



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

AUDITOR'S REPORT

Date :

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, 2018, 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

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.



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

I am also responsible to conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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, 2018, and its Loss, and cash flows for the year ended on that date.

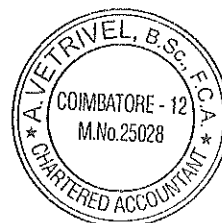
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.



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- 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and 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.
- 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.



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- iv. The disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended March'2018. However amounts as appearing in the audited Ind AS financial statements for the year ended March 31' 2017 have been disclosed.

**DATE : 19.04.2018
PLACE : COIMBATORE**


**A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
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**M/S.GALAXY KNITS LIMITED
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Annexure "A" to the Independent Auditor's Report for the year ended 31st March 2018

(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 31.3.2018.

2. In respect of inventories:

There is no opening inventory as on 01.04.2017 and closing inventories of the Company as on 31.03.2018.

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.



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COIMBATORE**

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, GST, Cess and any other material statutory dues applicable to it with the appropriate authorities to the company as on 31.03.2018.
 - 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, GST, Cess and other material statutory dues in arrears as at 31st March, 2018 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 2017-18, 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 2017-18.
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.



**M/S.GALAXY KNITS LIMITED
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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.
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-IA of the Reserve Bank of India Act, 1934.

DATE : 19.04.2018
PLACE : COIMBATORE


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MEMBERSHIP NUMBER : 025028

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COIMBATORE**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **GALAXY KNITS LIMITED** ("the Company") as of 31.03.2018 in conjunction with my audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.



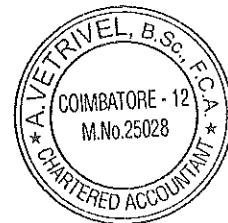
M/S.GALAXY KNITS LIMITED
COIMBATORE

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
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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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**DATE : 19.04.2018
PLACE : COIMBATORE**


**A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
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GALAXY KNITS LIMITED
BALANCE SHEET AS AT 31.03.2018


	Note	As at 31.03.2018	As at 31.03.2017
		(In ₹)	
(1) Current assets			
(a) Cash and cash equivalents	4	3,86,063	3,86,063
(b) Other current assets	5	44,865	44,865
Total current assets		4,30,928	4,30,928
Total assets		4,30,928	4,30,928
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	6	5,00,000	5,00,000
(b) Other equity	7	(94,895)	(77,972)
Total equity		4,05,105	4,22,028
(2) Current liabilities			
(a) Trade payables	8	25,823	8,900
Total current liabilities		25,823	8,900
Total equity & liabilities		4,30,928	4,30,928

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
DIN: 00003736


A. Vetrivel
Chartered Accountant


KPD Sigamani
Director
DIN: 00003744


P. Nataraj
Director
DIN : 00229137

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
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Coimbatore
19.04.2018

GALAXY KNITS LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2018

(In ₹)

	Note	Year Ended	
		31.03.2018	31.03.2017
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	16,923	11,236
V.Total Expenses		16,923	11,236
VI. Profit Before Tax (III-IV)		(16,923)	(11,236)
VII. Tax Expenses			
Current Tax			
- Pertaining to Current year		-	-
Net Tax Expenses		-	-
VIII. Profit for the Year (VI-VII)		(16,923)	(11,236)
IX. Other Comprehensive Income		-	-
X. Total Comprehensive Income for the period (VIII+IX)		(16,923)	(11,236)
Earnings per Equity Share (EPS)			
Basic & Diluted EPS (in ₹)	13	(0.34)	(0.22)
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
 DIN: 00003736


A.Vetrivel
 Chartered Accountant


KPD Sigamani
 Director
 DIN: 00003744


P.Nataraj
 Director
 DIN : 00229137

Coimbatore
 19.04.2018

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GALAXY KNITS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

PARTICULARS		Year Ended 31.03.2018	Year Ended 31.03.2017
		(In ₹)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax for the year		(16,923)	(11,236)
Operating Profit Before Working Capital Changes		(16,923)	(11,236)
Changes in Working Capital:			
Adjustments for Increase / (Decrease) in Operating Liabilities:			
Trade Payables		16,923	(2,217)
Cash Generated From Operations		-	(13,453)
Net Cash Generated from Operating Activities	(A)	-	(13,453)
Net Cash Flow from / (Used In) Investing Activities	(B)	-	-
Net Cash Flow From Used In Financing Activities	(C)	-	-
Net Increase in Cash and Cash Equivalents	(A+B+C)	-	(13,453)
Add: Opening Cash and Cash Equivalents		3,86,063	3,99,516
Closing Cash and Cash Equivalents (Refer Note No 4)		3,86,063	3,86,063
Closing Cash and Cash Equivalents Comprises:			
(a) Cash on Hand		3,35,248	3,35,248
(b) Balance with Banks:			
i) In Current Accounts		50,815	50,815
		3,86,063	3,86,063
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

