

GALAXY KNITS PRIVATE LIMITED

FINANCIALS FOR THE FY – 2016-17



Date :

AUDITOR'S REPORT
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
M/S.GALAXY KNITS LIMITED

Report on the Ind AS financial statements

I have audited the accompanying Ind AS financial statements of **M/S.GALAXY KNITS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 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
TIRUPUR**

Auditor's Responsibility

My responsibility is to express an opinion on these Ind AS financial statements based on my audit.

In conducting 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.

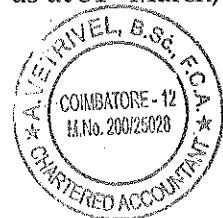
I conducted my audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the 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 Ind AS financial statements.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the Ind AS financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Ind AS 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, 2017, and its Loss, and cash flows for the year ended on that date.



**M/S.GALAXY KNITS LIMITED
TIRUPUR**

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 in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on my audit 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 including 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 my opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 the operating effectiveness of such controls, refer to my separate Report in "Annexure B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



**M/S.GALAXY KNITS LIMITED
TIRUPUR**

g) 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, as amended, in my opinion and to the best of our 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.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to me by the management I report that the disclosures are in accordance with the books of account maintained by the Company and as produced to me by the Management.

DATE : 22.04.2017
PLACE : COIMBATORE



A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028

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

**M/S.GALAXY KNITS LIMITED
COIMBATORE**

Annexure "A" to the Independent Auditor's Report for the year ended 31st March 2017

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

1. In respect of Fixed assets

There is no fixed asset of the Company as on 31.3.2017.

2. In respect of inventories:

There is no opening inventory as on 01.04.2016 and closing inventories of the Company as on 31.03.2017.

3. 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.

4. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5. According to the information and explanations given to me, the Company has not accepted any deposit during the year.

6. The Company has not commenced its business activity during the year 2016-17, hence the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013, is not applicable.

7. According to the information and explanations given to me, in respect of statutory dues:

- a. The company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, income tax, sales tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax,



**M/S.GALAXY KNITS LIMITED
COIMBATORE**

Cess and any other material statutory dues applicable to it with the appropriate authorities to the company as on 31.03.2017.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

8. The company has not availed any Loan from financial institutions and banks during the year 2016-17, hence the defaulted in repayment of dues is not applicable to the Company. The Company has not issued any debentures.
9. 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 2016-17.
10. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. 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.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In my opinion and according to the information and explanations given to me the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.



**M/S.GALAXY KNITS LIMITED
COIMBATORE**

14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
15. In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

DATE : 22.04.2017
PLACE : COIMBATORE



A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028

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

S over
 A. VEINVEL, B.Sc., F.C.A.
 COIMBATORE - 12
 M.No. 200/25028
 CHARTERED ACCOUNTANT

**M/S.GALAXY KNITS LIMITED
COIMBATORE**

financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the 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 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.



**M/S.GALAXY KNITS LIMITED
COIMBATORE**

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 my opinion, to the best of our information and according to the explanations given to me, 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, 2017, 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.

DATE : 22.04.2017
PLACE : COIMBATORE



A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028

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
BALANCE SHEET AS AT 31.03.2017

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(In ₹)				
(1) Current Assets				
(a) Cash & Cash Equivalents	4	3,86,063	3,99,516	4,08,466
(b) Other Current Assets	5	44,865	44,865	44,865
Total Current assets		4,30,928	4,44,381	4,53,331
Total Assets		4,30,928	4,44,381	4,53,331
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	6	5,00,000	5,00,000	5,00,000
(b) Other Equity	7	(77,972)	(66,736)	(52,077)
Total Equity		4,22,028	4,33,264	4,47,923
(2) Current Liabilities				
(a) Trade Payables	8	8,900	11,117	5,408
Total Current Liabilities		8,900	11,117	5,408
Total Equity & Liabilities		4,30,928	4,44,381	4,53,331
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
22.04.2017

