

**DIRECTORS REPORT**  
**OF**  
**KK SILK MILLS LIMITED**  
**(FORMALLY KNOWN AS KK SILK MILLS PRIVATE**  
**LIMITED)**  
**FOR THE FINANCIAL YEAR 2020-21**

**NAMES OF PAST AND PRESENT DIRECTORS OF THE COMPANY WITH DIRECTOR**  
**IDENTIFICATION NUMBERS (DIN)<sup>1</sup>**

1. Manishkumar Kantilal Shah	Managing Director	(DIN: 00040966)
2. Nilesh Kantilal Jain	Whole time Director	(DIN: 00040930)
3. Pinky Nilesh Shah	Director	(DIN: 00040883)
4. Ashaben Manish Shah	Director	(DIN: 00041005)
5. Mahaveer Patwari	Independent Director	(DIN: 00932118)
6. Rakeshkumar Puranmal Giria	Independent Director	(DIN: 01974152)

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<sup>1</sup> The above disclosure has been given in accordance with Section 158 of Companies Act 2013, and reference of any of the above directors made in this document be read along with the above disclosure of their respective Director Identification Numbers



# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

## DIRECTORS' REPORT

TO  
THE MEMBERS,  
KK SILK MILLS PRIVATE LIMITED  
(FORMALLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)  
ADDRESS :- 24A, SIDDHI VINAYAK BUILDING,  
OLD MANUMAN 1<sup>ST</sup> CROSS LANE, KALBHADEVI,  
MUMBAI 400002, MAHARASHTRA, INDIA.

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL STATEMENTS & RESULTS:

#### a. FINANCIAL RESULTS:

The Company's performance during the year ended 31<sup>st</sup> March, 2021 as compared to the previous Financial Year, is summarized below:

Particulars	(Rs. In Lakhs)	
	For the Financial Year ended 31 <sup>st</sup> March, 2021	For the Financial Year ended 31 <sup>st</sup> March, 2020
Income	8,051.57	18,008.17
Less: Expenses	8,006.54	17,845.81
Profit/ (Loss) before tax	45.04	162.37
Less: Provision for tax	-	-
Current Tax	13.29	29.53
Income Tax of earlier years w/off	-	-
MAT Credit Entitlement	-	0
MAT Credit Utilization	-	4.08
Deferred Tax	(1.21)	(10.96)
Profit after Tax	32.95	139.72

#### APPROPRIATION:

Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	32.95	139.72

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TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com

Factory : Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



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**b. OPERATIONS:**

The Company continues to be engaged in the activities pertaining to carry the business of manufacturing of cloth and processing, calendaring including running of hand and power process of buying, selling, importing, distributing and dealing in textiles, cotton, woolen, synthetic fibers, both with natural and manmade and artificial fibers and polyester.

There was no change in nature of the business of the Company, during the year under review.

**c. DIVIDEND:**

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the Financial Year under review.

**d. UNPAID DIVIDEND & IEPF:**

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

**e. TRANSFER TO RESERVES:**

The Company has not transferred any amount to General Reserve.

**f. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

**g. DEPOSITS:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**h. LOANS FROM DIRECTORS OR DIRECTOR'S RELATIVES:**

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During the Financial Year under review, the Company has not borrowed the any amount(s) from Directors or Director's Relatives.

**i. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All transactions/contracts/arrangements entered into by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the Financial Year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

**j. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure I** which forms part of this Report.

**k. ANNUAL RETURN:**

The Company does not have any functional website and hence, the Annual Return referred to in Section 92(3) has not been placed on the website.

**l. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:**

The Company has not made any loans, guarantees and investments covered under section 186 of the Act.

**m. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

**n. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the

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Company for inefficiency or inadequacy of such controls.

2.

## MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

There was no change in Directorship of the Company during the year under review.

The Company was not required to appoint any Key Managerial Personnel.

#### i. RETIREMENT BY ROTATION

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Manishkumar Kantilal Shah retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend their approval.

### b. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

The term of Mr. Mahaveer Patwari and Mr. Rakeshkumar Giria as Independent Directors for 5 years shall expire on 13<sup>th</sup> June 2023.

### c. REMUNERATION / COMMISSION DRAWN FROM HOLDING / SUBSIDIARY COMPANY:

The Company does not have any Holding Company / Subsidiary Company.

3.

## DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

### a. BOARD MEETINGS:

The Board of Directors met 09 times during the Financial Year ended 31<sup>st</sup> March 2021 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The Company has complied with the applicable Secretarial Standards in respect of

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all the above Board meetings.

**b. AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Audit Committee comprises of:

1. Mr. Mahaveer Patwari, Independent Director, Chairman,
2. Mr. Rakeshkumar Giria, Independent Director and Member,
3. Mr. Manishkumar Shah, Managing Director, Member.

The Audit Committee met 3 times during the Financial Year ended 31<sup>st</sup> March 2021.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

**c. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The composition of the committee is as under:

1. Mr. Mahaveer Patwari, Independent Director, Chairman,
2. Mr. Rakeshkumar Giria, Independent Director, Member,
3. Ms. Pinky Shah, Non - Executive Director.

The Nomination & Remuneration Committee met 1 (one) time during the Financial Year ended 31<sup>st</sup> March 2021.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

**d. RISK MANAGEMENT POLICY:**

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The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

#### 4. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

##### a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021:

Following observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March 2020, along with the comments of the board on the same.

- a. "Company has not provided provision for Gratuity which is not in line with Accounting Standard -15 relating to accounting for retirement benefits in the financial statements of the employer."

*In our industry employee Turnaround Ratio/Attrition Rate is very high and looking at past trend it appears large number of employees/workers leave the organization Before Completing Five years of Job Profile and since gratuity is payable after five years of completion of Service.*

*Management has taken consideration of the above trends and has decided not to make any provision as required under the respective accounting standard and decided to pay gratuity as and when it became due to any employee who complete five years of service.*

##### b. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. A. P. Sanzgiri and Co. (FRN: 116296W), Chartered Accountants, the Statutory Auditors of the Company have been appointed for a term of 5 years and they continue to be the Statutory Auditors of the Company till the conclusion of Annual General Meeting of the Company for Financial Year 2023-24.

##### c. MAINTENANCE OF COST RECORDS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the

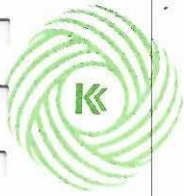
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Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain Cost Records under Rule 3 of the said Rules. Accordingly, the Company has duly maintained the Cost Records in the format prescribed in Form CRA-1 under Rule 5 of the said Rules.

**d. COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 15<sup>th</sup> September, 2020, appointed M/s. Satish Kumar Gupta, Cost Accountants as the Cost Auditors of the Company for the Financial Year 2020-21 pertaining to plastic parts and other relevant Products.

The Cost Audit Report has been placed before the Board of Directors for its approval at the Board meeting held on 11<sup>th</sup> November, 2021, which will be filed within the stipulated period of 180 days from the closure of the Financial Year.

**e. REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12):**

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**5. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2021, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the

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Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profit of the Company for that year;

- c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c. DISCLOSURE REGARDING INTERNAL COMPLAINTS COMMITTEE:**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**d. DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**e. DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**f. DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**g. DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

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6. **ACKNOWLEDGEMENTS AND APPRECIATION:**

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

FOR AND ON BEHALF OF THE BOARD  
KK SILK MILLS LIMITED  
(FORMALLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)

MANISHKUMAR SHANTILAL SHAH  
MANAGING DIRECTOR  
DIN: 00040966  
ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO. 402,  
GIRNAR TOWER, ABHYUDAY NAGAR,  
KALACHOWKI, MUMBAI 400 033,  
MAHARASHTRA, INDIA.

NILESH KANTILAL JAIN  
WHOLETIME DIRECTOR  
DIN: 00040930  
ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO. 402,  
GIRNAR TOWER, ABHYUDAY NAGAR,  
KALACHOWKI, MUMBAI 400 033,  
MAHARASHTRA, INDIA.

DATE: 11/11/2021  
PLACE: MUMBAI

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of K K SILK MILLS LIMITED**

**(Formerly known as K K SILK MILLS PRIVATE LIMITED)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **K K SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Cash Flow Statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, *except for the effects of the matter described in the next Paragraph "Basis for Qualified Opinion"* of the state of affairs of the Company as at March 31, 2021, profit and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We draw attention to Note No 28 to the financial statements where Company has not provided provision for Gratuity which is not in line with Accounting Standard -15 relating to accounting for retirement benefits in the financial statements of the employer.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are 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 our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

"The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance."





## **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 Companies (Auditor Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure A**, a statement on the matter specified under Paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except As-15 i.e. "Accounting for Employee Benefit" as mentioned in Basis for Audit Qualified Opinion para*
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 our separate report in "**Annexure B**". Our 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 the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For A.P. Sanzgiri & Co.  
Chartered Accountants  
Firm's Registration No. 116293W

*Satish Kumar Gupta*

Satish Kumar Gupta  
Partner  
UDIN: 22101134-AAAA-AE 1850  
Membership No: 101134

Place: Mumbai  
Date: November 11, 2021





**Annexure-A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KK Silk Mills Limited (Formerly known as KK Silk Mills Private Limited))

**I. FIXED ASSETS**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanation given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**II. INVENTORIES**

During the operating cycle of the Company, Management regularly conduct physical verification of finished goods, raw material and store & spares which in our opinion is reasonable with regard to the size & nature of the Company's business. The discrepancies noticed on such verification were not significant and the same have been properly dealt with in the books of accounts.

**III. LOAN AND ADAVNCS**

The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act, therefore paragraph iii (a) to (c) of the Order, is not applicable to the Company.

- IV.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act, with respect to the loans and investment made.

- V.** The Company has not accepted any deposits from public.

**VI. COST RECORDS**

According to the information and explanations given to us, cost records were maintained by the Company pursuant to the Order of the Central Government under Section 148(1) of the Act.



## **VII. STATUTORY DUES**

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods & service tax, duty of customs, cess, Provident fund, professional tax and other statutory dues have been regularly deposited by the company during the year with the appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of goods & service tax, provident fund, income tax, professional tax, duty of customs, cess and any other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of duty of customs, goods & service tax which have not been deposited with the appropriate authorities on account of any dispute.

**VIII.** In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and bank. The Company has not taken any loan from Government and has not issued any debenture during the year.

**IX.** The Company has not raised any money by way of initial public offer or further public offer (including debt instrument). However, in our opinion and according to information and explanation given to us, the Company has utilized the money raised by term loan during the year for the purpose for which they were raised.

**X.** According to information and explanations given to us, no fraud by the Company or on the Company by the officer or employees has been noticed or reported during the course of our Audit.

**XI.** In our opinion and according to the information and explanations give to us, the Company has paid /provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

**XII.** In our opinion and according to the information and explanations given to us, 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 us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the financial statements as required by applicable Accounting Standard.

**XIV.** According to information and explanations given to us, and based on our 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.

**XV.** According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. 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.

**For A.P. Sanzgiri & Co.**  
Chartered Accountants  
Firm's Registration No. 116293W

*Satish Kumar Gupta*

**Satish Kumar Gupta**  
Partner  
**UDIN: 22101134AAAAAE1850**  
Membership No: 101134

**Place: Mumbai**  
**Date: November 11, 2021**



## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **KK SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED)** ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 ('ICAI'). 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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 our opinion, to best of our information and according to the explanation given to us, 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 31 March 2021, 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.

**Place: Mumbai**

**Date: November 11, 2021**

**For A.P. Sanzgiri & Co.**

Chartered Accountants

Firm's Registration No. 116293W



**Satish Kumar Gupta**

Partner

**UDIN: 22101134AAAAAC1850**

Membership No: 101134



**Computation for F.Y. Apr 21 - March 22**

	Profit as per P&L a/c	45,03,657.48
Add:	Depreciation as per books	2,53,01,968.48
	Donation	3,00,000.00
		<u>2,56,01,968.48</u>
Less:	Depreciation as per Income Tax	2,45,46,298.55
	Profit on sale of Machinery	2,96,593.00
		<u>2,48,42,891.55</u>
	Gross Total Income	<u>52,62,734.41</u>
	Less: Deduction	
	U/S 80G	1,50,000.00
	Total Taxable Income	<u>51,12,734.41</u>
	Round Off u/s 288A	<u>51,12,740.00</u>
Add:	Tax as per Income Tax	12,78,185.00
	Surcharge	-
Add:	Secondary and Higher Education Cess	51,127.40
	Total	<u>13,29,312.40</u>
Add:	Tax as per MAT	6,75,548.62
	Surcharge	-
Add:	Secondary and Higher Education Cess	27,021.94
	Total	<u>7,02,570.57</u>
	MAT credit carry forward	-
	Tax Payable	13,29,312.40
	Less : Mat Credit utilised	<u>-</u>
		<u>13,29,312.40</u>
	Less: TDS as per 26as	<u>16,78,716.00</u>
		<u>16,78,716.00</u>
		(3,49,403.60)
	234A	
	234B	
	234C	-
	Payable/(Refund)	<u>(3,49,400.00)</u>

