

**INDEPENDENT AUDITOR'S REPORT
To the Members of K K SILK MILLS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **K K SILK MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 31 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, 2020, 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 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - A. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether,



directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- B. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- C. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (1) and (2) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of Accounts using accounting software which has a feature of recording Audit Trial (Edit Log) facility is applicable to the company w.e.f. April 1, 2023 and accordingly reporting under Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Satish Kumar Gupta

Satish Kumar Gupta
Partner



M No: 101134
UDIN: 23101134B61RNSS3539

Place: Mumbai
Date: September 02, 2023

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 K K Silk Mills Limited on the financial statements for the year ended March 31, 2023 we report that:

I. PROPERTY, PLANT AND EQUIPMENT

- (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) The company does not own intangible assets.
- (B) As explained to us, all the Property, Plant & Equipment 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 of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (D) According to the information and explanations given to us and on the basis of our examination of the records, the company has not revalued its PPE during the year.
- (E) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

II. INVENTORIES

- (a) During the operating cycle of the Company, Management regularly conducts 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.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the company except for the Quarter/Month ended March 2023:

(INR in Lakhs)

Particulars	As per Financials	As per Stock Statement
Total Closing Stock	4877.82	4782.11



III. LOAN AND ADVANCES

During the year, The Company has provided unsecured loan to one Company. During the year, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited liability partnership or any other parties:

- (a). During the Year, The Company has provided unsecured loan to one Company, however such loan has not been provided to Subsidiaries, Joint venture and associate entity, and hence reporting under clause 3(iii) (a) (A) of the order is not applicable.
- (B) During the Year, the Company has provided unsecured loan to one Company aggregating to INR 1247.36 lacs and balance outstanding at the balance sheet date is INR 140.43 lacs respectively.
- (b). The Terms and Conditions of the unsecured loan granted is not prejudicial to the Company's interest.
- (c). The Schedule of repayment of such unsecured loan has been specified and the repayments of principal and interest are regular.
- (d). There is no amount overdue, and hence reporting under clause 3(iii) (d) is not applicable to the Company.
- (e). The Company has not renewed any loan which has fallen due during the year to the same parties, and hence reporting under clause 3(iii) (e) is not applicable to the Company.
- (f). The Company has not granted any loans which are repayable on demand without specifying terms and conditions of repayment, and hence reporting under clause 3(iii) (f) 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 or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.



VI. COST RECORDS

The Central Government has prescribed maintenance of cost records under Section 148(1) of the Act, for the products manufactured by the Company. We have broadly reviewed the books of account maintained and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

VII. STATUTORY DUES

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.

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, 2023 for a period of more than six months from the date they became payable.

According to the information and explanation given to us, there are no dues of goods and service tax and income tax which have not been deposited with the appropriate authorities on account of any dispute.

VIII. There were no transactions which have not been recorded in the books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act,1961 (43 of 1961).

IX.

- (a). In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b). The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c). The Company has applied term loans for the purpose for which the loans were obtained.
- (d). On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long term purposes by the Company.
- (e). The Company does not have any subsidiaries, associates or joint ventures. Therefore clause ix(e) of the Order, is not applicable to the Company.



(f). The Company does not have any subsidiaries, associates or joint ventures. Therefore clause ix(f) of the Order, is not applicable to the Company.

X. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans or Private placement or preferential allotment and hence reporting under clause 3 (x) (a) to (b) of the Order is not applicable to the Company.

XI. (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013 is required to be filed by the auditors in Form ADT-4 as prescribed under Rules, 2014 with the central government during the year and up to the date of this report.

(c) Based on our enquires and according to the information and explanation given by the management, we have been informed that no whistle blower complaint has been received during the year.

XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 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 the information and explanation given to us, the Internal Audit is not applicable to the Company. Accordingly, the clause 3(xiv) (a) to (b) of the Order is not applicable to the Company.

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, clause 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. The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year and the Company is not a Core Investment Company (CIC) and hence clause 3 (xvi) b, c and d are not applicable.



XVII. According to the information and explanation given to us, the company has not incurred cash losses in the current financial year and has not incurred any cash losses in the preceding financial year.

XVIII. There has been no resignation of statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the order is not applicable.

XIX. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and based on our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet and as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due with a period of one year from the Balance sheet date, will get discharged by the Company as and when they fall due.