DIN: 00003736


KPD Sigamani
Director
DIN: 00003744


P. Natara
Director
DIN: 00229137


A. Vetrivel
Chartered Accountant

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Coimbatore
19.04.2018

GALAXY KNITS LIMITED

Statement of changes in Equity for the year ended March 31, 2018

a. Equity share capital

	(in ₹)
Balance as at April 01, 2016	5,00,000
Changes during the year	-
Balance as at March 31, 2017	5,00,000
Changes during the year	-
Balance as at March 31, 2018	<u>5,00,000</u>

b. Other Equity

b.Other Equity				(In ₹)
Particulars	Capital Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2016	-	-	(66,736)	(66,736)
Profit for the year	-	-	(11,236)	(11,236)
Balance as at March 31, 2017	-	-	(77972)	(77972)
Profit for the year	-	-	(16,923)	(16,923)
Balance as at March 31, 2018	-	-	(94,895)	(94,895)

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy

Director

DIN: 00003736


KPD Sigamani

Director

DIN: 00003744


P. Nataraj

Director

DIN: 00229137


A. Vetrivel

Chartered Accountant

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Coimbatore

19.04.2018

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 BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements for the year ended March 31, 2018 (including comparatives) are authorised by the Board on April 19, 2018.

(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.

Details of the Company's accounting policies are included in note 3.

B) BASIS OF MEASUREMENT

These financial statements have been prepared on a historical cost basis and on an accrual basis, except for the following items:

- i. Derivative financial instruments measured at fair value through profit and loss;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- iii. Net defined (asset) / liability measured at fair value & plan assets less present value of obligations.

C) USE OF ESTIMATES AND JUDGEMENT

In preparing these financial statements, management has made 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 an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information has been rounded-off to the nearest lakhs, unless otherwise indicated.

A) CASH FLOW STATEMENT

Cash flows 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. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.



B) INVENTORIES

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using first-in first-out / specific identification method. and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expense incurred in bringing them to their present location and condition. Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.

C) REVENUE RECOGNITION

Revenue from sale of goods is recognized when the significant risks and rewards of ownership is transferred. The Company has considered the detailed criteria for the recognition of revenue from the sale of goods and from rendering of services set out in Ind AS 18 "Revenue" and in particular transfer of risks and rewards of ownership of the goods and flow of economic benefits associated with the transaction. Revenue from sales is stated net of discounts, rebates and taxes.

D) INCOME TAXES

Income tax expense represents current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i) CURRENT TAX

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax liabilities and current tax assets are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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.

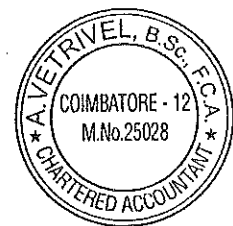
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

iii) Recognition

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
		31.03.2018	31.03.2017
		(In ₹)	
4 CASH AND CASH EQUIVALENTS			
(a) Cash on Hand		3,35,248	3,35,248
(b) Balance with Banks			
In Current Accounts		50,815	50,815
		3,86,063	3,86,063
5 OTHER CURRENT ASSETS			
Others (Pre operative expenses to be capitalised)		44,865	44,865
		44,865	44,865
6 SHARE CAPITAL			
a) Authorised			
50,000 (Pr.Yr. 50,000) Equity Shares of ₹ 10 each		5,00,000	5,00,000
		5,00,000	5,00,000
b) Issued, Subscribed & Fully Paid up			
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



GALAXY KNITS LIMITED**Notes forming part of the Financial Statements****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 31.03.2018		For the year ended 31.03.2017	
Particulars	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
31.03.2018	31.03.2017
(In ₹)	
(77,972)	(66,736)
(16,923)	(11,236)
(94,895)	(77,972)
25,823	8,900
25,823	8,900



GALAXY KNITS LIMITED

Notes Forming part of the Financial Statements

(In ₹)

			Year Ended	
			31.03.2018	31.03.2017
9	OTHER EXPENSES			
	Administration Expenses			
	Payment to Auditor (Refer Note 10)		8,850	8,627
	General Expenses		8,073	2,609
			16,923	11,236



GALAXY KNITS LIMITED

Notes forming part of the Financial Statements

10 Payment to Auditors

(in ₹)

Particulars	2017-18	2016-17
Audit Fees	7,500	7,500
Tax Audit and Tax Matters	-	-
Expenses (incl. Service Tax)	1,350	1,127
Total	8,850	8,627

11 Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number in accordance with the Micro, Small and Medium Development Act, 2006. In this regard, the Company had circulated letters to suppliers about their coverage under the said Act. Since there was no response from suppliers, necessary disclosures as required under section 22 of the Micro, Small and Medium Development Act, 2006 have not been made in these financial statements. Further, in view of the Management, the impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material. The Company has not received any claim for interest from any such supplier as at the balance sheet date.

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 Management 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



GALAXY KNITS LIMITED

Notes forming part of the Financial Statements

13 Earnings Per Share (EPS)**(in ₹)**

Particulars	2017-18	2016-17
Profit for the year attributable to equity shareholders (₹)	(16,923)	(11,239)
Weighted average number of Shares	50,000	50,000
Face Value Per Share (₹)	10	10
Earnings Per Share (₹) - Basic and Diluted	(0.34)	(0.22)

The notes from 1 to 13 are an integral part of these financial statements.

For and on behalf of the Board of Directors

"To be read with my report of even date"



K.P. Ramasamy
Director
DIN: 00003736



A. Vetrivel
Chartered Accountant



KPD Sigamani
Director
DIN: 00003744



P. Nataraj
Director
DIN : 00229137

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Ph : 2495760, 4378813

Coimbatore
19.04.2018