**For K K SILK MILLS LTD.**

*[Signature]*  
Managing Director

**For K K SILK MILLS LTD.**

*[Signature]*  
Wholtime Director



**K K SILK MILLS LIMITED**  
(Formerly known as K K SILK MILLS PRIVATE LIMITED)  
**BALANCE SHEET AS AT MARCH 31, 2021**

(Rs in Lacs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	3	746.97	746.97
(b) Reserves and surplus	4	2,392.68	2,359.73
2 Share Application Money Pending Allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	816.30	1,497.11
(b) Deferred tax liabilities (Net)	6	211.51	212.72
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings	7	3,185.16	3,404.50
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(c) Other current liabilities	8	1,794.72	2,389.32
(d) Short-term provisions	9	1,145.75	377.86
		88.32	34.30
<b>TOTAL</b>	<b>13.293124</b>	<b>10,381.41</b>	<b>11,022.50</b>
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,999.37	3,164.48
(ii) Capital work-in-progress		-	-
(b) Non current Investments		-	-
(c) Long-term loans and advances	11	21.57	22.03
(d) Other non-current assets	12	26.48	25.01
2 Current assets			
(a) Current investments		-	-
(b) Inventories	13	4,031.10	3,821.20
(c) Trade receivables	14	2,753.29	3,810.45
(d) Cash and cash equivalents	15	17.75	6.11
(e) Short-term loans and advances	16	203.56	129.24
(f) Other current assets	17	328.30	43.97
<b>TOTAL</b>		<b>10,381.41</b>	<b>11,022.50</b>
Significant Accounting Policies	2		

The Notes form integral part of Financial Statements

For and on behalf of  
**A.P SANZGIRI & CO**  
Chartered accountants  
Firm Registration No. 116293W

*Satish Kumar Gupta*  
**SATISH KUMAR GUPTA**  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors

**For K K SILK MILLS LTD.**

*Manish K Shah*  
**Manish K Shah**  
Director  
DIN:00040966  
*Managing Director*

**FOR K. K. SILK MILLS LTD.**

*Nilesh K. Jadhav*  
**Nilesh K. Jadhav**  
Whole time Director  
DIN:000409300  
*Director*

**For K K SILK MILLS LTD.**

*Managing Director*

**K K SILK MILLS LIMITED**  
(Formerly known as K K SILK MILLS PRIVATE LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. In Lacs)

	Particulars	Note No.	2020-21	2019-20
I	Revenue From Operation			
	Sale of Goods & Services	18	7,840.31	17,950.86
II	Other income	19	211.26	57.31
III	<b>Total Revenue (I + II)</b>		<b>8,051.57</b>	<b>18,008.17</b>
IV	Expenses:			
	Cost of materials consumed	20	1,523.69	3,155.29
	Purchase of Stock		4,826.11	12,902.89
	Changes in inventories of finished goods and Garment	21	(174.45)	(395.69)
	Employee benefits expenses	22	412.35	520.71
	Finance costs	23	521.76	529.28
	Depreciation and amortization expenses	10	253.02	249.26
	Other expenses	24	644.06	884.06
	<b>Total expenses(IV)</b>		<b>8,006.54</b>	<b>17,845.81</b>
V	Profit before exceptional and extraordinary items and tax (III-IV)		45.04	162.37
VI	Exceptional items (Income)		-	-
VII	Profit before extraordinary items and tax (V + VI)		45.04	162.37
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		45.04	162.37
X	Tax expense:			
	(1) Current tax		13.29	29.53
	(2) MAT Credit Entitlement			-
	(3) MAT Credit Utilisation			4.08
	(4) Deferred tax		(1.21)	(10.96)
	(5) Taxes of Earlier Years			-
XI	Profit (Loss) for the Year from continuing operations (VII-VIII)		32.95	139.72
XII	Profit/(loss) from discontinuing operations			-
XIII	Tax expense of discontinuing operations			-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-
XV	Profit (Loss) for the Year (XI + XIV)		32.95	139.72
XVI	Earnings per equity share:			
	(1) Basic		0.44	1.87
	(2) Diluted		0.44	1.87
	Significant Accounting Policies	2		

The Notes form integral part of Financial Statements of the financial statements

For and on behalf of  
A.P SANZGIRI & CO  
Chartered accountants  
Firm Registration No. 116293W

*Satish Kumar Gupta*  
SATISH KUMAR GUPTA  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors  
**For K K SILK MILLS LTD. For K K SILK MILLS LTD.**

*Manish K Shah*  
Managing Director  
Manish K Shah  
DIN:00040966

*Nilesh K Jain*  
Managing Director  
Nilesh K Jain  
DIN:00040930



**K K SILK MILLS LIMITED**

(Formerly known as K K SILK MILLS PRIVATE LIMITED)

**Cash Flow Statement for the year ended March 31, 2021**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	Amount	Amount	Amount
<b>A. Cash Flow from Operating Activities</b>				
Profit / (Loss) before taxation		45.04		162.37
Adjustments for:-				
Depreciation & amortisation	253.02		249.26	
Interest income	5.42		(29.68)	
Interest Expenditure	494.04		529.28	
Profit on Sale of Fixed Asset	(2.97)		-	
Profit on Sale of Investment	-		-	
		749.51		748.86
<b>Operating profit/ (Loss) before</b>		<b>794.55</b>		<b>911.23</b>
<b>Changes in Working Capital:</b>				
Increase/(Decrease) in trade payables	(594.60)		25.15	
Increase/(Decrease) in other current liabilities	787.26		(27.23)	
Increase/(Decrease) in Short Term Provisions (Other than Income Tax)	34.65		-	
Increase/(Decrease) in Short Term Borrowings	(219.35)			
(Increase)/Decrease in trade receivables	1,057.16		212.11	
(Increase)/Decrease in inventories	(209.90)		(647.07)	
(Increase)/Decrease in short term loans and advances (Other than Mat Credit)	(74.32)		(37.85)	
(Increase)/Decrease in Long term loans and advances (Other than Advance Tax)	0.46		10.87	
(Increase)/Decrease in other current assets	(284.32)		18.91	
(Increase)/Decrease in other non-current assets	(1.47)	495.59	(2.19)	(447.30)
Taxes paid (net of refunds)		13.29		49.71
<b>Net Cash generated / (used) from Operating Activities</b>	<b>A</b>	<b>1,276.85</b>		<b>414.22</b>
<b>B. Cash flow from Investing Activities</b>				
Sale of Fixed Assets	4.50		-	
Purchase of tangible/intangible assets	(89.44)		(155.48)	
Interest received	(5.42)		29.68	
<b>Net Cash generated / (used) from investing activities</b>	<b>B</b>	<b>(90.36)</b>		<b>(125.80)</b>
<b>C. Cash flow from Financing Activities</b>				
Interest paid	(494.04)		(529.28)	
Proceeds from Borrowings	-		258.73	
Repayment of borrowings	(680.81)		(70.90)	
<b>Net Cash generated / (used) from financing activities</b>	<b>C</b>	<b>(1,174.85)</b>		<b>(341.45)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>11.64</b>		<b>(53.03)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>6.11</b>		<b>59.14</b>
<b>Cash and Cash equivalents at the end of the year</b>		<b>17.75</b>		<b>6.11</b>
<b>Cash And Cash equivalents comprise of :</b>				
Cash on hand		11.80		2.63
Balance With Bank		5.95		3.48
Other Bank Balances				-
<b>Total</b>		<b>17.75</b>		<b>6.11</b>

For and on behalf of  
A.P SANZGIRI & CO  
Chartered accountants  
Firm Registration No. 116293W

Satish Kumar Gupta  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors

**For K K SILK MILLS LTD. For K K SILK MILLS LTD.**

Managing Director  
Manish K Shah  
DIN:00040966

Wholetime Director  
Nilesh K Jain  
DIN:00040930

**KK SILK MILLS LIMITED**  
**(Formerly known as KK SILK MILLS PRIVATE LIMITED)**

**Note 1: Background**

KK SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED) was incorporated in Maharashtra on 26th August 1991. Company is in business of manufacturing, exporting, importing and trading of Garments. Company has industrial units in Umbergaon, Valsad from where it manufactures Garments for sale in Local market respectively.

**Note 2: Statement of Significant Accounting Policies**

**i. Basis of Accounting**

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the generally accepted accounting principles in India, the applicable mandatory accounting standards as notified by Companies (Accounting Standards) Rules, 2014 and the relevant provisions of The Companies Act, 2013.

**ii. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in periods in which the results are known / materialized.

**iii. Fixed Assets**

Fixed Assets are carried at historical cost less depreciation accumulated thereon.

**iv. Depreciation**

Depreciation is systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight line basis over the useful life prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.

For K K SILK MILLS LTD.

  
Director  
Managing



For K K SILK MILLS LTD.

  
Wholetime Director



**v. Impairment of Assets**

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value.

**vi. Valuation of Inventories**

Inventories are valued at Cost or Realizable value, whichever is lower

**vii. Revenue Recognition:**

- I) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Sales are stated net of returns and excluding goods and service tax.
- II) Purchases are accounted at total purchase prices as per the bills. The difference on account of delayed payment, if any, is accounted for at the time of settlement / payment of the respective bill.

**viii. Foreign Exchange Transactions**

- I) Transactions in foreign currencies are recorded at exchange rates existing at the time of the transactions and exchange difference arising from foreign currency transactions are dealt with in the Profit and Loss Statement.
- II) All Assets and Liabilities relating to transactions involving foreign currencies are converted at exchange rates prevailing at the year-end. Any loss or gain arising out of settlements/conversion is adjusted in the Profit and Loss Statement.

**ix. Retirement Benefits**

Retirements benefits to the staff such as gratuity are accounted when the amounts become payable.

**x. Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of asset. Other borrowing costs are recognized as an expense in the period for which they are incurred.

For K K SILK MILLS LTD

  
Managing Director



For K K SILK MILLS LTD.

  
Wholetime Director

**xi. Material Events**

Material events occurring after the Balance Sheet date are taken into cognizance.

**xii. Provision, Contingent Liabilities and Contingent Assets:**

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

**xiii. Taxation**

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

Deferred tax is recognized, subject to prudence, on timing difference, being the tax on difference between the taxable income and the accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized

**xiv. Earnings Per Share**

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.



For K K SILK MILLS LTD.

  
Managing Director

For K K SILK MILLS LTD.

  
Wholetime Director



# K K SILK MILLS LIMITED

## Note 3 : Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorised</b> Equity Shares of Rs. 10 each	1,12,50,000	1,125.00	1,12,50,000	1,125.00
<b>Issued</b> Equity Shares of Rs. 10 each	74,69,680	746.97	74,69,680	746.97
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each fully paid up	74,69,680	746.97	74,69,680	746.97
<b>Total</b>	<b>74,69,680</b>	<b>746.97</b>	<b>74,69,680</b>	<b>746.97</b>

### (a) Reconciliation of number of shares

Particulars	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	74,69,680	746.97	37,34,840	373.48
Shares Issued during the year	-	-	37,34,840	373.48
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>74,69,680</b>	<b>746.97</b>	<b>74,69,680</b>	<b>746.97</b>

### (b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ms. Dharmiben Shah	18,88,400	25.28%	18,88,400	25.28%
Ms. Asha Shah	10,93,200	14.64%	10,93,200	14.64%
Mr Manish K Shah	12,01,280	16.08%	12,01,280	16.08%
Mr Nilesh K Shah	10,79,768	14.46%	10,79,768	14.46%
M/s Manish Shah (IUIF)	5,07,698	6.80%	5,07,698	6.80%
KDM Textiles	4,73,020	6.33%	4,73,020	6.33%
Mr Kantilal Shah	0	0.00%	0	0.00%
Ms. Pinky N Shah	4,38,066	5.86%	4,38,066	5.86%
	<b>66,81,432</b>	<b>89.45%</b>	<b>66,81,432</b>	<b>89.45%</b>

For K K SILK MILLS LTD.

*[Signature]*  
Managing Director



For K K SILK MILLS LTD.

*[Signature]*  
Director

## Note 4 : Reserves &amp; Surplus

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Securities Premium Account</b>		
Opening Balance	1,012.03	1,012.03
Add : Securities premium credited on Share issued	-	-
Less : Premium Utilised	-	-
Closing Balance	1,012.03	1,012.03
<b>b. General Reserves</b>		
Opening Balance	35.96	35.96
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	35.96	35.96
<b>c. Capital Reserve</b>		
Opening Balance	8.02	8.02
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	8.02	8.02
<b>d. Surplus</b>		
Opening balance	1,303.72	1,164.00
(+) Net Profit/(Net Loss) for the year	32.95	139.72
Closing Balance	1,336.66	1,303.72
<b>Total</b>	<b>2,392.68</b>	<b>2,359.73</b>

## Note 5 : Long Term Borrowings

(Rs in Lacs)

Particular	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>(a) Term loans</b>		
<b>From Banks</b>	1,063.28	315.26
Secured by hypothecation charge on fixed assets of the Company acquired out of bank finance.		
Repayable in 22 to 66 installment		
<b>From NBFC</b>	608.06	605.56
Secured by Immovable Properties		
<b>Less: Disclosed under Current Liabilities</b>		
- Transfer to Current Maturity on Long term borrowing.	930.21	209.55
	741.13	711.27
<b>Unsecured</b>		
<b>From Banks</b>	126.31	153.11
<b>From Other</b>	-	2.23
<b>Less: Disclosed under Current Liabilities</b>		
- Transfer to Current Maturity on Long term borrowing.	51.13	36.19
	75.18	119.15
<b>Loan &amp; Advances from Related Parties</b>		
Repayable in three Years	-	10.21
<b>From Other Parties</b>		
Repayable in three Years	-	656.49
<b>Total</b>	<b>816.30</b>	<b>1,497.11</b>

For K K SILK MILLS LTD.

Managing Director



For K K SILK MILLS LTD.