XX. The order under second proviso to sub-section (5) and sub-section (6) of section 135 of the said Act is not applicable to the company.

XXI. Since the Company do not require to prepare consolidated financial statement. Accordingly, reporting under clause 3(XXI) of the order is not applicable.

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

Satish Kumar Gupta

Satish Kumar Gupta

Partner

M No: 101134

UDIN: 23101134BLRN553539



Place: Mumbai

Date: September 02, 2023

Annexure - B to the Independent 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 **K K SILK MILLS LIMITED** ("the Company") as of March 31, 2023 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 March 31, 2023 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

Partner

M No: 101134

UDIN: 23101134BGRN553539



Place: Mumbai

Date: September 02, 2023

K K SILK MILLS LIMITED
CIN: U17120MH1991PLC063074
BALANCE SHEET AS AT MARCH 31, 2023

(Rs in Lacs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	3	746.97	746.97	
(b) Reserves and surplus	4	2,513.02	2,438.87	
2 Share Application Money Pending Allotment			-	-
3 Non-current liabilities				
(a) Long-term borrowings	5	471.67	709.58	
(b) Deferred tax liabilities (Net)	6	142.55	152.79	
(c) Other Long term liabilities		-	-	
(d) Long-term provisions		-	-	
4 Current liabilities				
(a) Short-term borrowings	7	4,334.50	3,750.22	
(b) Trade payables	8	-	3.52	
(i) Total outstanding dues of micro enterprises and small enterprises		1,866.51	2,227.39	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	
(c) Other current liabilities	9	171.66	210.96	
(d) Short-term provisions	10	-	2.54	
TOTAL		10,276.88	10,242.83	
II. ASSETS				
1 Non-current assets				
(a) Property, Plant & Equipment and Intangible Assets				
(i) Property, Plant & Equipment	11	1,663.80	1,729.18	
(ii) Intangible assets		-	-	
(iii) Capital work in progress		-	-	
(b) Non current Investments		-	-	
(c) Long-term loans and advances	12	412.19	-	
(d) Other non-current assets	13	70.99	52.03	
2 Current assets				
(a) Current investments				
(b) Inventories	14	4,877.82	4,854.17	
(c) Trade receivables	15	2,949.01	3,365.07	
(d) Cash and cash equivalents	16	10.50	16.89	
(e) Short-term loans and advances	17	230.11	109.49	
(f) Other current assets	18	62.45	116.00	
TOTAL		10,276.88	10,242.83	
Significant Accounting Policies		2		
The Notes form integral part of Financial Statements				
For and on behalf of				
AP SANZGIRI & CO				
Chartered accountants				
Firm Registration No. 116293W				
<i>Satish Gupta</i>				
Satish Kumar Gupta				
Partner				
M.N. 101134				
Date : September 02, 2023				
Place :Mumbai				
For K K SILK MILLS LTD.				
For and on behalf of Board of Directors				
K K Silk Mills Limited				
<i>Director</i>				
Manish K Shah				
Managing Director				
DIN:00040966				
<i>Nilesh K Jain</i>				
Wholetime Director				
DIN:00040930				
Date : September 02, 2023				
Place :Mumbai				
For K K SILK MILLS LTD.				
<i>Director</i>				
Nilesh K Jain				
Wholetime Director				
DIN:00040930				
Date : September 02, 2023				
Place :Mumbai				
AP SANZGIRI & CO				
MUMBAI				
F. R. NO.				
116293W				
CHARTERED ACCOUNTANTS				

