



Date :

AUDITOR'S REPORT

INDEPENDENT AUDITORS 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** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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.





Date :

Auditors Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I 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 there under.

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

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, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.





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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide
a basis for my audit opinion on the financial statements. Date :

Opinion

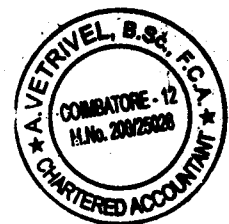
In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31st March, 2015 and its profit and cash flows for the year ended on that date.:

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, I give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, I report that:

- a. I have sought and 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 it 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.







Date :

- d. In my opinion, the aforesaid financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- i. There were no pending litigations which would impact the financial position of the Company.
 - ii. The Company did not have any long-term contracts including derivative contracts on which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- g) The Companies (Auditor's Report) order 2015 (CARO) not applicable to this Company for the year ended 31.3.2015.

DATE : 24.04.2015
PLACE : COIMBATORE


A. VETRIVEL
CHARTERED ACCOUNTANT



GALAXY KNITS LIMITED
BALANCE SHEET AS AT 31.03.2015


	Note	As at 31.03.2015	As at 31.03.2014
(in ₹)			
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	5,00,000	5,00,000
(b) Reserves and Surplus	4	(52,077)	(42,051)
		4,47,923	4,57,949
2 Current Liabilities			
(a) Trade Payables	5	5,408	5,000
		4,53,331	4,62,949
B ASSETS			
1 Current Assets			
(a) Cash and Cash Equivalents	6	4,08,466	4,18,084
(b) Other Current Assets	7	44,865	44,865
		4,53,331	4,62,949
		4,53,331	4,62,949

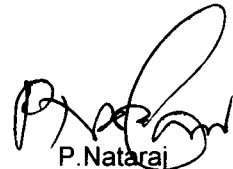
Accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors


"To be read with my report of even date"


K.P. Ramasamy
Managing Director


KPD Sigamani
Director


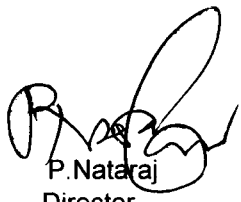


P. Nataraj
Director

Coimbatore
24.04.2015




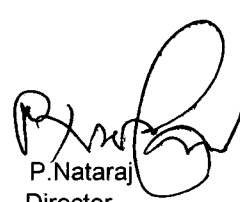

A. Vetrivel
Chartered Accountant

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

GALAXY KNITS LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2015

	Note	Year Ended	
		31.03.2015	31.03.2014
		(in ₹)	
I. Revenue from Operations		-	-
Less: Excise Duty		-	-
Revenue from Operations (Net)		-	-
II. Other Income		-	-
III. Total Revenue		-	-
IV. Expenses			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work- in-Progress and Stock in Trade		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Other Expenses	8	10,026	9,618
Total Expenses		10,026	9,618
V. Profit Before Tax		(10,026)	(9,618)
VI. 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		-	-
VII. Profit for the year		(10,026)	(9,618)
VIII. Earnings per equity share of ₹ 10 each			
1. Basic & Diluted (in ₹)		(0.20)	(0.19)
Accompanying notes forming part of the financial statements			
For and on behalf of the Board of Directors		"To be read with my report of even date"	
 K.P. Ramasamy Managing 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 24.04.2015			

GALAXY KNITS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

PARTICULARS		Year Ended 31.03.2015	Year Ended 31.03.2014
		(in ₹)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		(10,026)	(9,618)
Depreciation			
Finance Costs			
Operating profit before Working Capital adjustments		(10,026)	(9,618)
(Increase) / Decrease in Sundry Debtors			
(Increase) / Decrease in Loans and Advances			
(Increase) / Decrease in Inventories			
(Increase) / Decrease in Other Current Assets			
Increase / (Decrease) in Current Liabilities		408	4,000
Cash Generated from Operations		(9,618)	(5,618)
Net Income Tax (Paid) / Refunds			
Net Cash from Operating Activities	(A)	(9,618)	(5,618)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets			
Net Cash flow used in Investing Activities	(B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital			
Proceeds from Securities Premium			
Net Cash used in Financing Activities	(C)	-	-
Net Increase in Cash and Cash Equivalents	(A+B+C)	(9,618)	(5,618)
Opening Balance of Cash and Cash Equivalents		4,18,084	4,23,702
Closing Cash and Cash Equivalents		4,08,466	4,18,084
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents (Refer Note 6)		4,08,466	4,18,084
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements			
Add: Current investments considered as part of 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			
Closing Cash and Cash Equivalents		4,08,466	4,18,084
Accompanying notes forming part of the financial statements			
For and on behalf of the Board of Directors		"To be read with my report of even date"	
 K.P. Ramasamy Managing Director		 A. Vetrivel Chartered Accountant	
 KPD Sigamani Director	 P. Nataraj Director	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 24.04.2015			

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act) / Companies Act, 1956 ("the 1956 Act"), as applicable.