Wholetime Director



**Note 6: Deferred Tax**

The Company has recognised deferred tax in accordance with the requirement of Accounting Standard-22 on "Accounting for Taxes on Income" as notified under the Companies(Accounting Standards) Rules, 2014. The breakup of Net Deferred Tax Liability(DTL) is as follows :

(Rs in Lacs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Liability</b>		
Difference between Book and Tax Depreciation	211.51	212.72
Sub Total		
<b>Net Deferred Tax Liability / (Assets)</b>	<b>211.51</b>	<b>212.72</b>

**Note 7 : Short Term Borrowings**

(Rs in Lacs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
(a) Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Demand Loan	3,185.16	3,404.50
<b>*Primary Security</b>		
Hypothecation charge on the entire current assets, moveable fixed assets and movable assets held in the company premises, factory land & building, godown, in the name of company		
<b>*Collateral Security</b>		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/1401/1, GIDC, Umergaon(Valsad), Gujrat.		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/603/A, GIDC, Umergaon(Valsad), Gujrat.		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/1401/2, GIDC, Umergaon(Valsad), Gujrat.		
Mortgage charge on Extention of EM on Land(Leasehold right) and building at survey no 141/p, Plot No-406, GIDC, Umergaon(Valsad), Gujrat.		
Mortgage charge on Extention of EM on Flat No-404, GIDC, Umergaon(Valsad), Gujrat.		
Mortgage charge on Extention of Propsed Fixed Assets acquired out of Bank Finance.		
Mortgage charge on Hypothecation of all the Plant & Machinery installed at all Factory Land & building in the name of Company except assets created from Term Loan.		
Mortgage charge on Counter Indemnity of Duly Charged FDRs, Hypothecation of Stock procured under LC & Book Debts created out of the sale of such stocks		
Personnel Gurantee given by directors of the Company.		
	3,185.16	3,404.50
<b>Total</b>	<b>3,185.16</b>	<b>3,404.50</b>

**Note 8 : Other Current Liabilities**

(Rs in Lacs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Borrowing	981.34	245.74
Statutory Liabilities	8.53	15.78
Interest accrued but not due	1.41	0.00
Advance from customer	44.69	7.90
Other Liabilities	109.78	108.42
<b>Total</b>	<b>1,145.75</b>	<b>377.86</b>

For K K SILK MILLS LTD.  
Managing Director



**FOR K. K. SILK MILLS LTD.**

*[Signature]*  
Whole time DIRECTOR

Note 9 : Short Term Provision

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Payable	51.88	-
Electricity Payable	36.44	30.40
Provision of Income Tax	-	3.89
<b>Total</b>	<b>88.32</b>	<b>34.30</b>

K K SILK MILLS LIMITED

Note 11 : Long-term loans and advances

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
(a) Security Deposit	21.57	22.03
<b>Total</b>	<b>21.57</b>	<b>22.03</b>

Note 12 : Other Non Current Assets

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit against Bank Guarantee	26.48	25.01
<b>Total</b>	<b>26.48</b>	<b>25.01</b>

Note 13 : Inventories

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Raw Materials and components	668.71	618.57
b) Stores and Spares	36.48	51.03
c) Finished Garment	578.84	1,062.41
d) Finish Fabrics	2,734.56	2,076.54
e) Incidental Goods	12.50	12.65
<b>Total</b>	<b>4,031.10</b>	<b>3,821.20</b>

Note 14 : Trade Receivables

(Rs in Lacs)

Trade Receivables	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,362.38	3,609.92
Less: Provision for doubtful debts		
	2,362.38	3,609.92
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	390.91	200.52
Less: Provision for doubtful debts		
	390.91	200.52
<b>Total</b>	<b>2,753.29</b>	<b>3,810.45</b>

Note 15 : Cash and Bank Balance

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Cash and Cash Equivalent		
(i) Balances with banks	5.95	3.48
(ii) Cash on hand	11.80	2.63
<b>Total</b>	<b>17.75</b>	<b>6.11</b>

FOR K. K. SILK MILLS LTD.

For K K SILK MILLS LTD.

Managing Director



Whole time DIRECTOR



**K K Silk Mills Private Limited**  
**Financial Statements for the Year ended March 31, 2021**  
**Fixed Assets Schedule - 10**

Particulars	Gross Block			Accumulated Depreciation					Net Block	
	Balance as at 1 April 2020	Additions during the year	Deletion during the year	Balance as at March 31, 2021	Balance as at 1 April 2020	Depreciation charge for the year	Dep on deletion	Adjustment due to Schedule - II	Balance as at 31st March, 2021	Balance as at 31st March 2020
<b>Tangible Assets</b>										
Land	294	-	-	294	0.95	-	-	-	0.95	1.99
Building	337.95	-	-	337.95	143.89	11.29	-	-	135.19	194.05
Plant & Machinery	4,542.05	82.90	30.68	4,594.27	2,735.33	212.67	29.15	-	2,918.86	1806.72
Furniture & Fixtures	39.78	0.81	-	40.58	12.85	3.11	-	-	15.95	26.93
Vehicles	27.44	0.61	-	28.05	12.28	1.82	-	-	14.10	13.95
Residential Building	1,129.90	-	-	1,129.90	26.75	17.87	-	-	44.62	1103.15
Office equipments	13.09	2.22	-	15.32	10.53	1.15	-	-	11.66	2.56
Computer	19.75	-	-	19.75	16.03	1.90	-	-	17.93	3.73
Electrical Installations	77.26	2.90	-	80.16	67.07	3.24	-	-	70.30	10.19
<b>Total Tangible Assets</b>	<b>6,190.16</b>	<b>89.44</b>	<b>30.68</b>	<b>6,248.92</b>	<b>3,025.68</b>	<b>253.02</b>	<b>29.15</b>	<b>-</b>	<b>3,249.55</b>	<b>3,164.48</b>

**For K K SILK MILLS LTD.**

*[Signature]*  
**Managing Director**



**For K K SILK MILLS LTD.**

*[Signature]*  
**Whole time Director**

## Note 16 : Short Term Loans and Advances

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	120.63	60.45
Loan & Advances to Employees	27.79	25.89
Loans & Advances to Others parties	50.82	42.89
Advance Tax (Net of Provision)	4.32	-
<b>Total</b>	<b>203.56</b>	<b>129.24</b>

## Note 17 : Other Current Assets

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	10.81	12.57
Other Current Assets	12.79	31.40
Balance with Revenue Authorities	19.59	-
Insurance Claim Receivable	285.11	-
<b>Total</b>	<b>328.30</b>	<b>43.97</b>

For K K SILK MILLS LTD.

Managing Director

For K K SILK MILLS LTD.

Wholetime Director





# K K SILK MILLS LIMITED

## Note 18 : Revenue From Operation

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Sale of products	7022.50	16,510.5
Service Charges Received	817.81	1,440.3
<b>Total</b>	<b>7,840.31</b>	<b>17,950.86</b>

## Note 19 : Other Income

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Interest Income	5.42	29.68
Other non-operating income (net of expenses directly attributable to such income)		
Other income	0.01	27.63
Insurance claim Income	202.87	-
Profit on Sale of Machinery	2.97	-
<b>Total</b>	<b>211.26</b>	<b>57.31</b>

## Note 20 :Cost of Material Consumed

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Consumption of Raw Material		
Opening Stock	618.57	366.80
Add: Purchase during the Year	1,573.83	3,407.06
Less- loss of inventory due to Flood		
	2,192.40	3,773.86
Less: Closing Stock	788.48	618.57
Less: Stock Loss by Flood	119.77	-
<b>Consumption</b>	<b>1,523.69</b>	<b>3,155.29</b>

### a. Material Includes

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Yarn	1,523.69	3,155.29
<b>Total</b>	<b>1,523.69</b>	<b>3,155.29</b>

## Note 21 : Changes in Inventories in Finished Goods and Garment

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Stock-in -Trade		
Opening Stock	2,076.54	2,135.45
Closing Stock	2,734.56	2,076.54
	-658.02	58.91
Finished Goods		
Opening Stock	1,062.41	607.82
Closing Stock	661.94	1,062.41
Less: Stock Loss by Flood	83.10	
	483.57	-454.60
<b>Total</b>	<b>-174.45</b>	<b>-395.69</b>

For K K SILK MILLS LTD

Managing Director



For K K SILK MILLS LTD.

Note 22 : Employee Benefit Expenses

(Rs in Lacs)

Particulars	2020-2021	2019-2020
(a) Salaries and Wages	325.87	407.02
(b) Labour on Contract	60.68	89.49
(c) Contributions to fund	4.87	2.12
(d) Remuneration to Directors	18.50	16.00
(e) Staff welfare expenses	2.42	6.08
<b>Total</b>	<b>412.35</b>	<b>520.71</b>

Note 23 : Finance Cost

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Interest expense	494.04	494.52
Other borrowing costs	27.72	34.76
<b>Total</b>	<b>521.76</b>	<b>529.28</b>

Note 24 : Other Expenses

(Rs in Lacs)

Particulars	2020-2021	2019-2020
Audit Fees	2.70	2.70
Brokerage and Commission	6.39	12.31
Consumption of incidental Goods	37.78	76.10
Consumption of Stores & Spares	29.14	105.86
Insurance Expense	18.01	5.32
Job Work & Processing Charges (Doubling ,Mending, Warping, Beam charges & Embroidery Charges)	150.81	112.40
Legal & Professional Fees	5.41	13.61
Power & Electricity	230.14	379.89
Printing & Stationery	4.91	6.20
Rent, Rates & Taxes	14.85	9.60
Repairs and maintainence	36.27	36.20
Repairs to building & Furniture	0.08	0.31
Security Expenses	10.76	11.78
Telephone & Internet Charges	1.89	2.19
Transportation Expenses	25.42	31.21
Travelling Expenses	4.29	8.39
Weaving charges	16.47	32.28
Sales Promotion expenses	2.58	9.64
Miscellaneous Expenses	46.15	28.06
<b>Total</b>	<b>644.06</b>	<b>884.06</b>

For K K SILK MILLS LTD.

*[Signature]*  
Managing Director



For K K SILK MILLS LTD.

*[Signature]*  
Wholesale Director



## 25. Dues to Micro & Small Enterprises.

As per the information and records available with the Company, there is no dues to Micro, Small and Medium enterprises as on the date of balance sheet. This information has been relied upon by the statutory auditor.

## 26. Contingent Liability

There are no Contingent Liabilities as on 31st March 2021 (Previous year – Nil)

## 27. Balance confirmations

The balance of unsecured loans, loans and advances, creditors, advances to suppliers and debtors are subject to confirmations.

28. Provision for gratuity is not made as per on the balance sheet date. This, however, is not alien according to **Accounting Standard -15, "Accounting for Employee's Benefit"** issued by ICAI, which requires quantification thereof on the basis of an actuarial valuation. Consequently, the details as required under the said accounting standard have not been furnished.

## 29. Consumption of Raw Materials

Rs. In Lacs

Particulars	2020-2021		2019-2020	
	Rs.	%	Rs.	%
Imported	-	-	-	-
Indigenous	1523.69	100%	3155.29	100%
<b>Total</b>	<b>1523.69</b>	<b>100%</b>	<b>3155.29</b>	<b>100%</b>

## 30. Remuneration paid or payable to Auditors

Rs. In Lacs

Particular	2020-2021	2019-2020
As Statutory Auditor	2.00	2.00
As Tax Auditor	0.70	0.70

## 31. Disclosure as required by AS- 18 (Related Party) issued by ICAI

Related party disclosures (as identified and certified by the management)

- I) Individuals Controlling the enterprises and Key Management Personnel
- Manish Shah (Director)

For K K SILK MILLS LTD.

*[Signature]*  
Managing Director



For K K SILK MILLS LTD.

*[Signature]*  
Whole time Director

- Nilesh Shah (Director)
- Asha M. Shah (Director)
- Pinky N. Shah (Director)
- Mahaveer Patwari (Director)
- Rakesh Kumar Puranmal Giria (Director)

**II) Other Parties where control exists**

- Kantilal B. Shah
- Kantilal B. Shah HUF
- Nilesh K. HUF
- Manish K. HUF

**III) Other Related Parties**

- JK Fabtex Industries Pvt. Ltd.

Rs. In Lacs

Nature of Transaction	2020-2021	2019-2020
<b>Purchases</b>		
- JK Fabtex Industries Pvt. Ltd	76.24	Nil
<b>Sales</b>		
- JK Fabtex Industries Pvt. Ltd		10.01
<b>Job Work Charges</b>		
- JK Fabtex Industries Pvt. Ltd	173.37	182.17
<b>Remuneration</b>		
-Mr. Manish K Shah	6.50	5.00
-Mr. Nilesh Shah	6.00	5.00
- Ms. Pinky Shah	6.00	6.00
<b>Interest Paid</b>		
-JK Fabtex Industries Pvt. Ltd.	17.31	20.07
<b>Rent Received</b>		
-JK Fabtex Industries Pvt. Ltd.	2.18	2.16
<b>Loan &amp; Advances Taken</b>		
-Mr. Manish K shah	7.22	73.16
-Mr. Nilesh Shah	1.40	65.62

For K K SILK MILLS LTD.

Managing Director



For K K SILK MILLS LTD.

Whole time Director



-Mr. Manish K Shah HUF	64.11	Nil
-Mrs. Asha M. Shah	0.24	Nil
-JK Fabtex Industries Pvt. Ltd.	288.05	108.75
<b>Repayment of Loan &amp; Advances Taken</b>		
-Mr. Manish K Shah	12.84	92.18
-Mr. Nilesh K Shah	4.15	63.81
-Manish K Shah HUF	64.11	Nil
-Mrs. Asha M. Shah	1.81	Nil
-Mrs. Pinky N Shah	Nil	14.54
-JK Fabtex Industries Pvt. Ltd.	712.36	Nil
<b>Outstanding Balance- Dr/(Cr)-Loan &amp; Advances</b>		
-Mr. Manish K Shah		
-Mr. Nilesh K Shah	(0.04)	(5.66)
-Mrs. Pinky N Shah	(0.19)	(2.93)
-Mrs. Asha M. Shah	(0.01)	Nil
-JK Fabtex Industries Pvt. Ltd. -Loan	(0.03)	(1.59)
-JK Fabtex Industries Pvt. Ltd.	0.84	(423.46)
<b>Outstanding Balance- Dr/(Cr)-Remuneration</b>	3.26	(26.08)
-Mrs. Pinky N Shah		
-Mr. Manish K Shah	(1.06)	(1.50)
	(0.05)	Nil

### 32. Earnings Per Share

Particular	Rs. In Lacs	
	2020-2021	2019-2020
Net Profit available for Equity Shareholder	32.95	139.72
Weighted average number of equity shares outstanding (No.'s)	74,69,680	74,69,680
Earnings per share - Basic & Diluted (Rs.) (Face value of Re.10 per share)	0.44	1.87

For K K SILK MILLS LTD.