K K SILK MILLS LIMITED CIN: U17120MH1991PLC063074 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023 (Rs. In Lacs)				
	Particulars	Note No.	2022-23	2021-22
I	Revenue From Operation Sale of Goods & Services	19	18,880.69	17,236.94
II	Other income	20	47.57	20.04
III	Total Income (I + II)		18,928.26	17,256.98
IV	Expenses:			
	Cost of materials consumed	21	2,252.05	1,420.22
	Purchase of Stock in trade		13,328.28	13,619.55
	Manufacturing Expenses	22	1,650.26	1,290.72
	Changes in inventories of finished goods and Garment	23	(78.31)	(615.36)
	Employee benefits expenses	24	618.46	543.13
	Finance costs	25	520.21	478.71
	Depreciation and amortization expenses	11	213.37	243.91
	Other expenses	26	233.02	150.10
	Total expenses(IV)		18,737.34	17,130.98
V	Profit before exceptional and extraordinary items and tax (III-IV)		190.92	126.00
VI	Exceptional items	27	43.50	84.69
VII	Profit before extraordinary items and tax (V + VI)		147.42	41.31
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII- VIII)		147.42	41.31
X	Tax expense:			
	(1) Current tax		48.37	53.84
	(2) Tax Expenses of earlier years		5.14	
	(3) MAT Credit Utilisation			
	(2) Deferred tax		(10.24)	(58.72)
XI	Profit (Loss) for the Year from continuing operations (VII-VIII)		104.15	46.19
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)		104.15	46.19
XVI	Earnings per equity share:	35		
	(1) Basic		1.39	0.62
	(2) Diluted		1.39	0.62
	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 : September 02, 2023
Place :Mumbai



For and on behalf of Board of Directors
K K Silk Mills Limited

Director
Manish K Shah
Managing Director
DIN:00040966
Date : September 02, 2023
Place :Mumbai

Director
Nilesh K Jain
Wholetime Director
DIN:00040930
Date : September 02, 2023
Place :Mumbai

Director

K K SILK MILLS LIMITED
CIN: U17120MH1991PLC063074
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	Amount	Amount	Amount
A. Cash Flow from Operating Activities				
Profit / (Loss) before taxation		147.42		41.31
Adjustments for:-				
Depreciation & amortisation	213.37		243.91	
Interest income	-19.93		-13.68	
Interest Expenditure	520.21		451.66	
(Profit)/Loss on Sale of Fixed Asset	-10.76		9.69	
	702.89		691.58	
Operating profit/ (Loss) before Changes in Working Capital:	850.32		732.89	
Changes in Working Capital:				
Increase/(Decrease) in trade payables	-364.39		436.18	
Increase/(Decrease) in other current liabilities	-39.30		4.45	
Increase/(Decrease) in Short Term Provisions (Other than Income Tax)	-2.54		-33.90	
Increase/(Decrease) in Short Term Borrowings	584.28		-416.28	
(Increase)/Decrease in trade receivables	416.06		-611.78	
(Increase)/Decrease in inventories	-23.66		-823.07	
(Increase)/Decrease in short term loans and advances (Other than Mat Credit)	-120.62		89.75	
(Increase)/Decrease in Long term loans and advances (Other than Advance Tax)	-412.19		4.32	
(Increase)/Decrease in other current assets	53.55		212.29	
(Increase)/Decrease in other non-current assets	-	91.19	-3.98	-1,142.01
Taxes paid (net of refunds)	-	53.51		53.84
Net Cash generated / (used) from Operating Activities	A	887.99		-462.96
B. Cash flow from Investing Activities				
Sale of Fixed Assets	343.81		1,068.90	
Purchase of tangible/intangible assets	-481.05		-52.31	
Interest received	19.93		13.68	
Increase in Other Non-Current Assets	-18.96			
Net Cash generated / (used) from investing activities	B	-136.27		1,030.27
C. Cash flow from Financing Activities				
Interest paid	-520.21		-451.66	
Proceeds from Borrowings	-		-	
Repayment of borrowings	-237.91		-116.50	
Net Cash generated / (used) from financing activities	C	-758.11		568.16
Net increase / (Decrease) in cash and cash equivalents	(A+B+C)	-6.39		-0.85
Cash and Cash equivalents at the beginning of the year		16.90		17.75
Cash and Cash equivalents at the end of the year		10.50		16.90
Cash And Cash equivalents comprise of:				
Cash on hand	8.87			13.52
Balance With Bank	1.63			3.38
Total	10.50			16.90
For and on behalf of A.P SANZGIRI & CO Chartered accountants Firm Registration No. 116293W				
Satish Kumar Gupta Partner M.N. 101134 Date : September 02, 2023 Place :Mumbai				
<i>Satish Kumar</i>				
<i>For and on behalf of Board of Directors</i> K K Silk Mills Limited				
<i>For K K SILK MILLS LTD.</i>				
<i>Director</i>				
Manish A Shah Managing Director DIN:00040966 Date : September 02, 2023 Place :Mumbai				
<i>Manish A Shah</i>				
<i>For K K SILK MILLS LTD.</i>				
<i>Director</i>				
Nilesh K Jain Wholetime Director DIN:00040930 Date : September 02, 2023 Place :Mumbai				
<i>Nilesh K Jain</i>				