GALAXY KNITS LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2017

(In ₹)

	Note	Year Ended	
		31.03.2017	31.03.2016
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue		-	-
IV. Expenses			
Cost of Materials Consumed		-	-
Changes in Inventories of Finished Goods and Work- in-Progress		-	-
Employee Benefits Expenses		-	-
Finance Costs		-	-
Depreciation and Amortization Expenses		-	-
Other Expenses	9	11,236	14,659
V.Total Expenses		11,236	14,659
VI. Profit Before Tax (III-IV)		(11,236)	(14,659)
VII. Tax Expense			
Current Tax			
- Pertaining to Current Year		-	-
Net Tax Expenses		-	-
VIII. Profit for the Year (VI-VII)		(11,236)	(14,659)
IX. Other Comprehensive Income		-	-
X. Total Comprehensive Income for the period (VIII+IX)		(11,236)	(14,659)
Earnings per Equity Share:			
Basic & Diluted (in ₹)	13	(0.22)	(0.29)
See 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

Coimbatore
 22.04.2017


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
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS		Year Ended 31.03.2017	Year Ended 31.03.2016
		(In ₹)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax for the year		(11,236)	(14,659)
Operating Profit Before Working Capital Changes		(11,236)	(14,659)
Changes in Working Capital:			
Adjustments for Increase / (Decrease) in Operating Liabilities:			
Trade Payables		(2,217)	5,709
Cash Generated From Operations		(13,453)	(8,950)
Net Cash Generated from Operating Activities	(A)	(13,453)	(8,950)
Net Cash Flow from / (Used In) Investing Activities	(B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Net Cash Flow From Used In Financing Activities	(C)	-	-
Net Increase in Cash and Cash Equivalents	(A+B+C)	(13,453)	(8,950)
Add: Opening Cash and Cash Equivalents		3,99,516	4,08,466
Closing Cash and Cash Equivalents (Refer Note No 4)		3,86,063	3,99,516
Closing Cash and Cash Equivalents Comprises:			
(a) Cash on Hand		3,35,248	3,48,701
(b) Balance with Banks:			
In Current Accounts		50,815	50,815
		3,86,063	3,99,516
See 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
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
22.04.2017

GALAXY KNITS LIMITED

Statement of changes in Equity for the year ended March 31, 2017

a. Equity Share Capital

(In ₹)

Balance as at April 01, 2015	5,00,000
Changes during the year	-
Balance as at March 31, 2016	<u>5,00,000</u>

Changes during the year	-
Balance as at March 31, 2017	<u>5,00,000</u>


b. Other Equity

(In ₹)

Particulars	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2015	-	-	-	-	(52,077)	(52,077)
Profit for the year	-	-	-	-	(14,659)	(14,659)
Balance as at March 31, 2016	-	-	-	-	(66,736)	(66,736)
Profit for the year	-	-	-	-	(11,236)	(11,236)
Balance as at March 31, 2017	-	-	-	-	(77,972)	(77,972)

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
22.04.2017

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 PREPARATION AND PRESENTATION

STATEMENT OF COMPLIANCE

i) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) For all periods up to and including the year ended 31 March 2016, the Company prepared and presented its financial statements in accordance with Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). These financial statements for the year ended 31 March 2017 are the first financial statements the Company has prepared in accordance with Ind AS.

BASIS OF PREPARATION AND MEASUREMENT

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

B) BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS.

- i. Derivative financial instruments;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- iii. Defined benefit and other long-term employee benefits.

C) USE OF ESTIMATES AND JUDGEMENT

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

A) CASH FLOW STATEMENT

Cash flow are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



B) INVENTORIES

Inventories are valued at the lower of cost (e.g. on FIFO / specific identification method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

C) 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.

D) TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) CURRENT TAX

The tax currently payable is based on taxable profit For the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

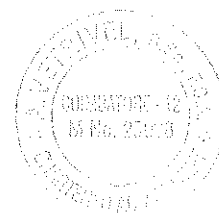
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii) CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.



GALAXY KNITS LIMITED
Notes forming part of the Financial Statements

		As at	As at	As at
		31.03.2017	31.03.2016	01.04.2015
		(In ₹)		
4 CASH AND CASH EQUIVALENTS				
(a) Cash on Hand *		3,35,248	3,48,701	3,57,651
(b) Balance with Banks				
In Current Accounts		50,815	50,815	50,815
		3,86,063	3,99,516	4,08,466
* The details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 are:				
		(in ₹)		
	Particulars	SBN	Other Notes	Total
	Closing cash on hand as on November 08, 2016	-	3,35,657	3,35,657
	Add : Permitted receipts	-	-	-
	Less : Permitted payments	-	-	-
	Less : Amount deposited in Banks	-	-	-
	Closing cash on hand as on December 30, 2016	-	3,35,657	3,35,657
5 OTHER CURRENT ASSETS				
	Others (Pre operative expenses to be capitalised)	44,865	44,865	44,865
		44,865	44,865	44,865
6 SHARE CAPITAL				
a) Authorised				
50,000 (March 31, 2016:50,000 and April1, 2015: 50,000) Equity Shares of ₹10 each		5,00,000	5,00,000	5,00,000
		5,00,000	5,00,000	5,00,000
b) Issued, Subscribed & Fully Paid up				
50,000 (March 31, 2016: 50,000 and April1, 2015: 50,000) Equity Shares of ₹10 each fully paid-up		5,00,000	5,00,000	5,00,000
		5,00,000	5,00,000	5,00,000



6.1 Equity Shares :

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. The holder of each equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

6.2 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity Shares with voting rights	For the year ended 31.03.2017		For the year ended 31.03.2016	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
At the beginning of the period	50,000	5,00,000	50,000	5,00,000
Changes during the year	-	-	-	-
Outstanding at the end of the period	50,000	5,00,000	50,000	5,00,000

6.3 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

7 OTHER EQUITY**Retained Earnings**

Opening Balance

Add: Profit / (Loss) for the year

Closing Balance**CURRENT LIABILITY****8 TRADE PAYABLES**

Other than Acceptances

As at	As at	As at
31.03.2017	31.03.2016	01.04.2015
(In ₹)		
(66,736)	(52,077)	(42,051)
(11,236)	(14,659)	(10,026)
(77,972)	(66,736)	(52,077)
8,900	11,117	5,408
8,900	11,117	5,408



GALAXY KNITS LIMITED
Notes Forming part of the Financial Statements

(In ₹)

			Year Ended	
			31.03.2017	31.03.2016
9 OTHER EXPENSES				
Administration Expenses				
Payment to Auditor			8,627	11,050
General Expenses			2,609	3,609
			11,236	14,659



GALAXY KNITS LIMITED**Notes forming part of the Financial Statements****10 Payment to Auditors****(in ₹)**

Particulars	2016-17	2015-16
Audit Fees	7,500	7,500
Tax Audit and Tax Matters	-	2,423
Expenses (incl. Service Tax)	1,127	1,127
Total	8,627	11,050

11 Micro, Small and Medium Enterprises

In accordance with the Notification No: G.S.R.679 (E) dated 04.09.2015 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.

12 Related Party disclosures

In accordance with "Ind AS" 24 – "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:

12.1 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 Motor Private Limited M/s K P R Charities M/s K.P.R.Sugar Mill Limited

13 Earnings Per Share (EPS)**(in ₹)**

Particulars	2016-17	2015-16
Profit After Tax (₹)	(11,239)	(14,659)
Weighted average number of Shares	50,000	50,000
EPS (₹) Basic & Diluted	(0.22)	(0.29)
Face Value Per Share (₹)	10	10



P.Nataraj
Director