Managing Director



For K K SILK MILLS LTD.

Wholesale Director

33. Since the company has only one reportable segment under Accounting Standard 17 (AS-17) issued by ICAI viz. Textiles, no disclosures are required to comply with the said AS-17. The volumes of other segments are insignificant in this context.
34. Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's presentation.

For K K SILK MILLS LTD.

*[Handwritten Signature]*  
Managing Director



For K K SILK MILLS LTD.

*[Handwritten Signature]*  
Wholesale Director





# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

## LIST OF SHAREHOLDERS AS ON 31.03.2021

NAME & ADDRESS OF SHAREHOLDERS	FATHER'S/ HUSBAND'S NAME	TYPE OF SHARE	NO OF EQUITY SHARES OF RS. 10/- EACH	PERCENTAGE OF SHAREHOLDING
MS. DHARMIBEN SHAH 24 A, SIDDHI VINAYAK BLDG., 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI-400 002	MR. KANTILAL SHAH	EQUITY	18,88,400	25.25
MS. ASHA SHAH 24 A, SIDDHI VINAYAK BLDG., 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI-400 002	MR. MANISH SHAH	EQUITY	10,93,200	14.63
MR. MANISH K SHAH 24 A, SIDDHI VINAYAK BLDG., 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI-400 002	MR. KANTILAL SHAH	EQUITY	12,01,280	16.08
MANISH SHAH (HUF) 24 A, SIDDHI VINAYAK BLDG., 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI-400 002	N.A.	EQUITY	5,07,698	6.79
MR. NILESH K SHAH 25, PREM SAGAR BLDG, 3RD FLOOR, MAZGAON, MUMBAI	MR. KANTILAL SHAH	EQUITY	10,79,768	14.45
MS. PINKY N. SHAH 25, PREM SAGAR BLDG, 3RD FLOOR, MAZGAON, MUMBAI	MR. NILESH SHAH	EQUITY	4,38,066	5.86
KDM TEXTILE 24 A, SIDDHI VINAYAK BLDG, 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI - 400 002	N.A.	EQUITY	4,73,020	6.33
NILESH K. SHAH (HUF) 25, PREM SAGAR BLDG, 3RD FLOOR, MAZGAON, MUMBAI	N.A.	EQUITY	2,93,100	3.92
S.R. TEXTILE INDUSTRIES 24 A, SIDDHI VINAYAK BLDG, 2ND FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI - 400 002	N.A.	EQUITY	2,89,134	3.80
V K SILK MILLS PLOT NO. 603 PHASE 3RDUMERGAON, GIDC	NA	EQUITY	56,514	0.75
HARSHIL M SHAH 402, SIDDHACHAL BUILDING, 4TH ROAD, T.J. ROAD, SEWREE,	MR. MANISH SHAH	EQUITY	1,34,500	1.80

Regd. Office : 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074

Corp. Office : 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.  
TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com

Factory : Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



# K K Silk Mills Ltd.

MUMBAI - 400015		(Formally Known as K K Silk Mills Pvt. Ltd.)		
MR. PRAKASH PRAJAPATI 24 A, SIDDHI VINAYAK BLDG., 2 <sup>ND</sup> FLOOR, OLD HANUMAN LANE, KALBADEVI, MUMBAI-400 002	MR. PRAJAPATI	EQUITY	15,000	0.20
TOTAL			74,69,680	

FOR AND ON BEHALF OF THE BOARD  
K K SILK MILLS LIMITED  
(FORMERLY KNOWN AS K K SILK MILLS PRIVATE LIMITED)

MANISHKUMAR KANTILAL SHAH  
MANAGING DIRECTOR  
DIN: 00040966  
ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO.  
402, GIRNAR TOWER ABHYUDAY  
NAGAR, KALACHOWKI,  
MUMBAI 400 033,  
MAHARASHTRA, INDIA

DATE: 11.11.2021  
PLACE: MUMBAI

Regd. Office : 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074

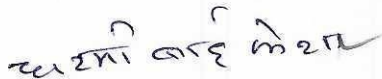
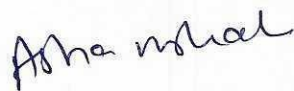
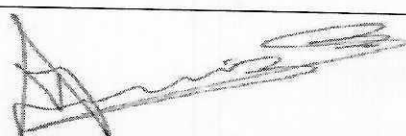
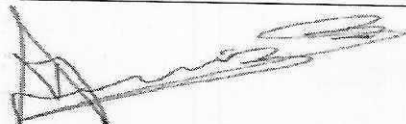

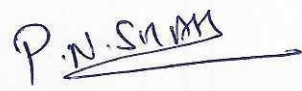
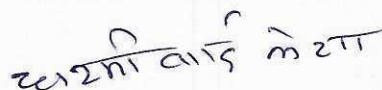

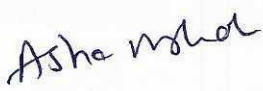



Corp. Office : 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.  
TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com

Factory : Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443





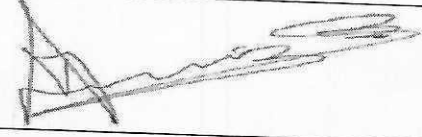
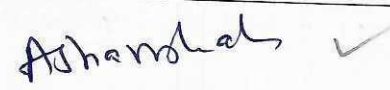

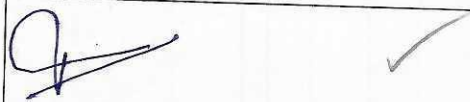
To,  
**K K SILK MILLS LIMITED**

This is to confirm that we have received the Notice and Explanatory statement convening Annual General meeting on 30.11.2021 along with all supporting documents.

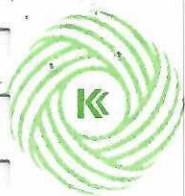
SR. NO	NAMES OF SHAREHOLDERS	SIGNATURE
1.	MS. DHARMIBEN SHAH	
2.	MS. ASHA SHAH	
3.	MR. MANISH K SHAH	
4.	MANISH SHAH (HUF)	
5.	MR. NILESH K SHAH	
6.	MS. PINKY N. SHAH	
7.	MS. DHARMIBEN SHAH AUTHORIZED REPRESENTATIVE KDM TEXTILE	
8.	NILESH K. SHAH (HUF)	
10.	MS. ASHA SHAH AUTHORIZED REPRESENTATIVE S.R. TEXTILE INDUSTRIES	
11.	..... AUTHORIZED REPRESENTATIVE V K SILK MILLS	
12.	HARSHIL M SHAH	
13.	MR. PRAKASH PRAJAPATI	

To,  
K K SILK MILLS LIMITED

This is to confirm that we have received the Notice and Agenda convening Board meeting on 11.11.2021 along with all supporting documents.

SR. NO	NAMES OF DIRECTORS	SIGNATURE
1.	PINKY NILESH SHAH	
2.	NILESH KANTILALJAIN	
3.	MANISHKUMARKANTILAL SHAH	
4.	ASHABEN MANISH SHAH	
5.	MAHAVEER PATWARI	
6.	RAKESHKUMARPURANMAL GIRIA	





# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

Date: 11/11/2021

To,  
MMJC

Subject: Confirmation with reference to the Signing on Annual Return of the Company as on 31<sup>st</sup> March 2020

Dear Sirs,

We hereby confirm the following representations: -

1. The Company has sent Notice and Agenda convening Board meeting on 11/11/2021 along with all supporting documents and Notice and Explanatory statement convening Annual General meeting on 30/11/2021 along with all supporting documents.
2. The Company has kept painted or affixed, the name of the Company and the address of its registered office on the outside of every office or place in which its business is carried on-
  - in a conspicuous position;
  - in letters easily legible; and
  - in English and also in the language (or one of the languages) in general use in the locality where an office or place of business is situated.

The Company has displayed its name, the address of its registered office, Corporate Identity Number along with telephone number, fax number, and website address in-

- all business letters,
  - bill heads,
  - letter papers,
  - notices,
  - other official publications.
3. The Company has maintained books of accounts as required under Section 128 of the Companies Act, 2013.
  4. Cost audit is applicable to the company and Cost Auditor was appointed during the Financial Year 2020-21.
  5. The provisions of Section 135 of Companies Act 2013, i.e., Corporate Social Responsibility are not applicable to the Company
  6. The Company has only the following subsidiaries, associates and joint ventures.

SR NO.	Name of the Subsidiaries & Associate Companies & Joint
--------	--

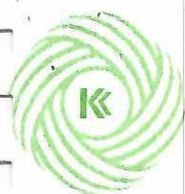
**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

**TEL.:** 022 - 4979 1298 / 4970 8920 • **E-mail :** info@kksilkmills.com

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



# K K Silk Mills Ltd.

	Ventures
1.	Not Applicable (Formally Known as K K Silk Mills Pvt. Ltd.)

7. The Company has commenced any new business / activity during the year 2020-21.
8. The Company is not availing any other services from Statutory Auditors except those which have been approved by the Board of Directors.
9. The Company has calculated depreciation as per Schedule II of Companies Act, 2013, i.e., as per Useful Life method.
10. No member has demanded any copy of Memorandum of Association / Articles of Association of the Company / any agreement or resolution referred to in Section 117(1) in accordance with the provisions of Section 17 and Rule 34 of the Companies (Incorporation) Rules, 2014.
11. The Directors of the Company has not participated in the Board meeting for the transactions in which they were interested.
12. Except the following transactions, the Company has not entered in to any transactions covered under Section 188 of Companies Act 2013 with related party/parties during the financial year 2020-21 and all these transactions are in the ordinary course of business of the Company and are entered at an arm's length basis:

Serial Number	Name of the Related Party	Transaction	Amount in Lakhs
1	J K Fabtex Industries Private Limited	Purchase	Rs. 76.24
2	J K Fabtex Industries Private Limited	Job Work Charges	Rs. 173.37
3	J K Fabtex Industries Private Limited	Interest Paid	Rs. 17.31
4	V K Silk Mills	Rent	Rs. 2.18
5	Manish Shah	Remuneration	Rs. 6.50
6	Nilesh Shah	Remuneration	Rs. 6.00
7	Pinky Shah	Remuneration	Rs. 6.00
8	Manish Shah	Loan Taken	Rs. 7.22
		Loan repaid	Rs. 12.84
9	Nilesh Shah	Loan taken	Rs. 1.40
		Loan Repaid	Rs. 4.15
10	Manish Shah HUF	Loan Taken	Rs. 64.11
		Loan Repaid	Rs. 64.11
11	Asha Shah	Loan Taken	Rs. 0.24
		Loan Repaid	Rs. 1.81
12	JK Fabtex Industries Pvt Ltd	Loan Taken	Rs. 288.05
		Loan Repaid	Rs. 712.36

**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

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**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443





# K K Silk Mills Ltd.

13. The Turnover of the Company for the Financial year ended on 31st March 2021 as per the provisions of Section 2(91) of Companies Act 2013, i.e., means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year is Rs. 7022.50 Lakhs.
14. The Company has proper compliance-mechanism in place for compliance of all applicable laws to the Company.
15. The Company has circulated to all its directors the following documents for the Financial Year 2020-21:-
- Notice and agenda of all Board meetings are circulated at least 7 days prior to the Board meetings,
  - Draft minutes of all Board meetings are circulated within 15 days from the date of Board meetings and
  - Signed minutes of all Board meetings are circulated within 15 days from the date of signing thereof.
16. The Board meets once in quarter wherein they review quarterly performance. The notice of board meetings along with agenda are generally sent to all the directors at least 7 days before the date of Board meeting. In case of Board meetings convened at a shorter notice, consents are taken from all the directors.
17. The minutes of board meeting are circulated to all the directors and are kept in minutes book within 30 days from the date of Board meetings.
18. The views of all the dissenting Directors (if any) on important matters have been captured and recorded in the minutes.
19. Resolutions were passed by way of circulation during the year under review other than those recorded in the subsequent Board meeting minutes.
20. The Company has not borrowed any money in contravention of provisions of Section 73 and 74 of the Companies Act, 2013.
21. The Company has not financed directly / indirectly for purchase of its own shares during the financial year.
22. The Security provided to Bank(s) for availment of funds, if any, were registered with ROC and the same are disclosed in the financials of the Company.
23. All investments made and held by the Company are held in its own name.
24. Auditors Comments on the items covered under Companies (Auditors' Report) Order, 2015 (CARO) applicable to the company.