K K SILK MILLS LIMITED
Notes to the financial statements for the year ended March 31, 2023

Note 1: Background

K K SILK MILLS LIMITED (the "Company") 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

Retirement 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
Notes to Accounts forming part of Balance Sheet

Note 3 : Share Capital

(Rs in Lacs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10 each	1,12,50,000	1,125.00	1,12,50,000	1,125.00
Issued Equity Shares of Rs. 10 each	74,69,680	74.70	74,69,680	746.97
Subscribed & Paid up Equity Shares of Rs. 10 each fully paid up	74,69,680	746.97	74,69,680	746.97
Total	74,69,680	746.97	74,69,680	746.97

(a) Reconciliation of number of Equity shares

(Rs in Lacs)

Particulars	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	74,69,680	746.97	74,69,680	746.97
Shares Issued during the year	-	-	-	-
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) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	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 (HUF)	5,07,698	6.80%	5,07,698	6.80%
KDM Textiles	4,73,020	6.33%	4,73,020	6.33%
Ms. Pinky N Shah	4,38,066	5.86%	4,38,066	5.86%
Total	66,81,432	89.45%	66,81,432	89.45%

(c) Rights, preferences, restrictions:

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(d) Promoter's Shareholding

Shares held by Promotor as on March 31, 2023

Promoter's Name	No. of Shares	% of Total Shares	% Change during the year
Mr Manish K Shah	12,01,280	16.08%	-
Mr Nilesh K Shah	10,79,768	14.46%	-
Ms. Asha M Shah	10,93,200	14.64%	-
Ms. Pinky N Shah	4,38,066	5.86%	-
Total	38,12,314	51.04%	-

Shares held by Promotor as on March 31, 2022

Promoter's Name	No. of Shares	% of Total Shares	% Change during the year
Mr Manish K Shah	12,01,280	16.08%	-
Mr Nilesh K Shah	10,79,768	14.46%	-
Ms. Asha M Shah	10,93,200	14.64%	-
Ms. Pinky N Shah	4,38,066	5.86%	-
Total	38,12,314	51.04%	-

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, 2023	As at March 31, 2022
(a) Securities Premium Account		
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) General Reserves		
Opening Balance	35.96	35.96
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	35.96	35.96
(c) Capital Reserve		
Opening Balance	8.02	8.02
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	8.02	8.02
(d) Surplus		
Opening balance	1,382.85	1,336.66
(+) Net Profit/(Net Loss) for the year	104.15	46.19
Closing Balance	1,487.01	1,382.85
Total	2,543.02	2,438.87

Note 5 : Long Term Borrowings

(Rs in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
(a) Term loans		
From Banks		
Secured by hypothecation charge on fixed assets of the Company acquired out of bank finance.	795.15	957.80
Repayable in 36 to 44 installment		
Loan From GIDC		
Secured by Immovable Properties	8.43	9.77
Less: Disclosed under Short Term Borrowings		
- Current Maturity of Long term borrowing	358.06	316.82
	445.51	650.75
Unsecured		
From Banks	24.88	77.97
Less: Disclosed under Short Term Borrowings		
- Current Maturity of Long term borrowing	24.88	53.10
	-0.00	24.88
Loan & Advances from Related Parties		
Repayable in five years	26.16	33.95
Total	471.67	709.58



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 :

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Liability Difference between Book and Tax Depreciation	142.55	152.79
Net Deferred Tax Liability / (Assets)	142.55	152.79

Note 7 : Short Term Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured (a) Loans repayable on demand From Banks Cash Credit and Working Capital Demand Loan	3,881.56	3,380.31
*Primary Security 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		
*Collateral Security Mortgage charge on Extension of EM on Factory land and building situated on Plot No.J/1401/1, GIDC, Umargaon(Valsad), Gujrat.		
Mortgage charge on Extension of EM on Factory land and building situated on Plot No.J/603/A, GIDC, Umargaon(Valsad), Gujrat.		
Mortgage charge on Extension of EM on Factory land and building situated on Plot No.J/1401/2, GIDC, Umargaon(Valsad), Gujrat.		
Mortgage charge on Extension of EM on Land(Leasehold right) and building at survey no 141/p, Plot No-406, GIDC, Umargaon(Valsad), Gujrat.		
Mortgage charge on Extension of EM on Flat No-404, GIDC, Umargaon(Valsad), Gujrat.		
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 Guarantee given by Dhaemiben Shah, Asha Shah, Nilesh Shah, Pinky Shah and Manish K Shah		
Loan & Advances from Related Parties	70.00	-
Current Maturities of Long Term Borrowing	382.94	369.91
	4,334.50	3,750.22
Total	4,334.50	3,750.22

