-	-
4. Deferred Tax		-	-
Net Tax Expenses		-	-
<b>VI. Profit for the year</b>		<b>(9,618)</b>	<b>(32,433)</b>
<b>VII. Earnings per equity share of ₹ 10 each</b>			
1. Basic & Diluted (in ₹)		(0.19)	(0.65)
Accompanying notes form part of the financial statements			

For and on behalf of the Board

"To be read with my report of even date"

K.P.Ramasamy  
Managing Director

KPD Sigamani  
Director

P.Nataraj  
Director

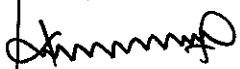
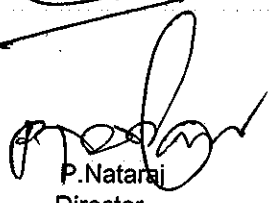
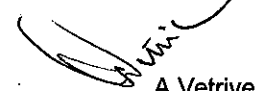
A.Vetrivel  
Chartered Accountant

A.VETRIVEL, B.Sc., F.C.A.  
CHARTERED ACCOUNTANT  
M.No. 25028

1/1, SETH NARAYANDAS LAY-OUT-II  
TATABAD, COIMBATORE - 641 012  
Phone : 2495760, 4378813

Coimbatore  
07.05.2014

**GALAXY KNITS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

PARTICULARS		Year Ended 31.03.2014	Period Ended 31.03.2013
		(in ₹)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit Before Tax		(9,618)	(32,433)
Depreciation		-	-
<b>Operating profit before Working Capital adjustments</b>		<b>(9,618)</b>	<b>(32,433)</b>
(Increase) / Decrease in Sundry Debtors		-	-
(Increase) / Decrease in Loans and Advances		-	-
(Increase) / Decrease in Inventories		-	-
(Increase) / Decrease in Other Current Assets		-	(44,865)
Increase / (Decrease) in Current Liabilities		4,000	1,000
Bank Balance not considered as Cash and Cash Equivalents			
(i) Margin deposit account		-	-
<b>Cash Generated from Operations</b>		<b>(5,618)</b>	<b>(76,298)</b>
Net Income Tax (Paid) / Refunds		-	-
<b>Net Cash from Operating Activities</b>	<b>(A)</b>	<b>(5,618)</b>	<b>(76,298)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		-	-
<b>Net Cash flow used in Investing Activities</b>	<b>(B)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Share Capital		-	5,00,000
<b>Net Cash used in Financing Activities</b>	<b>(C)</b>	<b>-</b>	<b>5,00,000</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(5,618)</b>	<b>4,23,702</b>
Opening Balance of Cash and Cash Equivalents		4,23,702	-
<b>Cash and cash equivalents at the end of the year</b>		<b>4,18,084</b>	<b>4,23,702</b>
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents (Refer Note 6)		4,18,084	4,23,702
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements			
- Balances held as margin money or security against borrowings, guarantees and other commitments		-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>4,18,084</b>	<b>4,23,702</b>
For and on behalf of the Board			"To be read with my report of even date"
<p>K.P.Ramasamy Managing Director</p> <p> KPD Sigamani Director</p> <p> P.Nataraj Director</p>		<p style="text-align: right;"> A.Vetrivel Chartered Accountant</p> <p style="text-align: center;"><b>A.VETRIVEL, B.Sc., F.C.A.</b>  <b>CHARTERED ACCOUNTANT</b>  M.No. 25028  1/1, SETH NARAYANDAS LAY-OUT-II  TATABAD, COIMBATORE - 641 012  Phone : 2495760, 4378813</p>	
Coimbatore			
07.05.2014			

## **1 Company Overview**

Galaxy Knits Limited is the Wholly owned Subsidiary Company of K.P.R.Mill Limited. It is incorporated under the provisions of the Companies Act, 1956.

## **2 Significant Accounting Policies**

### **A) BASIS OF ACCOUNTING**

(i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

(ii) The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### **B) USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Actual results could differ from those estimates.

### **C) CASH FLOW STATEMENT**

Cash flow statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 Cash Flow Statement.

### **D) INVENTORIES**

Items of Inventories are valued at lower of cost or net realizable value. Cost is ascertained on Specific identification method/FIFO method as appropriate. Cost includes all direct costs and applicable production overheads, to bring the goods to the present location and condition.

### **E) REVENUE RECOGNITION**

Sales includes sale of products and waste. Revenue from sale of products and waste are recognized when the property in goods are transferred.

### **F) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

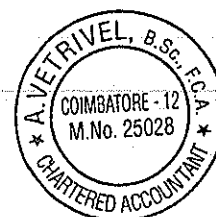
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

### **G) TAXATION**

Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets in case of unabsorbed losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.