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**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

25. The Company has calculated depreciation as per Schedule II of Companies Act, 2013, i.e., as per Useful Life method.
26. The Company has updated and maintained all the statutory registers at the Registered Office of the Company.
27. The entries in the statutory registers were made within the prescribed time.
28. Statutory registers were kept open for inspection during working hours on all working days.
29. During the Audit Period, the documents required to be served by the Company has been served in accordance with the provisions of Section 20 of the Companies Act, 2013.
30. All documents, contracts made on behalf of the Company, if any and bills of exchange, hundi or promissory notemade, accepted, drawn or endorsed on behalf of the Company, if any are made in accordance with the provisions of Section 21 and / or Section 22 of the Companies Act 2013.
31. As per the provisions of section 94 of the Companies Act 2013, a copy of the Register of Members as per section 88 of the Companies Act, 2013 and copies of annual return filed under section 92 of the Companies Act, 2013 are kept at the registered office of the Company.
32. The Company has sent to the Notice convening Annual General Meeting along with a copy of the financial statements and other annexures within the time prescribed under the Companies Act 2013.
33. The Company has not received any requisition from shareholders for calling extraordinary general meeting of the Company.
34. The Company has issued and delivered all share certificates on allotment of shares, and also on lodgement for transfer within the prescribed time.
35. The Company has not received any Nomination request / Nomination Form for registration from shareholders of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**K K SILK MILLS LIMITED**

**(FORMERLY KNOWN AS K K SILK MILLS PRIVATE LIMITED)**

**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

**TEL.:** 022 - 4979 1298 / 4970 8920 • **E-mail :** info@kksilkmills.com

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443





**MANISHKUMAR KANTILAL SHAH**  
**MANAGING DIRECTOR**

**DIN: 00040966**

**ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO.**  
**402, GIRNAR TOWER ABHYUDAY**  
**NAGAR, KALACHOWKI,**  
**MUMBAI 400 033,**  
**MAHARASHTRA, INDIA**

# **K K Silk Mills Ltd.**

**(Formally Known as K K Silk Mills Pvt. Ltd.)**



**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

**TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : [info@kksilkmills.com](mailto:info@kksilkmills.com)**

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

Date: 11/11/2021

To  
Makarand M Joshi & Co.

Dear Sir,

Classification as Promoter in Form MGT-7 to be filed under Section 92 of Companies Act 2013

I, the undersigned, hereby consent my name being mentioned as the Promoter of **K K SILK MILLS LIMITED** ("the Company") in the Annual Return (in Form MGT-7) as at 31<sup>st</sup> March 2021 to be filed by the Company under Section 92 of Companies Act 2013, for the Financial Year ended on 31<sup>st</sup> March 2021.

For **K K SILK MILLS LIMITED**  
(formerly known as **K K SILK MILLS PRIVATE LIMITED**)

**MANISH SHAH & MANISH SHAH HUF**  
Promoter

**NILESH SHAH & NILESH SHAH HUF**  
Promoter

**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

**TEL.:** 022 - 4979 1298 / 4970 8920 • **E-mail :** info@kksilkmills.com

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



## ANNEXURE I

### DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

**(A) Conservation of energy:**

Steps taken or impact on conservation of energy	The Company has not spent any substantial amount on Conservation of Energy to be disclosed here.
Steps taken by the company for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

**(B) Technology absorption:**

Efforts made towards technology absorption	Considering the nature of activities of the Company, there is no requirement with regard to technology absorption.
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
• Details of technology imported	Nil
• Year of import	Not Applicable
• Whether the technology has been fully absorbed	Not Applicable
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
Expenditure incurred on Research and Development	Nil

(C) Foreign exchange earnings and Outgo:

	April 01, 2020 to March 31, 2021 [Current F.Y.]	April 01, 2019 to March 31, 2020 [Previous F.Y.]
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	-	-
Actual Foreign Exchange outgo	-	-

FOR AND ON BEHALF OF THE BOARD

KK SILK MILLS LIMITED

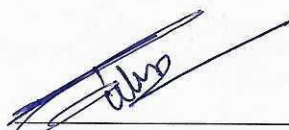
(FORMALLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)



MANISHKUMAR SHANTILAL SHAH  
MANAGING DIRECTOR

DIN: 00040966

ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO. 402,  
GIRNAR TOWER, ABHYUDAY  
NAGAR,  
KALACHOWKI, MUMBAI 400 033,  
MAHARASHTRA, INDIA.



NILESH KANTILAL JAIN  
WHOLETIME DIRECTOR

DIN: 00040930

ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO. 402,  
GIRNAR TOWER, ABHYUDAY NAGAR,  
KALACHOWKI, MUMBAI 400 033,  
MAHARASHTRA, INDIA.



DATE: 11/11/2021

PLACE: MUMBAI





# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

Date: 11/11/2021

To

M/s Makarand M Joshi & Co,  
Company Secretaries,  
9<sup>th</sup> Floor, Ecstasy, 803-804  
JSD Road, Mulund (W)  
Mumbai - 400 080,  
Maharashtra, India.

**Sub- Authorization for affixing Digital Signature Certificate on e-forms under the Companies Act, 1956 or the Companies Act, 2013.**

Dear Sir,

I hereby authorize M/s Makarand M Joshi & Co. to affix digital signature of any of the Directors on all the e-forms required to be filed for the "K K SILK MILLS LIMITED" under the Companies Act, 1956 or the Companies Act, 2013 during the Financial Year 2021-22.

Thanking you!  
Yours faithfully

**FOR AND ON BEHALF OF THE BOARD**

**K K SILK MILLS LIMITED**

**(FORMERLY KNOWN AS K K SILK MILLS PRIVATE LIMITED)**

**MANISHKUMAR KANTILAL SHAH**  
**MANAGING DIRECTOR**  
**DIN: 00040966**  
**ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO.**  
**402, GIRNAR TOWER ABHYUDAY**  
**NAGAR, KALACHOWKI,**  
**MUMBAI 400 033,**  
**MAHARASHTRA, INDIA**

**DATE: 11.11.2021**  
**PLACE: MUMBAI**

**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

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**TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com**

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443

To,

**KK SILK MILLS LIMITED**

We confirm that we have received the following documents from the Company:

1. Notice & Agenda of the Board meetings held during the Financial Year 2020-21.
2. Draft minutes of the Board meetings held during the Financial Year 2020-21 within 15 days from the date of meeting.
3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards

P. N. SHAH

**PINKY NILESH SHAH**  
**DIRECTOR**  
**DIN: 00040883**



To,

**KK SILK MILLS LIMITED**

We confirm that we have received the following documents from the Company:

1. Notice & Agenda of the Board meetings held during the Financial Year 2020-21.
2. Draft minutes of the Board meetings held during the Financial Year 2020-21 within 15 days from the date of meeting.
3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards



**NILESH KANTILAL JAIN**  
**WHOLETIME DIRECTOR**  
**DIN: 00040930**

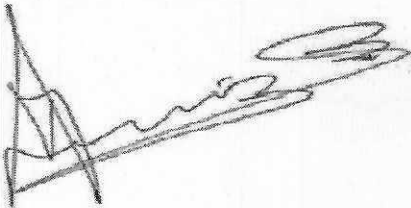
To,

**KK SILK MILLS LIMITED**

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3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards



**MANISHKUMAR KANTILAL SHAH**  
**MANAGING DIRECTOR**  
DIN: 00040966



To,

**KK SILK MILLS LIMITED**

We confirm that we have received the following documents from the Company:

1. Notice & Agenda of the Board meetings held during the Financial Year 2020-21.
2. Draft minutes of the Board meetings held during the Financial Year 2020-21 within 15 days from the date of meeting.
3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards

*Asha Manish Shah*

**ASHABEN MANISH SHAH**  
**DIRECTOR**  
**DIN: 00041005**

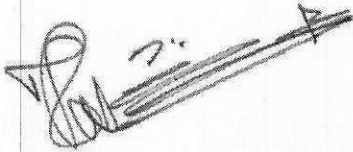
To

**KK SILK MILLS LIMITED**

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1. Notice & Agenda of the Board meetings held during the Financial Year 2020-21.
2. Draft minutes of the Board meetings held during the Financial Year 2020-21 within 15 days from the date of meeting.
3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards



**MAHAVEER PATWARI**  
**INDEPENDENT DIRECTOR**  
DIN: 00932118



To,

**KK SILK MILLS LIMITED**

We confirm that we have received the following documents from the Company:

1. Notice & Agenda of the Board meetings held during the Financial Year 2020-21.
2. Draft minutes of the Board meetings held during the Financial Year 2020-21 within 15 days from the date of meeting.
3. Signed minutes of the aforementioned Board meetings held during the Financial Year 2020-21 within 15 days from the date of signing thereof.

Thanks & Regards



**RAKESHKUMAR PURANMAL GIRIA**  
**INDEPENDENT DIRECTOR**  
**DIN: 01974152**



# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

Date: 11/11/2021

To,  
Makarand M Joshi & Co.

**Subject: Confirmation with reference to the Signing on Annual Return of the Company as on 31<sup>st</sup> March 2021.**

Dear Sirs,

We hereby confirm the following representations:-

1. The Company has kept painted or affixed, the name of the Company and the address of its registered office on the outside of every office or place in which its business is carried on-
  - in a conspicuous position;
  - in letters easily legible; and
  - in English and also in the language (or one of the languages) in general use in the locality where an office or place of business is situated.

The Company has displayed its name, the address of its registered office, Corporate Identity Number along with telephone number, fax number, and website address in-

- all business letters,
  - bill heads,
  - letter papers,
  - notices,
  - Other official publications.
2. The Company has maintained books of accounts as required under Section 128 of the Companies Act, 2013.
  3. Cost audit is applicable to the company and Cost Auditor was appointed during the financial year 2020-21.
  4. The Company has a Common Seal with its name engraved on it in legible characters, which is not affixed to any document except in accordance with Articles of Association of the Company.
  5. The Company does not have subsidiaries and associates Companies.
  6. The Company has not commenced new business / activity during the year 2020-21.
  7. The Company is not availing any other services from Statutory Auditors except those which have been approved by the Board of Directors.
  8. No member has demanded any copy of Memorandum of Association / Articles of Association of the Company / any agreement or resolution referred to in Section

**Regd. Office :** 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

**GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074**

**Corp. Office :** 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

TEL.: 022 - 4979 1298 / 4970 8920 • E-mail : info@kksilkmills.com

**Factory :** Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443





# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

117(1) in accordance with the provisions of Section 17 and Rule 34 of the Companies (Incorporation) Rules, 2014.

9. The Company has proper compliance-mechanism in place for compliance of all applicable laws to the Company.
10. The Board meets once in quarter wherein they review quarterly performance. The notice of board meetings along with agenda are generally sent to all the directors at least 7 days before the date of Board meeting. In case of Board meetings convened at a shorter notice, consents are taken from all the directors.
11. The minutes of board meeting are circulated to all the directors and are kept in minutes book within 30 days from the date of Board meetings.
12. The views of all the dissenting Directors (if any) on important matters have been captured and recorded in the minutes.
13. No resolutions were passed by way of circulation during the year under review other than those recorded in the subsequent Board meeting minutes.
14. The Company has not borrowed any money in contravention of provisions of Section 73 and 74 of the Companies Act, 2013.
15. The Company has not financed directly / indirectly for purchase of its own shares during the financial year.
16. The Company has entered in to any transactions covered under Section 188 of Companies Act 2013 with related party/parties during the financial year 2020-21 as follows and it is at the ordinary course of the business at the arm's length :

Serial Number	Name of the Related Party	Transaction	Amount in Lakhs
1	J K Fabtex Industries Private Limited	Purchase	Rs. 76.24
2	J K Fabtex Industries Private Limited	Job Work Charges	Rs. 173.37
3	J K Fabtex Industries Private Limited	Interest Paid	Rs. 17.31
4	V K Silk Mills	Rent	Rs. 2.18
5	Manish Shah	Remuneration	Rs. 6.50
6	Nilesh Shah	Remuneration	Rs. 6.00
7	Pinky Shah	Remuneration	Rs. 6.00
8	Manish Shah	Loan Taken	Rs. 7.22
		Loan repaid	Rs. 12.84
9	Nilesh Shah	Loan taken	Rs. 1.40
		Loan Repaid	Rs. 4.15
10	Manish Shah HUF	Loan Taken	Rs. 64.11
		Loan Repaid	Rs. 64.11

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# K K Silk Mills Ltd.

11	Asha Shah	Loan Taken	Rs. 0.24
		(Formally Known as K K Silk Mills Pvt. Ltd.)	
12	JK Fabtex Industries Pvt Ltd	Loan Repaid	Rs. 1.81
		Loan Taken	Rs. 288.05
		Loan Repaid	Rs. 712.36

17. The Security provided to Bank(s) for availment of funds, if any were registered with ROC and the same are disclosed in the financials of the Company.
18. The Company has updated and maintained all the statutory registers at the Registered Office of the Company.
19. The entries in the statutory registers were made within the prescribed time.
20. Statutory registers were kept open for inspection during working hours on all working days.
21. During the Audit Period, the documents required to be served by the Company has been served in accordance with the provisions of Section 20 of the Companies Act, 2013.
22. All documents, contracts made on behalf of the Company, if any and bills of exchange, hundi or promissory note made, accepted, drawn or endorsed on behalf of the Company, if any are made in accordance with the provisions of Section 21 and / or Section 22 of the Companies Act 2013.
23. As per the provisions of section 94 of the Companies Act 2013, a copy of the Register of Members as per section 88 of the Companies Act, 2013 and copies of annual return filed under section 92 of the Companies Act, 2013 are kept at the registered office of the Company.
24. The Company has sent to the Notice convening Annual General Meeting along with a copy of the financial statements and other annexures within the time prescribed under the Companies Act 2013.
25. The Company has not received any requisition from shareholders for calling extraordinary general meeting of the Company.
26. The Company has not received any Nomination request / Nomination Form for registration from shareholders of the Company.
27. The Networth of the Company is Rs. 3131.62 Lakhs.