For K K SILK MILLS LTD.
Director



For K K SILK MILLS LTD.
Director

Note 8 : Trade Payables

	Particulars	As at March 31, 2023	As at March 31, 2022	(Rs in Lacs)
Trade Payables:				
(i) Dues of micro enterprises and small enterprises			3.52	
(ii) Dues of Creditors other than micro enterprises and small enterprises		-	2,227.39	
Total	1,866.51	2,230.91		

Trade payables ageing schedule as at 31 March 2023

	Particulars	Outstanding for following periods from due date of payment		
		Less than 1 year	1-2 years	2-3 years
(i) MSME	0.00			
(ii) Others	1,733.55	68.05	29.89	35.02
(iii) Disputed dues- MSME				
(iv) Disputed dues- Others				

Trade payables ageing schedule as at 31 March 2022

	Particulars	Outstanding for following periods from due date of payment		
		Less than 1 year	1-2 years	2-3 years
(i) MSME	3.47			
(ii) Others	2,137.75	49.01	22.97	0.05
(iii) Disputed dues- MSME	-	-	-	
(iv) Disputed dues- Others	-	-	-	



For K K SILK MILLS LTD.
For J. J. Joshi
Director

For K K SILK MILLS LTD.
For J. J. Joshi
Director

K K Silk Mills Private Limited
 Financial Statements for the Year ended March 31, 2023
 Fixed Assets Schedule - 11

Particulars	Gross Block			Accumulated Depreciation			Net Block				
	Balance as at 1 April 2022	Additions during the year	Deletion during the year	Balance as at March 31, 2023	Balance as at 1 April 2022	Depreciation charge for the year	Dep on deletion	Adjustment due to Schedule - II	Balance as at 31st March, 2023	Balance as at 31st March, 2023	Balance as at 31st March, 2022
Tangible Assets											
Land	2.94	-	-	2.94	0.95	-	-	-	0.95	1.99	1.99
Building	337.95	-	-	337.95	166.48	11.29	-	-	177.78	160.17	171.46
Plant & Machinery	4,629.97	472.44	2,320.17	2,782.24	3,135.45	191.34	1,987.12	-	1,339.67	1,442.57	1,494.52
Furniture & Fixtures	53.30	0.84	-	54.14	19.68	4.35	-	-	24.03	30.11	33.61
Vehicles	28.05	-	-	28.05	15.93	1.83	-	-	17.76	10.29	12.12
Residential Building	2.08	-	-	2.08	1.20	0.02	-	-	1.22	0.86	0.88
Office equipments	18.25	3.98	-	22.23	12.92	1.72	-	-	14.64	7.59	5.33
Computer	20.46	3.79	-	24.25	19.31	1.48	-	-	20.79	3.46	1.15
Electrical	80.42	-	-	80.42	72.31	1.34	-	-	73.65	6.77	8.11
Installations	5,173.41	481.05	2,320.17	3,334.29	3,444.23	213.37	1,987.12	-	1,670.48	1,663.80	1,729.18
Total Tangible Assets	5,173.41	481.05	2,320.17	3,334.29	3,444.23	213.37	1,987.12	-	1,670.48	1,663.80	1,729.18

For K K SILK MILLS LTD.

Director



For K K SILK MILLS LTD.

Director

Note 9 : Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	21.51	8.45
Salary Payable	34.76	35.86
Interest accrued but not due	0.85	0.00
Advance from customer	26.46	138.51
Creditors For Capital Goods	60.72	0.00
Other Liabilities	27.36	28.14
Total	171.66	210.96

Note 10 : Short Term Provision

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	-	2.54
Total	0.00	2.54

Note 12 : Long-term loans and advances

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax (Net of Provisions)	3.85	-
Advance for Capital Goods	408.34	-
Total	412.19	-

Note 13 : Other Non Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposit against Bank Guarantee	45.90	30.29
Security Deposit	25.10	21.74
Total	70.99	52.03

Note 14 : Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
a) Raw Materials and components	804.23	835.29
b) Stores and Spares	57.65	72.46
c) Finished Garment	580.88	493.99
d) Finish Fabrics	3,426.19	3,434.77
e) Incidental Goods	8.87	17.65
Total	4,877.82	4,854.17



For K K SILK MILLS LTD.