**GALAXY KNITS LIMITED**  
**Notes forming part of the Financial Statements**

		As at 31.03.2014	As at 31.03.2013
		(in ₹)	
<b>3 SHARE CAPITAL</b>			
<b>Authorised Share Capital</b> 50,000 (Pr.Yr 50,000) Equity Shares of ₹10 each		5,00,000	5,00,000
<b>Issued, Subscribed &amp; Paid up Capital</b> 50,000 (Pr.Yr 50,000) Equity Shares of ₹10 each fully paid-up		5,00,000	5,00,000
		<b>5,00,000</b>	<b>5,00,000</b>
<b>3.1 Equity Shares:</b> As per the provisions of the Companies Act, 1956 and Articles of Association of the Company.			
<b>3.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period</b>			
<b>Equity Shares</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>	
<b>Particulars</b>	<b>Number of Shares</b>	<b>(in ₹)</b>	<b>Number of Shares</b>
			<b>(in ₹)</b>
At the beginning of the period	50,000	5,00,000	-
Issued during the year	-	-	50,000
Outstanding at the end of the period	50,000	5,00,000	50,000
			5,00,000
<b>3.3 Details of Shares held by Holding Company</b>			
<b>Particulars</b>	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>
			<b>%</b>
M/s K P R Mill Limited	50,000	100%	50,000
			100%
<b>3.4 Details of Shareholders holding more than 5% shares in the company</b>			
<b>Particulars</b>	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>
			<b>%</b>
M/s K P R Mill Limited	50,000	100%	50,000
			100%
<b>4 RESERVES AND SURPLUS</b>		<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
<b>Surplus in Statement of Profit and Loss</b>			
Opening Balance		-32,433	-
Profit for the year		-9,618	-32,433
Closing Balance		<b>-42,051</b>	<b>-32,433</b>
<b>5 TRADE PAYABLES</b>			
Other than Acceptance		5,000	1,000
		<b>5,000</b>	<b>1,000</b>
<b>6 CASH AND CASH EQUIVALENTS</b>			
(a) Cash on Hand		3,57,651	3,57,651
(b) Balance with Banks			
i) In Current Accounts		60,433	66,051
		<b>4,18,084</b>	<b>4,23,702</b>
<b>7 OTHER CURRENT ASSETS:</b>			
Others (Pre operative expenses to be capitalised)		44,865	44,865
		<b>44,865</b>	<b>44,865</b>



**GALAXY KNITS LIMITED****Notes Forming part of the Financial Statements**

		Year Ended	Period Ended
		31.03.2014	31.03.2013
		(in ₹)	
<b>8 OTHER EXPENSES</b>			
<b><u>Administration Expenses</u></b>			
Audit Fees		9,618	1,000
General Expenses		-	31,433
		<b>9,618</b>	<b>32,433</b>



**GALAXY KNITS LIMITED**

**9 Payment to Auditors**

Particulars	(in ₹)	
	2013-14	2012-13
Audit Fees	9,618	1,000
Tax Audit and Tax Matters	-	-
Other Services	-	-
Cost Audit	-	-
Expenses (incl. Service Tax)	-	-
<b>Total</b>	<b>9,618</b>	<b>1,000</b>

**10 Micro, Small and Medium Enterprises**

In accordance with the Notification No: GSR 719 (E) dated 16.11.2007 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in these Financial Statements. However, in the considered view of the management and as relied upon by the auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.

**11 Related Party disclosures**

In accordance with Accounting Standard 18 – “Related Party Disclosure”, the company has compiled the required information as detailed below, as identified and disclosed by the management and relied upon by the Auditors:

**11.1 Name of related parties and nature of relationship where control exists are as under**

Holding Company	M/s. K.P.R.Mill Limited
Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj
Enterprises owned or significantly influenced by key management personnel/Directors or their relatives	M/s K.P.R.Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s Jahnvi Motors Private Limited M/s K.P.R.Charities M/s K.P.R.Sugar Mill Limited

**11.2 Transactions during the year with related parties / Key Management Personnel are as under**

Nature of Transaction	(in ₹)	
	Holding Company	Total as on 31.03.2014
Investment	5,00,000 (5,00,000)	5,00,000 (5,00,000)

Note: Previous year figures are in Brackets

**12 Earnings Per Share (EPS)**

Particulars	(in ₹)	
	2013-14	2012-13
Profit After Tax (₹)	(9,618)	(32,433)
Weighted average number of Shares	50,000	50,000
EPS (₹) Basic & Diluted	(0.19)	(0.65)
Face Value Per Share (₹)	10	10



**A. VETRIVEL, B.Sc., F.C.A**  
Chartered Accountant



No. 1/1, Seth Naryandas Layout-II, Tatabad,  
Coimbatore - 641 012. Phone : 2495760, 4378813  
E-mail : vetrivelfca@gmail.com

Date : .....

**AUDITOR'S REPORT**

**Independent Auditor's Report to the Members of M/S. GALAXY KNITS LIMITED.**

**Report on the Financial statements**

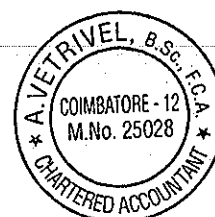
I have audited the accompanying financial statements of M/S.GALAXY KNITS LIMITED, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

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







Date : .....

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

**Opinion**

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
  - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



**A. VETRIVEL, B.Sc., F.C.A**  
Chartered Accountant




No. 1/1, Seth Naryandas Layout-II, Tatabad,  
Coimbatore - 641 012. Phone : 2495760, 4378813  
E-mail : vetrivelfca@gmail.com

Date : .....

2. As required by section 227(3) of the Act, I report that:
- a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) The Companies (Auditor's Report) order 2003 (CARO) not applicable to this Company for the year ended 31.3.2014.

DATE : 07.05.2014

PLACE : COIMBATORE

  
A. VETRIVEL

CHARTERED ACCOUNTANT