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# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

FOR AND ON BEHALF OF THE BOARD  
KK SILK MILLS LIMITED  
(FORMERLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)

MANISHKUMAR KANTILAL SHAH  
MANAGING DIRECTOR

DIN: 00040966

ADDRESS: 4<sup>TH</sup> FLOOR, ROOM NO.  
402, GIRNAR TOWER ABHYUDAY  
NAGAR, KALACHOWKI,  
MUMBAI 400 033,  
MAHARASHTRA, INDIA

DATE: 11.11.2021  
PLACE: MUMBAI

Regd. Office : 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074

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Factory : Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443





# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF K K SILK MILLS LIMITED (FORMERLY KNOWN AS KK SILK MILLS PRIVATE LIMITED) HELD ON THURSDAY, 11<sup>TH</sup> NOVEMBER 2021, AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 24A, SIDDHI VINAYAK BUILDING, OLD HANUMAN, 01<sup>ST</sup> CROSS LANE, KALBHADEVI, 400 002, MAHRASHTRA, INDIA.

TO CONSIDER AND APPROVE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021 :

"RESOLVED THAT pursuant to provisions of Section 129 and rules made thereunder of The Companies Act, 2013 , draft Balance Sheet as at March 31, 2021 and Statement of Profit and Loss for the Financial Year ended March 31, 2021 together with Schedules and Notes attached thereto for the year ended March 31, 2021 be and are hereby approved and that two Directors be and are hereby authorized on behalf of the Board to sign the same and that the said financials be submitted to the auditors for their report thereon.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign and submit relevant e-forms as maybe required to be filed with the Registrar of Companies, Mumbai, Maharashtra.

RESOLVED FURTHER THAT pursuant to Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014 and rule 24 of Companies (Management and Administration) Rules, 2014, any one Director of the Company be and is hereby authorized to sign and file Form MGT-14 with the Registrar of Companies, Mumbai."

CERTIFIED TRUE COPY

FOR K K SILK MILLS LIMITED  
(FORMERLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)

MANISHKUMAR KANTILAL SHAH  
MANAGING DIRECTOR  
DIN: 00040966

DATE: 11/11/2021

PLACE: MUMBAI

Regd. Office : 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

GSTIN - MH-27AAACM5784E1ZD • GSTIN - GUJARAT- 24AAACM5784E1ZJ • CIN NO. U17120MH1991PTC063074

Corp. Office : 132, Kewal Industrial Estate, S.B.Road, Lower Parel (W), Mumbai - 400 013.

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Factory : Plot No. 603/A, Phase-III, Umbergaon, Dist. Valsad. Tel.: 75740 01443



**Declaration of Independence under Sub-section (7) of Section 149 of The Companies Act, 2013**

To,

Board of Directors

**K K SILK MILLS LIMITED**

Registered Office: 24A, Siddhi Vinayak Building, Old Hanuman,  
01st Cross Lane, Kalbhadevi, Mumbai 400 002,  
Maharashtra, India

**Sub: Declaration under Sub-section (7) of Section 149 of The Companies Act, 2013 :**

I, **MAHAVEER PATWARI**, son of **MANGILAL PATWARI**, resident of Sunita Building, 12<sup>th</sup> Floor, Flat No. 72, 98 G.D. Somani Marg, Cuffe Parade, Mumbai 400 005, Maharashtra, India hereby certify that I am a Non-executive Director of **K K SILK MILLS LIMITED** and comply with all the criteria of Independent Director envisaged under Section 149(6) of The Companies Act, 2013. I hereby certify that:

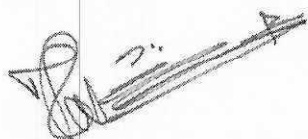
1. I am a person of integrity and possess relevant expertise and experience;
2. I am / was not a promoter of the Company or its holding, subsidiary or associate Company;
3. I am / was not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
4. I have / had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding ten per cent. of his total income with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding Financial Years or during the Current Financial Year.
5. None of my relatives :
  - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company of face value exceeding Fifty Lakh Rupees or Two per cent. of the Paid-up Capital of the Company during the two immediately preceding financial years or during the current Financial Year;
  - (ii) is indebted to the Company, its holding, subsidiary or associate Company or their Promoters, or Directors in excess of 50 lakhs rupees at any time during the two immediately preceding Financial Years or during the current Financial Year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their Promoters, or Directors of such holding Company in excess of 50 lacs rupees at any time during the two immediately preceding Financial Years or during the current Financial Year;  
or
  - (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in Point (i), (ii) or (iii);

6. Neither me nor any of my relatives

1. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary, or associate Company in any of the three Financial Years immediately preceding the financial year in which he is proposed to be appointed.
  2. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of –
    - (a) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary, or associate Company; or
    - (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary, or associate Company amounting to 10% or more of the gross turnover of such firm.
  3. holds together with his relatives 2% or more of the total voting power of the Company; or
  4. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary, or associate Company or that holds 2% or more of the total voting power of the Company; or
7. I possess appropriate skills, experience, and knowledge in one or more fields of finance / law/ management / sales / marketing / administration / research / corporate governance / technical operations/ other disciplines related to the Company's business.

Thanking you,

Yours faithfully,



**MAHAVEER PATWARI**  
**INDEPENDENT DIRECTOR**  
**DIN: 00932118**

**Address:** Sunita Building, 12<sup>th</sup> Floor,  
Flat No. 72, 98 G.D. Somani Marg,  
Cuffe Parade, Mumbai 400005  
Maharashtra, India

Date: \_\_\_\_\_

Place: Mumbai



**Declaration of Independence under Sub-section (7) of Section 149 of The Companies Act, 2013**

To,

Board of Directors

**K K SILK MILLS LIMITED**

Registered Office: 24A, Siddhi Vinayak Building, Old Hanuman,  
01st Cross Lane, Kalbhadevi, Mumbai 400 002,  
Maharashtra, India

**Sub: Declaration under Sub-section (7) of Section 149 of The Companies Act, 2013 :**

I, **RAKESHKUMAR PURANMAL GIRIA**, son of **PURANMAL GIRIA**, resident of C-1107, Green Avenue, Ghod Dod Road, Behind Union Park, Surat 395 007, Gujarat, India hereby certify that I am a Non-executive Director of **K K SILK MILLS LIMITED** and comply with all the criteria of Independent Director envisaged under Section 149(6) of The Companies Act, 2013. I hereby certify that:

1. I am a person of integrity and possess relevant expertise and experience;
2. I am / was not a promoter of the Company or its holding, subsidiary or associate Company;
3. I am / was not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
4. I have / had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding ten per cent. of his total income with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding Financial Years or during the Current Financial Year.
5. None of my relatives :
  - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate Company of face value exceeding Fifty Lakh Rupees or Two per cent. of the Paid-up Capital of the Company during the two immediately preceding financial years or during the current Financial Year;
  - (ii) is indebted to the Company, its holding, subsidiary or associate Company or their Promoters, or Directors in excess of 50 lakhs rupees at any time during the two immediately preceding Financial Years or during the current Financial Year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their Promoters, or Directors of such holding Company in excess of 50 lacs rupees at any time during the two immediately preceding Financial Years or during the current Financial Year;  
or
  - (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in Point (i), (ii) or (iii);

6. Neither me nor any of my relatives

1. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary, or associate Company in any of the three Financial Years immediately preceding the financial year in which he is proposed to be appointed.
2. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of—
  - (a) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary, or associate Company; or
  - (b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary, or associate Company amounting to 10% or more of the gross turnover of such firm.
3. holds together with his relatives 2% or more of the total voting power of the Company; or
4. is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary, or associate Company or that holds 2% or more of the total voting power of the Company; or

7. I possess appropriate skills, experience, and knowledge in one or more fields of finance / law/ management / sales / marketing / administration / research / corporate governance / technical operations/other disciplines related to the Company's business.

Thanking you,

Yours faithfully,



**RAKESHKUMAR PURANMAL GIRIA**  
**INDEPENDENT DIRECTOR**

DIN: 01974152

Address: C-1107, Green Avenue, Ghod Dod Road,  
Behind Union Park,  
Surat 395007,  
Gujarat, India

Date: \_\_\_\_\_

Place: Surat



# K K Silk Mills Ltd.

(Formally Known as K K Silk Mills Pvt. Ltd.)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF K K SILK MILLS LIMITED (FORMERLY KNOWN AS KK SILK MILLS PRIVATE LIMITED) HELD ON THURSDAY, 11<sup>TH</sup> NOVEMBER 2021, AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 24A, SIDDHI VINAYAK BUILDING, OLD HANUMAN, 01<sup>ST</sup> CROSS LANE, KALBHADEVI, 400 002, MAHRASHTRA, INDIA.

TO CONSIDER AND APPROVE THE DRAFT DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021 :

"RESOLVED THAT pursuant to provisions of Section 134 and rules made thereunder of The Companies Act, 2013, the draft of Director's Report of the Company in respect of the Financial Year ended March 31, 2021 be and is hereby approved.

RESOLVED FURTHER THAT two directors of the Company be and are hereby authorized to sign the Director's Report for the year ended March 31, 2021 for and on behalf of the Board of Directors.

RESOLVED FURTHER THAT pursuant to Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014 and rule 24 of Companies (Management and Administration) Rules, 2015, any one Director of the Company be and is hereby authorized to sign and file Form MGT-14 with the Registrar of Companies, Mumbai."

FOR K K SILK MILLS LIMITED  
(FORMERLY KNOWN AS KK SILK MILLS PRIVATE LIMITED)

MANISHKUMAR KANTILAL SHAH  
MANAGING DIRECTOR  
DIN: 00040966

DATE: 11/11/2021  
PLACE: MUMBAI

Regd. Office : 24A, 2nd Floor, Siddhi Vinayak Bldg. 1st Cross Lane, Old Hanuman Lane, Kalbadevi, Mumbai - 400 002.

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of K K SILK MILLS LIMITED**

**(Formerly known as K K SILK MILLS PRIVATE LIMITED)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **K K SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Cash Flow Statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, *except for the effects of the matter described in the next Paragraph "Basis for Qualified Opinion"* of the state of affairs of the Company as at March 31, 2021, profit and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We draw attention to Note No 28 to the financial statements where Company has not provided provision for Gratuity which is not in line with Accounting Standard -15 relating to accounting for retirement benefits in the financial statements of the employer.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are 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 our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

"The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance."



## **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 Companies (Auditor Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the **Annexure A**, a statement on the matter specified under Paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except As-15 i.e. "Accounting for Employee Benefit" as mentioned in Basis for Audit Qualified Opinion para*
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 our separate report in "Annexure B". Our 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 the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For A.P. Sanzgiri & Co.  
Chartered Accountants  
Firm's Registration No. 116293W

*Satish Kumar Gupta*

**Satish Kumar Gupta**  
Partner  
UDIN: 22101134AAAAAC1850  
Membership No: 101134

Place: Mumbai  
Date: November 11, 2021



**Annexure-A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KK Silk Mills Limited (Formerly known as KK Silk Mills Private Limited))

**I. FIXED ASSETS**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanation given to us and on the basis our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**II. INVENTORIES**

During the operating cycle of the Company, Management regularly conduct physical verification of finished goods, raw material and store & spares which in our opinion is reasonable with regard to the size & nature of the Company's business. The discrepancies noticed on such verification were not significant and the same have been properly dealt with in the books of accounts.

**III. LOAN AND ADVANCES**

The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act, therefore paragraph iii (a) to (c) of the Order, is not applicable to the Company.

- IV.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act, with respect to the loans and investment made.

- V.** The Company has not accepted any deposits from public.

**VI. COST RECORDS**

According to the information and explanations given to us, cost records were maintained by the Company pursuant to the Order of the Central Government under Section 148(1) of the Act.



**VII. STATUTORY DUES**

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods & service tax, duty of customs, cess, Provident fund, professional tax and other statutory dues have been regularly deposited by the company during the year with the appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of goods & service tax, provident fund, income tax, professional tax, duty of customs, cess and any other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of duty of customs, goods & service tax which have not been deposited with the appropriate authorities on account of any dispute.

**VIII.** In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and bank. The Company has not taken any loan from Government and has not issued any debenture during the year.

**IX.** The Company has not raised any money by way of initial public offer or further public offer (including debt instrument). However, in our opinion and according to information and explanation given to us, the Company has utilized the money raised by term loan during the year for the purpose for which they were raised.

**X.** According to information and explanations given to us, no fraud by the Company or on the Company by the officer or employees has been noticed or reported during the course of our Audit.

**XI.** In our opinion and according to the information and explanations give to us, the Company has paid /provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

**XII.** In our opinion and according to the information and explanations given to us, 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 us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the financial statements as required by applicable Accounting Standard.

**XIV.** According to information and explanations given to us, and based on our 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.

**XV.** According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transaction with directors or persons connected with him. 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.

For A.P. Sanzgiri & Co.  
Chartered Accountants  
Firm's Registration No. 116293W

*Satish Kumar Gupta*

Satish Kumar Gupta  
Partner

UDIN: 22101134 AAAA AC 1850

Membership No: 101134

Place: Mumbai  
Date: November 11, 2021



## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **KK SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED)** ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 ('ICAI'). 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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 our opinion, to best of our information and according to the explanation given to us, 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 31 March 2021, 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.