Director

For K K SILK MILLS LTD.

Director

Note 15 : Trade Receivables

(Rs in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, Considered Good	-	-
Unsecured, Considered Good	2,949.01	3,365.07
Considered Doubtful	-	-
Less: Allowance for Bad & Doubtful Debts	-	-
Total	2,949.01	3,365.07

Trade Receivable Ageing Schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	2,799.34	67.58	24.71	-	57.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Trade Receivable Ageing Schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years
(i) Undisputed Trade receivables – considered good	3,193.30	63.57	47.08	24.61	36.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-



For K K SILK MILLS LTD.
Signature
Director

For K K SILK MILLS LTD.


Signature
Director

Note 16 : Cash and Bank Balance

(Rs in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
A.Cash and Cash Equivalent		
(i) Balances with banks	1.63	3.38
(ii) Cash on hand	8.87	13.52
Total	10.50	16.89

Note 17 : Short Term Loans and Advances

(Rs in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to suppliers	14.94	63.18
Loan & Advances to Employees	27.85	30.00
Loans & Advances to Others parties	157.32	16.31
Auction Deposit	30.00	0.00
Total	230.11	109.49

Note 18 : Other Current Assets

(Rs in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	9.85	12.29
Other Current Asset	1.00	4.75
Balance with Revenue Authorities	18.78	22.64
Insurance Claim Receivable	32.83	76.33
Total	62.45	116.00

For K K SILK MILLS LTD.
Director



For K K SILK MILLS LTD.
Director

K K SILK MILLS LIMITED

Notes to Accounts forming part of Statement of Profit & Loss

Note 19 : Revenue From Operation

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Sale of products	17244.28	15,904.79
Service Charges Received	1619.18	1,319.10
Other Opearting Revenue		
Sale of Scrap	17.24	13.06
Total	18,880.69	17,236.94

Note 20 : Other Income

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Interest Income	19.93	13.68
Other non-operating income (net of expenses directly attributable to such income)		
Miscellaneous income	16.88	6.36
Profit on Sale of Machinery	10.76	-
Total	47.57	20.04

Note 21 :Cost of Material Consumed

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Consumption of Raw Material		
Opening Stock	835.29	668.71
Add: Purchase during the Year	2,220.98	1,586.80
	3,056.28	2,255.51
Less: Closing Stock	804.23	835.29
Consumption	2,252.05	1,420.22

a. Material Includes

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Yarn & other material	2,252.05	1,420.22
Total	2,252.05	1,420.22

Note 22 : Manufacturing Expenses

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Consumption of Incidental Goods	162.99	88.10
Stores and Spares Consumed	161.01	87.22
Insurance Expense	13.67	12.83
Repairs to Plant & Machinery	33.79	41.60
Weaving Charges	20.08	28.12
Power and Fuel Consumed	406.18	353.62
Processing Charges	22.36	21.82
Job Work Charges	597.30	493.16
Other Manufacturing Expenses	232.89	164.24
Total	1,650.26	1,290.72

For K K SILK MILLS LTD
Director

For K K SILK MILLS LTD
Director



Note 23 : Changes in Inventories in Finished Goods and Garment

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Stock-in -Trade		
Opening Stock	3,434.77	2,734.56
Closing Stock	3,426.19	3,434.77
	8.58	-700.21
Finished Goods		
Opening Stock	493.99	578.84
Closing Stock	580.88	493.99
	-86.89	84.85
Total	-78.31	-615.36

Note 24 : Employee Benefit Expenses

(Rs in Lacs)

Particulars	2022-2023	2021-2022
(a) Salaries and Wages	475.23	402.83
(b) Labour on Contract	119.26	113.15
(c) Contributions to fund	4.32	5.49
(d) Remuneration to Directors	14.50	16.50
(e) Staff welfare expenses	5.14	5.16
Total	618.46	543.13