(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

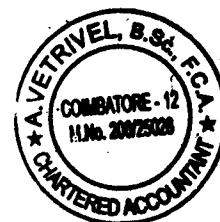
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent 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.

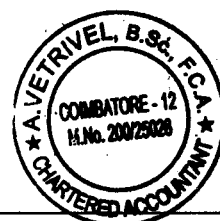
The deferred tax for timing difference between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty 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 31.03.2015	As at 31.03.2014		
3	SHARE CAPITAL				
	Authorised Share Capital				
	50,000 (Pr.Yr 50,000) Equity Shares of ₹10 each	5,00,000	5,00,000		
		5,00,000	5,00,000		
	Issued, Subscribed & Paid up Capital				
	50,000 (Pr.Yr 50,000) Equity Shares of ₹10 each fully paid-up	5,00,000	5,00,000		
		5,00,000	5,00,000		
3.1	Equity Shares: As per the provisions of the Companies Act, 1956 and Articles of Association of the Company.				
3.2	Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
	Equity Shares	As at 31st March, 2015		As at 31st March, 2014	
	Particulars	Number of Shares	(₹)	Number of Shares	(₹)
	At the beginning of the period	50,000	5,00,000	50,000	5,00,000
	Issued during the year	-	-	-	-
	Outstanding at the end of the period	50,000	5,00,000	50,000	5,00,000
3.3	Details of Shares held by Holding Company				
	Particulars	Number of Shares	%	Number of Shares	%
	M/s K P R Mill Limited	50,000	100	50,000	100
3.4	Details of Shareholders holding more than 5% shares in the company				
	Particulars	Number of Shares	%	Number of Shares	%
	M/s K P R Mill Limited	50,000	100	50,000	100
				As at 31.03.2015	As at 31.03.2014
				(in ₹)	
4	RESERVES AND SURPLUS				
	Surplus in Statement of Profit and Loss				
	Opening Balance			(42,051)	(32,433.00)
	Profit for the year			(10,026)	(9,618.00)
	Closing Balance			(52,077)	(42,051.00)
				(52,077)	(42,051.00)
5	TRADE PAYABLES				
	Other than Acceptance			5,408	5,000
				5,408	5,000
6	CASH AND CASH EQUIVALENTS				
	(a) Cash on Hand			3,57,651	3,57,651
	(b) Balance with Banks				
	i) In Current Accounts			50,815	60,433
				4,08,466	4,18,084
7	OTHER CURRENT ASSETS:				
	Others (Pre operative expenses to be capitalised)			44,865	44,865
				44,865	44,865



GALAXY KNITS LIMITED
Notes Forming part of the Financial Statements

		Year Ended	
		31.03.2015	31.03.2014
		(in ₹)	
8 OTHER EXPENSES			
<u>Administration Expenses</u>			
Payment to Auditor		9,618	9,618
General Expenses		408	-
		10,026	9,618



GALAXY KNITS LIMITED

9 Payment to Auditors (in ₹)

Particulars	2014-15	2013-14
Audit Fees	9,618	9,618
Tax Audit and Tax Matters	-	-
Other Services	-	-
Cost Audit	-	-
Expenses (incl. Service Tax)	-	-
Total	9,618	9,618

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. Since the Company has not started its operations, this notification does not apply.

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
Relatives of Key Managerial Personnel	Sri C.R.Anandakrishnan (Son of Sri K.P.Ramasamy) Sri E.K.Sakthivel (Daughter's Husband of Sri.KPD Sigamani) Smt D.Geetha (Daughter of Sri.KPD Sigamani)
Enterprises owned 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

(in ₹)

Nature of Transaction	Holding Company	Total as on 31/03/2015
Investment	5,00,000 (5,00,000)	5,00,000 (5,00,000)

(Previous year figures are in Brackets)

12 Earnings Per Share (EPS) (in ₹)

Particulars	2014-15	2013-14
Profit After Tax (₹)	(10,026)	(9,618)
Weighted average number of Shares	50,000	50,000
EPS (₹) Basic & Diluted	(0.20)	(0.19)
Face Value Per Share (₹)	10	10