**For A.P. Sanzgiri & Co.**

Chartered Accountants

Firm's Registration No. 116293W

*Satish Kumar Gupta*

**Satish Kumar Gupta**

Partner

UDIN: 22101134AAAAAC 1850

Membership No: 101134

Place: Mumbai

Date: November 11, 2021





**K K SILK MILLS LIMITED**  
(Formerly known as K K SILK MILLS PRIVATE LIMITED)  
**BALANCE SHEET AS AT MARCH 31, 2021**

(Rs in Lacs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I. EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	3	746.97	746.97
(b) Reserves and surplus	4	2,392.68	2,359.73
2 Share Application Money Pending Allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	816.30	1,497.11
(b) Deferred tax liabilities (Net)	6	211.51	212.72
(c) Other Long term liabilities			
(d) Long-term provisions			
4 Current liabilities			
(a) Short-term borrowings	7	3,185.16	3,404.50
(b) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,794.72	2,389.32
(c) Other current liabilities	8	1,145.75	377.86
(d) Short-term provisions	9	88.32	34.30
<b>TOTAL</b>	<b>13,293124</b>	<b>10,381.41</b>	<b>11,022.50</b>
<b>II. ASSETS</b>			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	2,999.37	3,164.48
(ii) Capital work-in-progress			
(b) Non current Investments			
(c) Long-term loans and advances	11	21.57	22.03
(d) Other non-current assets	12	26.48	25.01
2 Current assets			
(a) Current investments			
(b) Inventories	13	4,031.10	3,821.20
(c) Trade receivables	14	2,753.29	3,810.45
(d) Cash and cash equivalents	15	17.75	6.11
(e) Short-term loans and advances	16	203.56	129.24
(f) Other current assets	17	328.30	43.97
<b>TOTAL</b>		<b>10,381.41</b>	<b>11,022.50</b>
Significant Accounting Policies	2		

The Notes form integral part of Financial Statements

For and on behalf of  
A.P SANZGIRI & CO  
Chartered accountants  
Firm Registration No. 116293W

*Satish Gupta*  
SATISH KUMAR GUPTA  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors

Manish K Shah  
Director  
DIN:00040966

**FOR K. K. SILK MILLS LTD.**

*Nilash K. Jha*  
Director  
DIN:00040930

**DIRECTOR**

**For K K SILK MILLS LTD.**

*[Signature]*  
Director



**K K SILK MILLS LIMITED**  
(Formerly known as K K SILK MILLS PRIVATE LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**  
(Rs. In Laacs)

	Particulars	Note No.	2020-21	2019-20
I	Revenue From Operation	18	7,840.31	17,950.86
	Sale of Goods & Services	19	211.26	57.31
II	Other income		8,051.57	18,008.17
III	Total Revenue (I + II)			
IV	Expenses:	20	1,523.69	3,155.29
	Cost of materials consumed		4,826.11	12,902.89
	Purchase of Stock	21	(174.45)	(395.69)
	Changes in inventories of finished goods and Garment	22	412.35	520.71
	Employee benefits expenses	23	521.76	529.28
	Finance costs	10	253.02	210.26
	Depreciation and amortization expenses	24	644.06	884.06
	Other expenses		8,006.54	17,845.81
	Total expenses(IV)		45.04	162.37
V	Profit before exceptional and extraordinary items and tax (III-IV)		-	-
VI	Exceptional items (Income)		45.04	162.37
VII	Profit before extraordinary items and tax (V + VI)		-	-
VIII	Extraordinary Items		45.04	162.37
IX	Profit before tax (VII- VIII)		13.29	29.53
X	Tax expense:			
	(1) Current tax			4.08
	(2) MAT Credit Entitlement			(10.96)
	(3) MAT Credit Utilisation		(1.21)	-
	(4) Deferred tax			-
	(5) Taxes of Earlier Years		32.95	139.72
XI	Profit (Loss) for the Year from continuing operations (VII-VIII)			
XII	Profit/(loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			
XV	Profit (Loss) for the Year (XI + XIV)		32.95	139.72
XVI	Earnings per equity share:			
	(1) Basic		0.44	1.87
	(2) Diluted		0.44	1.87
	Significant Accounting Policies	2		

The Notes form integral part of Financial Statements of the financial statements

For and on behalf of  
A.P SANZGIRI & CO  
Chartered accountants  
Firm Registration No. 116293W

*Satish Gupta*  
SATISH KUMAR GUPTA  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors

For K K SILK MILLS LTD

*Manish K Shah*  
Director  
Manish K Shah  
Director  
DIN:00040966

For K K SILK MILLS LTD

*Nilesh K Jain*  
Director  
Nilesh K Jain  
Director  
DIN:00040930

Director



**K K SILK MILLS LIMITED**

(Formerly known as K K SILK MILLS PRIVATE LIMITED)

Cash Flow Statement for the year ended March 31, 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	Amount	Amount	Amount
<b>A. Cash Flow from Operating Activities</b>				
Profit / (Loss) before taxation		45.04		162.37
Adjustments for:-				
Depreciation & amortisation	253.02		249.26	
Interest income	5.42		(29.68)	
Interest Expenditure	494.04		529.28	
Profit on Sale of Fixed Asset	(2.97)			
Profit on Sale of Investment	-			
		749.51		748.86
<b>Operating profit/ (Loss) before</b>		<b>794.55</b>		<b>911.23</b>
<b>Changes in Working Capital:</b>				
Increase/ (Decrease) in trade payables	(594.60)		25.15	
Increase/ (Decrease) in other current liabilities	787.26		(27.23)	
Increase/ (Decrease) in Short Term Provisions (Other than Income Tax)	34.65		-	
Increase/ (Decrease) in Short Term Borrowings	(219.35)			
(Increase)/Decrease in trade receivables	1,057.16		212.11	
(Increase)/Decrease in inventories	(209.90)		(647.07)	
(Increase)/Decrease in short term loans and advances (Other than Mat Credit)	(74.32)		(37.85)	
(Increase)/Decrease in Long term loans and advances (Other than Advance Tax)	0.46		10.87	
(Increase)/Decrease in other current assets	(284.32)		18.91	
(Increase)/Decrease in other non-current assets	(1.47)	495.59	(2.19)	(447.30)
Taxes paid (net of refunds)		13.29		49.71
<b>Net Cash generated / (used) from Operating Activities</b>	<b>A</b>	<b>1,276.85</b>		<b>414.22</b>
<b>B. Cash flow from Investing Activities</b>				
Sale of Fixed Assets	4.50		-	
Purchase of tangible/intangible assets	(89.44)		(155.48)	
Interest received	(5.42)		29.68	
<b>Net Cash generated / (used) from investing activities</b>	<b>B</b>	<b>(90.36)</b>		<b>(125.80)</b>
<b>C. Cash flow from Financing Activities</b>				
Interest paid	(494.04)		(529.28)	
Proceeds from Borrowings	-		258.73	
Repayment of borrowings	(680.81)		(70.90)	
<b>Net Cash generated / (used) from financing activities</b>	<b>C</b>	<b>(1,174.85)</b>		<b>(341.45)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>11.64</b>		<b>(53.03)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>6.11</b>		<b>59.14</b>
<b>Cash and Cash equivalents at the end of the year</b>		<b>17.75</b>		<b>6.11</b>
<b>Cash And Cash equivalents comprise of :</b>				
Cash on hand				
Balance With Bank		11.80		2.63
Other Bank Balances		5.95		3.48
<b>Total</b>		<b>17.75</b>		<b>6.11</b>

For and on behalf of  
A.P. SANZGIRI & CO  
Chartered accountants  
Firm Registration No. 116293W

*Satish Kumar Gupta*

Satish Kumar Gupta  
Partner  
M.N. 101134  
Date : November 11, 2021  
Place : Mumbai



For and on behalf of Board of Directors

For K K SILK MILLS LTD.

For K K SILK MILLS LTD.

*Manish K Shah*  
Director  
DIN:00040966

*Nilesh K Jain*  
Director  
DIN:00040930

Director



**KK SILK MILLS LIMITED**  
(Formerly known as KK SILK MILLS PRIVATE LIMITED)

**Note 1: Background**

KK SILK MILLS LIMITED (Formerly known as KK SILK MILLS PRIVATE LIMITED) was incorporated in Maharashtra on 26th August 1991. Company is in business of manufacturing, exporting, importing and trading of Garments. Company has industrial units in Umbergaon, Valsad from where it manufactures Garments for sale in Local market respectively.

**Note 2: Statement of Significant Accounting Policies**

**i. Basis of Accounting**

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the generally accepted accounting principles in India, the applicable mandatory accounting standards as notified by Companies (Accounting Standards) Rules, 2014 and the relevant provisions of The Companies Act, 2013.

**ii. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual result and estimates are recognized in periods in which the results are known / materialized.

**iii. Fixed Assets**

Fixed Assets are carried at historical cost less depreciation accumulated thereon.

**iv. Depreciation**

Depreciation is systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight line basis over the useful life prescribed in Schedule II to the Companies Act, 2013, unless otherwise specified.

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

**v. Impairment of Assets**

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value.

**vi. Valuation of Inventories**

Inventories are valued at Cost or Realizable value, whichever is lower

**vii. Revenue Recognition:**

- I) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Sales are stated net of returns and excluding goods and service tax.
- II) Purchases are accounted at total purchase prices as per the bills. The difference on account of delayed payment, if any, is accounted for at the time of settlement / payment of the respective bill.

**viii. Foreign Exchange Transactions**

- I) Transactions in foreign currencies are recorded at exchange rates existing at the time of the transactions and exchange difference arising from foreign currency transactions are dealt with in the Profit and Loss Statement.
- II) All Assets and Liabilities relating to transactions involving foreign currencies are converted at exchange rates prevailing at the year-end. Any loss or gain arising out of settlements/conversion is adjusted in the Profit and Loss Statement.

**ix. Retirement Benefits**

Retirements benefits to the staff such as gratuity are accounted when the amounts become payable.

**x. Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of asset. Other borrowing costs are recognized as an expense in the period for which they are incurred.

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

xi. **Material Events**

Material events occurring after the Balance Sheet date are taken into cognizance.

xii. **Provision, Contingent Liabilities and Contingent Assets:**

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

xiii. **Taxation**

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

Deferred tax is recognized, subject to prudence, on timing difference, being the tax on difference between the taxable income and the accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets are recognized for unabsorbed depreciation and carry forward losses to the extent there is virtual certainty that sufficient future taxable income will be available against which deferred tax assets can be realized

xiv. **Earnings Per Share**

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director



K K SILK MILLS LIMITED

Note 3 : Share Capital

(Rs in Laacs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorized</b> Equity Shares of Rs. 10 each	1,12,50,000	1,125.00	1,12,50,000	1,125.00
<b>Issued</b> Equity Shares of Rs. 10 each	74,69,680	746.97	74,69,680	746.97
<b>Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each fully paid up	74,69,680	746.97	74,69,680	746.97
<b>Total</b>	74,69,680	746.97	74,69,680	746.97

(a) Reconciliation of number of shares

(Rs in Laacs)

Particulars	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	74,69,680	746.97	37,34,840	373.48
Shares Issued during the year	-	-	37,34,840	373.48
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	74,69,680	746.97	74,69,680	746.97

(b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ms. Dharmaben Shah	18,88,400	25.28%	18,88,400	25.28%
Ms. Asha Shah	10,93,200	14.64%	10,93,200	14.64%
Mr. Manish K. Shah	12,01,280	16.08%	12,01,280	16.08%
Mr. Nitesh K. Shah	10,79,768	14.46%	10,79,768	14.46%
M/s. Manish Shah (IIP)	5,07,698	6.80%	5,07,698	6.80%
KDM Textiles	4,73,020	6.33%	4,73,020	6.33%
Mr. Kantilal Shah	0	0.00%	0	0.00%
Ms. Pooja N. Shah	4,38,066	5.86%	4,38,066	5.86%
	66,81,432	89.45%	66,81,432	89.45%

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

Note 4 : Reserves & Surplus

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a. Securities Premium Account</b>		
Opening Balance	1,012.03	1,012.03
Add: Securities premium credited on Share issued	-	-
Less: Premium Utilised	-	-
Closing Balance	1,012.03	1,012.03
<b>b. General Reserves</b>		
Opening Balance	35.96	35.96
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	35.96	35.96
<b>c. Capital Reserve</b>		
Opening Balance	8.02	8.02
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	8.02	8.02
<b>d. Surplus</b>		
Opening balance	1,303.72	1,164.00
(+) Net Profit/(Net Loss) for the year	32.95	139.72
Closing Balance	1,336.66	1,303.72
<b>Total</b>	<b>2,392.68</b>	<b>2,359.73</b>

Note 5 : Long Term Borrowings

(Rs in Lacs)

Particular	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>(a) Term loans</b>		
From Banks	1,063.28	315.26
Secured by Hypothecation charge on fixed assets of the Company acquired out of bank finance.		
Repayable in 22 to 66 installment		
From NBFC	608.06	605.56
Secured by Immovable Properties		
<b>Less: Disclosed under Current Liabilities</b>		
- Transfer to Current Maturity on Long term borrowing.	930.21	209.55
	741.13	711.27
<b>Unsecured</b>		
From Banks	126.31	153.11
From Other	-	2.23
<b>Less: Disclosed under Current Liabilities</b>		
- Transfer to Current Maturity on Long term borrowing.	51.13	36.19
	75.18	119.15
<b>Loan &amp; Advances from Related Parties</b>		
Repayable in three Years	-	10.21
From Other Parties	-	656.49
Repayable in three Years		
<b>Total</b>	<b>816.30</b>	<b>1,497.11</b>

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

**Note 6: Deferred Tax**

The Company has recognised deferred tax in accordance with the requirement of Accounting Standard-22 on "Accounting for Taxes on Income" as notified under the Companies(Accounting Standards) Rules, 2014. The breakup of Net Deferred Tax Liability(DTL) is as follows:

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Liability		
Difference between Book and Tax Depreciation	211.51	212.72
<b>Sub Total</b>		
<b>Net Deferred Tax Liability / (Assets)</b>	<b>211.51</b>	<b>212.72</b>