Note 25 : Finance Cost

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Interest expense	482.71	451.66
Other borrowing costs	37.50	27.04
Total	520.21	478.71

Note 26 : Other Expenses

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Brokerage and Commission	22.45	9.96
Audit Fees	5.50	2.70
Legal & Professional Fees	19.84	7.97
Printing & Stationery	8.73	6.95
Rent, Rates & Taxes	19.92	27.07
Repairs to building & Furniture	2.34	0.30
Security Expenses	11.87	11.04
Telephone & Internet Charges	1.12	1.30
Transportation Expenses	36.57	32.35
Travelling Expenses	14.36	7.89
Sales Promotion expenses	10.54	1.46
Miscellaneous Expenses	79.78	41.12
Total	233.02	150.10

Note 27 : Exceptional Items

(Rs in Lacs)

Particulars	2022-2023	2021-2022
Insurance Claim written off-no longer receivable	43.50	75.00
Loss on Sale of building/flat	-	9.69
Total	43.50	84.69

Explanatory Note (i):

(Rs in Lacs)

Particulars	2022-2023	2021-2022
As Statutory Auditor	4.75	2.00
As Tax Auditor	0.75	0.70
Total	5.50	2.70

For K K SILK MILLS LTD.

For K K SILK MILLS LTD.



28. 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.

29. Contingent Liability

There are no Contingent Liabilities as on 31st March 2023 (Previous year – Nil)

30. Balance confirmations

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

31. 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.

32. Consumption of Raw Materials

(Rs. In Lacs)

Particulars	2022-2023		2021-2022	
	Rs.	%	Rs.	%
Imported	-	-	-	-
Indigenous	2,252.05	100%	1747.42	100%
Total	2,252.05	100%	1747.42	100%

33. Remuneration paid or payable to Auditors

(Rs. In Lacs)

Particular	2022-2023	2021-2022
As Statutory Auditor	4.75	2.00
As Tax Auditor	0.75	0.70

For K K SILK MILLS LTD.
Director



For K K SILK MILLS LTD.
Director

K K SILK MILLS LIMITED
 Notes to the financial statements for the year ended March 31, 2023

Note 37: Ratios

Ratio	Numerator	Denominator	Year Ended March 31,	Year Ended March 31, 2022	% of Variance	Reason for Variance
(a) Current Ratio	Total Current Assets	Total Current liabilities	1.28	1.37	-7%	Note 1
(b) Debt - Equity Ratio	Total Debt	Shareholder's Equity	1.46	1.40	4%	Note 2
(c) Debt Service Coverage Ratio	Earning available for debt service = Net profit after taxes+Non Cash Operating expenses+ Interest- Profit on sale	Debt Service=Interest + Loan repayment	0.93	0.53	74%	Note 3
(d) Return on Equity Ratio (%)	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.03	0.01	120%	Note 4
(e) Inventory turnover ratio	Cost of Goods Sold or Sales	Average Inventory	2.73	2.88	-5%	Note 5
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	5.98	5.63	6%	Note 6
(g) Trade Payables turnover ratio	Net Credit Purchases	Average Trade Payables	6.51	6.77	-4%	Note 7
(h) Net capital turnover ratio	Net Sales	Working Capital	10.74	7.60	41%	Note 8
(i) Net profit ratio (%)	Net Profit	Net Sales	0.01	0.0027	106%	Note 9
(j) Return on Capital employed (%)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.20	0.18	13%	Note 10

Note 1: Due to increase in Current Asset the Current Ratio has increased

Note 2 &3 : Due to increase in Total debt the Debt Equity Ratio has increased

Note 4: Due to increase in Net Profits after taxes the Return on Equity Ratio has increased

Note 5: Due to increase in Average Inventory Cycle the Inventory turnover Ratio has increased

Note 6: Due to increase in Revenue the Trade Receivables turnover Ratio has increased

Note 7: Due to increase in Purchases the Trade Payables turnover Ratio has increased

Note 8: Due to increase in Revenue the Net Capital Turnover Ratio has increased

Note 9: Due to disproportionate increase in Net Profit & Revenue compared to the previous year the Net Profit Ratio has decreased

Note 10: Due to increase in Earnings before interest & taxes the Return on Capital employed has increased

For K K SILK MILLS LTD.

 Director



For K K SILK MILLS LTD.

