



Date :

INDEPENDENT AUDITORS' REPORT
To the Members of M/S. GALAXY KNITS LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **M/S. GALAXY KNITS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and Loss and cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the financial statements.



Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs Loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



M/S.GALAXY KNITS LIMITED
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In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



M/S.GALAXY KNITS LIMITED
COIMBATORE

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



M/S.GALAXY KNITS LIMITED
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2. (A) 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 purposes 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, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on April 1, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 for which there were any material foreseeable losses.



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(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In my opinion and according to the information and explanations given to me, no remuneration is paid by the company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by me.

UDIN: 20025028AAAAFP3504

Place: Coimbatore
Date: June 24, 2020


A.VETRIVEL
M.NO.25028



M/S.GALAXY KNITS LIMITED
COIMBATORE

**Annexure A to the Independent Auditors' report on the audit of the financial statements of
M/S. GALAXY KNITS LIMITED for the year ended March 31, 2020**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) **In respect of Fixed assets**

There is no fixed asset of the Company as on 31.3.2020.

(ii) **In respect of inventories:**

There is no opening inventory as on 01.04.2019 and closing inventories of the Company as on 31.03.2020.

(iii) According to the information and explanations given to me, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year.

(iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given, as applicable.

(v) In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Company has not doing business activity during the year 2019-20, hence the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, is not applicable.



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- (vii) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues have generally been deposited on a regular basis by the Company with the appropriate authorities.
- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to me, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs and excise duty which have not been deposited with the appropriate authorities on account of any disputes.
- (viii) The company has not availed any Loan from financial institutions and banks during the year 2019-20, hence the defaulted in repayment of dues is not applicable to the Company. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the year 2019-20.
- (x) According to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



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- (xi) In my opinion and according to the information and explanations given to me, the Company has not paid / provided managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such related party transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

Udin :- 20025028AAAAFP3504
Place : Coimbatore
DATE : June24,2020


A.VETRIVEL
M.N.25028



**Annexure B to the Independent Auditors' report on the audit of the financial statements of
M/S. GALAXY KNITS LIMITED for the year ended March 31, 2020**

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

Opinion

I have audited the internal financial controls with reference to financial statements of M/S. GALAXY KNITS LIMITED ("the Company") as of March 31, 2020 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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



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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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

UDIN: 20025028AAAAFP3504

Place: Coimbatore

Date: June 24, 2020



A.VETRIVEL

M.NO.25028





Date :

INDEPENDENT AUDITORS' REPORT
To the Members of M/S. GALAXY KNITS LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **M/S. GALAXY KNITS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2020, and **Loss** and cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the financial statements.



Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs Loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



M/S.GALAXY KNITS LIMITED
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In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



M/S.GALAXY KNITS LIMITED
COIMBATORE

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, I give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



M/S.GALAXY KNITS LIMITED
COIMBATORE

2. (A) 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 purposes 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, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on April 1, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 for which there were any material foreseeable losses.



M/S.GALAXY KNITS LIMITED
COIMBATORE

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In my opinion and according to the information and explanations given to me, no remuneration is paid by the company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by me.

UDIN: 20025028AAAAFP3504

Place: Coimbatore
Date: June 24, 2020


A.VETRIVEL
M.NO.25028



M/S.GALAXY KNITS LIMITED
COIMBATORE

**Annexure A to the Independent Auditors' report on the audit of the financial statements of
M/S. GALAXY KNITS LIMITED for the year ended March 31, 2020**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) **In respect of Fixed assets**

There is no fixed asset of the Company as on 31.3.2020.

(ii) **In respect of inventories:**

There is no opening inventory as on 01.04.2019 and closing inventories of the Company as on 31.03.2020.

(iii) According to the information and explanations given to me, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year.

(iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made and, guarantees and securities given, as applicable.

(v) In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) The Company has not doing business activity during the year 2019-20, hence the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, is not applicable.



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- (vii) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues have generally been deposited on a regular basis by the Company with the appropriate authorities.
- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, duty of customs and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to me, there are no dues of income tax, sales tax, service tax, goods and services tax, duty of customs and excise duty which have not been deposited with the appropriate authorities on account of any disputes.
- (viii) The company has not availed any Loan from financial institutions and banks during the year 2019-20, hence the defaulted in repayment of dues is not applicable to the Company. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the year 2019-20.
- (x) According to the information and explanations given to me, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.



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- (xi) In my opinion and according to the information and explanations given to me, the Company has not paid / provided managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such related party transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

Udin :- 20025028AAAAFP3504
Place : Coimbatore
DATE : June24,2020


A.VETRIVEL
M.N.25028



**Annexure B to the Independent Auditors' report on the audit of the financial statements of
M/S. GALAXY KNITS LIMITED for the year ended March 31, 2020**

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

Opinion

I have audited the internal financial controls with reference to financial statements of **M/S. GALAXY KNITS LIMITED** ("the Company") as of March 31, 2020 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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



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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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

UDIN: 20025028AAAAFP3504

Place: Coimbatore

Date: June 24, 2020



A.VETRIVEL

M.NO.25028