**Note 7: Short Term Borrowings**

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
<b>From Banks</b>		
Cash Credit and Working Capital Demand Loan	3,185.16	3,404.50
<b>*Primary Security</b>		
Hypothecation charge on the entire current assets, moveable fixed assets and moveable assets held in the company premises, factory land & building, godown, in the name of company		
<b>*Collateral Security</b>		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/1401/1, GIDC, Umergaon(Valsad), Gujarat.		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/603/A, GIDC, Umergaon(Valsad), Gujarat.		
Mortgage charge on Extention of EM on Factory land and building situated on Plot No.J/1401/2, GIDC, Umergaon(Valsad), Gujarat.		
Mortgage charge on Extention of EM on Land(Leasehold right) and building at survey no 141/p, Plot No-406, GIDC, Umergaon(Valsad), Gujarat.		
Mortgage charge on Extention of EM on Flat No-404, GIDC, Umergaon(Valsad), Gujarat.		
Mortgage charge on Extention of Proposed Fixed Assets acquired out of Bank Finance.		
Mortgage charge on Hypothecation of all the Plant & Machinery installed at all Factory Land & building in the name of Company except assets created from Term Loan.		
Mortgage charge on Counter Indemnity of Duly Charged FDRs, Hypothecation of Stock procured under LC & Book Debts created out of the sale of such stocks		
Personnel Gurantee given by directors of the Company.		
	3,185.16	3,404.50
<b>Total</b>	<b>3,185.16</b>	<b>3,404.50</b>

**Note 8: Other Current Liabilities**

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long Term Borrowing	981.34	245.74
Statutory Liabilities	8.53	15.78
Interest accrued but not due	1.41	0.00
Advance from customer	44.69	7.90
Other Liabilities	109.78	108.42
<b>Total</b>	<b>1,145.75</b>	<b>377.86</b>

**FOR K. K. SILK MILLS LTD.**

K K SILK MILLS LTD



Director




DIRECTOR



Note 9 : Short Term Provision

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Salary Payable	51.88	-
Electricity Payable	36.44	30.40
Provision of Income Tax	-	3.89
<b>Total</b>	<b>88.32</b>	<b>34.30</b>

K K SILK MILLS LIMITED

Note 11 : Long-term loans and advances

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
(a) Security Deposit	21.57	22.03
<b>Total</b>	<b>21.57</b>	<b>22.03</b>

Note 12 : Other Non Current Assets

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit against Bank Guarantee	26.48	25.01
<b>Total</b>	<b>26.48</b>	<b>25.01</b>

Note 13 : Inventories

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Raw Materials and components	668.71	618.57
b) Stores and Spares	36.48	51.03
c) Finished Garment	578.84	1,062.41
d) Finish Fabrics	2,734.56	2,076.54
e) Incidental Goods	12.50	12.65
<b>Total</b>	<b>4,031.10</b>	<b>3,821.20</b>

Note 14 : Trade Receivables

(Rs in Lacs)

Trade Receivables	As at March 31, 2021	As at March 31, 2020
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,362.38	3,609.92
Less: Provision for doubtful debts		
	2,362.38	3,609.92
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	390.91	200.52
Less: Provision for doubtful debts		
	390.91	200.52
<b>Total</b>	<b>2,753.29</b>	<b>3,810.45</b>

Note 15 : Cash and Bank Balance

(Rs in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A Cash and Cash Equivalent</b>		
(i) Balances with banks	5.95	3.48
(ii) Cash on hand	11.80	2.63
<b>Total</b>	<b>17.75</b>	<b>6.11</b>

FOR K. K. SILK MILLS LTD.

FOR K K SILK MILLS LTD

*[Signature]*  
Director



*[Signature]*  
DIRECTOR

K K Silk Mills Private Limited  
Financial Statements for the Year ended March 31, 2019  
Fixed Assets Schedule - 10

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2020	Additions during the year	Deletion during the year	Balance as at March 31, 2021	Balance as at 1 April 2020	Depreciation charge for the year	Dep on deletion	Adjustment due to Schedule -II	Balance as at 31st March, 2021	Balance as at 31st March 2020
Tangible Assets										
Land	294	-	-	294	0.95	-	-	-	1.99	1.99
Buildings	337.95	-	-	337.95	143.89	11.29	-	-	182.76	194.05
Plant & Machinery	4,542.05	82.90	50.48	4,594.27	2,735.37	212.67	20.13	-	1,725.42	186.72
Furniture & Fixtures	39.78	0.81	-	40.58	12.85	3.11	-	-	15.95	24.63
Scholarships	27.44	9.61	-	28.05	12.29	1.82	-	-	13.95	26.93
Acadmic Building	3,129.90	-	-	3,129.90	26.75	17.87	-	-	44.62	15.16
Office equipment	13.09	2.22	-	15.32	10.57	1.13	-	-	11.66	100.15
Computer	19.75	-	-	19.75	16.07	1.99	-	-	3.68	2.56
Leased in tallories	77.26	2.80	-	80.16	67.07	3.24	-	-	1.83	3.73
									5.83	10.19
Total Tangible Assets	6,091.16	89.44	30.48	6,248.92	3,025.46	251.02	20.15	-	3,249.55	2,999.37
										3,164.48

For K K SILK MILLS LTD

Director



For K K SILK MILLS LTD.

Director

Note 16 : Short Term Loans and Advances

(Rs in Laacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	120.63	60.45
Loan & Advances to Employees	27.79	25.89
Loans & Advances to Others parties	50.82	42.89
Advance Tax (Net of Provision)	4.32	-
<b>Total</b>	<b>203.56</b>	<b>129.24</b>

Note 17 : Other Current Assets

(Rs in Laacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	10.81	12.57
Other Current Assets	12.79	31.40
Balance with Revenue Authorities	19.59	-
Insurance Claim Receivable	283.11	-
<b>Total</b>	<b>326.30</b>	<b>43.97</b>

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director



# K K SILK MILLS LIMITED

## Note 18 : Revenue From Operation

(Rs in Laacs)

Particulars	2020-2021	2019-2020
Sale of products	7022.50	16,510.5
Service Charges Received	817.81	1,440.3
Total	7,840.31	17,950.86

## Note 19 : Other Income

(Rs in Laacs)

Particulars	2020-2021	2019-2020
Interest Income	5.42	29.68
Other non-operating income (net of expenses directly attributable to such income)		
Other income	0.01	27.63
Insurance/claim Income	202.87	
Profit on Sale of Machinery	2.97	
Total	211.26	57.31

## Note 20 :Cost of Material Consumed

(Rs in Laacs)

Particulars	2020-2021	2019-2020
Consumption of Raw Material		
Opening Stock	618.57	366.80
Add: Purchase during the Year	1,573.83	3,407.06
Less: loss of inventory due to Flood		
	2,192.40	3,773.86
Less: Closing Stock	788.48	618.57
Less: Stock Loss by Flood	119.77	
Consumption	1,523.69	3,155.29

### a. Material Includes

(Rs in Laacs)

Particulars	2020-2021	2019-2020
Yarn	1,523.69	3,155.29
Total	1,523.69	3,155.29

## Note 21 : Changes in Inventories in Finished Goods and Garment

(Rs in Laacs)

Particulars	2020-2021	2019-2020
Stock-in -Trade		
Opening Stock	2,076.54	2,135.45
Closing Stock	2,734.56	2,076.54
	-658.02	58.91
Finished Goods		
Opening Stock	1,062.41	607.82
Closing Stock	661.94	1,062.41
Less: Stock Loss by Flood	83.10	
	483.57	-454.60
Total	-174.45	-395.69

For K K SILK MILLS LTD

Director



For K K SILK MILLS LTD

Director

**25. Dues to Micro & Small Enterprises.**

As per the information and records available with the Company, there is no dues to Micro, Small and Medium enterprises as on the date of balance sheet. This information has been relied upon by the statutory auditor.

**26. Contingent Liability**

There are no Contingent Liabilities as on 31st March 2021 (Previous year – Nil)

**27. Balance confirmations**

The balance of unsecured loans, loans and advances, creditors, advances to suppliers and debtors are subject to confirmations.

28. Provision for gratuity is not made as per on the balance sheet date. This, however, is not alien according to Accounting Standard -15, "Accounting for Employee's Benefit" issued by ICAI, which requires quantification thereof on the basis of an actuarial valuation. Consequently, the details as required under the said accounting standard have not been furnished.

**29. Consumption of Raw Materials**

Rs. In Lacs

Particulars	2020-2021		2019-2020	
	Rs.	%	Rs.	%
Imported	-	-	-	-
Indigenous	1523.69	100%	3155.29	100%
Total	1523.69	100%	3155.29	100%

**30. Remuneration paid or payable to Auditors**

Rs. In Lacs

Particular	2020-2021	2019-2020
As Statutory Auditor	2.00	2.00
As Tax Auditor	0.70	0.70

**31. Disclosure as required by AS- 18 (Related Party) issued by ICAI**

Related party disclosures (as identified and certified by the management)

I) Individuals Controlling the enterprises and Key Management Personnel

- Manish Shah (Director)

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

- Nilesh Shah (Director)
- Asha M. Shah (Director)
- Pinky N. Shah (Director)
- Mahaveer Patwari (Director)
- Rakesh Kumar Puranmal Giria (Director)

II) Other Parties where control exists

- Kantilal B. Shah
- Kantilal B. Shah HUF
- Nilesh K. HUF
- Manish K. HUF

III) Other Related Parties

- JK Fabtex Industries Pvt. Ltd.

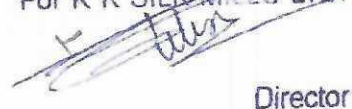
Nature of Transaction	Rs. In Lacs	
	2020-2021	2019-2020
<b>Purchases</b>		
- JK Fabtex Industries Pvt. Ltd	76.24	Nil
<b>Sales</b>		
- JK Fabtex Industries Pvt. Ltd		10.01
<b>Job Work Charges</b>		
- JK Fabtex Industries Pvt. Ltd	173.37	182.17
<b>Remuneration</b>		
-Mr. Manish K Shah	6.50	5.00
-Mr. Nilesh Shah	6.00	5.00
- Ms. Pinky Shah	6.00	6.00
<b>Interest Paid</b>		
-JK Fabtex Industries Pvt. Ltd.	17.31	20.07
<b>Rent Received</b>		
-JK Fabtex Industries Pvt. Ltd.	2.18	2.16
<b>Loan &amp; Advances Taken</b>		
-Mr. Manish K shah	7.22	73.16
-Mr. Nilesh Shah	1.40	65.62

For K K SILK MILLS LTD.

  
Director



For K K SILK MILLS LTD.

  
Director



-Mr. Manish K Shah HUF	64.11	Nil
-Mrs. Asha M. Shah	0.24	Nil
-JK Fabtex Industries Pvt. Ltd.	288.05	108.75
<b>Repayment of Loan &amp; Advances Taken</b>		
-Mr. Manish K Shah	12.84	92.18
-Mr. Nilesh K Shah	4.15	63.81
-Manish K Shah HUF	64.11	Nil
-Mrs. Asha M. Shah	1.81	Nil
-Mrs. Pinky N Shah	Nil	14.54
-JK Fabtex Industries Pvt. Ltd.	712.36	Nil
<b>Outstanding Balance- Dr/(Cr)-Loan &amp; Advances</b>		
-Mr. Manish K Shah		
-Mr. Nilesh K Shah	(0.04)	(5.66)
-Mrs. Pinky N Shah	(0.19)	(2.93)
-Mrs. Asha M. Shah	(0.01)	Nil
-JK Fabtex Industries Pvt. Ltd. -Loan	(0.03)	(1.59)
-JK Fabtex Industries Pvt. Ltd.	0.84	(423.46)
<b>Outstanding Balance- Dr/(Cr)-Remuneration</b>		
-Mrs. Pinky N Shah	3.26	(26.08)
-Mr. Manish K Shah	(1.06)	(1.50)
	(0.05)	Nil

### 32. Earnings Per Share

Particular	Rs. In Lacs	
	2020-2021	2019-2020
Net Profit available for Equity Shareholder	32.95	139.72
Weighted average number of equity shares outstanding (No.'s)	74,69,680	74,69,680
Earnings per share - Basic & Diluted (Rs.) (Face value of Re.10 per share)	0.44	1.87

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

33. Since the company has only one reportable segment under Accounting Standard 17 (AS-17) issued by ICAI viz. Textiles, no disclosures are required to comply with the said AS-17. The volumes of other segments are insignificant in this context.
34. Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's presentation.

For K K SILK MILLS LTD

  
Director



For K K SILK MILLS LTD

  
Director

Computation for F.Y. Apr 21 - March 22

	Profit as per P&L a/c	45,03,657.48
Add:	Depreciation as per books	2,53,01,968.48
	Donation	3,00,000.00
		<u>2,56,01,968.48</u>
Less:		
	Depreciation as per Income Tax	2,45,46,298.55
	Profit on sale of Machinery	2,96,593.00
		<u>2,48,42,891.55</u>
	Gross Total Income	<u>52,62,734.41</u>
	Less: Deduction	
	U/S 80G	1,50,000.00
	Total Taxable Income	<u>51,12,734.41</u>
	Round Off u/s 288A	<u>51,12,740.00</u>
Add:	Tax as per Income Tax	12,78,185.00
	Surcharge	12,78,185.00
Add:	Seconday and Higher Education Cess	51,127.40
	Total	13,29,312.40
Add:	Tax as per MAT	6,75,548.62
	Surcharge	-
Add:	Seconday and Higher Education Cess	27,021.94
	Total	7,02,570.57
	MAT credit carry forward	-
	Tax Payable	13,29,312.40
	Less : Mat Credit utilised	-
		<u>13,29,312.40</u>
		<u>13,29,312.40</u>
	Less: TDS as per 26as	16,78,716.00
		<u>16,78,716.00</u>
		(3,49,403.60)
	234A	
	234B	
	234C	
	Payable/(Refund)	<u>(3,49,400.00)</u>

For K K SILK MILLS LTD

Director

For K K SILK MILLS LTD

Director