 Director

34. 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)
 - 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
 - Nilesh K. HUF
 - Manish K. HUF
- III) Other Related Parties
 - S R Textiles Industries Pvt. Ltd

Nature of Transaction	2022-2023	(Rs. In Lacs) 2021-2022
Remuneration		
-Mr. Manish K Shah	5.00	4.50
-Mr. Nilesh Shah	5.00	6.00
-Mrs. Pinky N. Shah	4.50	6.00
Loan & Advances Taken		
-Mr. Manish K Shah	93.93	107.49
-Manish K Shah HUF	-	26.55
-Mr. Nilesh Shah	37.88	20.30
-Mrs. Asha M. Shah	24.30	41.64
-Mrs. Pinky N. Shah	0.90	23.90
-S R Textiles Industries Pvt. Ltd.	70.00	-



For K K SILK MILLS LTD.
Director

For K K SILK MILLS LTD.
Director

Repayment of Loan & Advances Taken		
-Mr. Manish K Shah	92.19	104.90
-Manish K Shah HUF	-	26.55
-Mr. Nilesh K Shah	30.02	19.77
-Mrs. Asha M. Shah	42.54	15.99
-Mrs. Pinky N. Shah	7.95	13.70
 Outstanding Balance- Dr/(Cr)-Loan & Advances		
-Mr. Manish K Shah	(1.88)	(0.14)
-Mr. Nilesh K Shah	(7.78)	0.13
-Mrs. Pinky N. Shah	(3.14)	(10.19)
-Mrs. Asha M. Shah	(23.02)	(23.76)
- S R Textile Industries	(70.00)	-
 Outstanding Balance- Dr/(Cr)-Remuneration		
-Mrs. Pinky N. Shah	-	(2.51)
-Mr. Manish K Shah	-	(0.20)
-Mr. Nilesh K Shah	-	(2.00)

35. Earnings Per Share

Particulars	2022-2023	2021-2022
Net Profit available for Equity Shareholder	104.15	46.19
Weighted average number of Equity shares outstanding (No.'s)	74.70	74.70
Earnings per share - Basic & Diluted (Rs.) (Face value of Re.10 per share)	1.39	0.62

36. 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.

For K K SILK MILLS LTD.
Director

AP SANZGIRI & CO
MUMBAI
F. R. NO.
116293W
★ CHARTERED ACCOUNTANTS ★
For K K SILK MILLS LTD.
Director

Note 38: Additional notes as per amended Schedule III

(i) Loans or Advances in the nature of loans

No Loans or Advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(ii) Details of Benami Property held

No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(iii) Utilisation of Borrowed funds and share premium

a. The Company has not advanced or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

b. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding parties) with the

(iv) Security of Current Assets against Borrowings

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the

(v) Relationship with struck off Companies

The Company has not entered into any transactions with the companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(vi) Corporate Social Responsibility

Section 135 of the Companies Act, 2013 is not applicable to the Company and therefore Note for Corporate Social Responsibility is not applicable to the Company.

(vii) Details of Crypto Currency or Virtual Currency

The Company has not Invested or Traded in Crypto Currency or Virtual Currency during the financial year.

(viii) Issue of Bonus Shares

The Company has not issued any bonus shares nor has there been any buyback of shares during the 5 years immediately preceding the Balance Sheet date

(ix) Registration of Charge

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) Scheme of compromise and Arrangement

The Company has not entered into any Scheme of Arrangement in terms of sections 230 to 237 of the Companies Act,

(xi) Willful Defaulter

The Company is not declared wilful defaulter by any bank or financial institution or other lender

(xii) The Company is not a holding company as defined in section 2(87) of Companies Act, 2013.

(xiii) The Company does not have any intangible asset under development.

Note 39: Adoption of New Scheme of Taxation

In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives including loss of the accumulated MAT Credit. Since the Company does not have any MAT Credit, it has exercised this option for the current period and accordingly recognized the taxes on income for the year ended March 31, 2023 as

Note 40: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's

For K K SILK MILLS LTD.
Director



For K K SILK MILLS LTD.
Director

30. 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)
 - Nilesh Shah (Director)
 - Asha M. Shah (Director)
 - Pinky N. Shah (Director)
 - Mahaveer Patwari (Independent Director)
 - Rakesh Kumar Puranmal Giria (Independent Director)
- II) Other Parties where control exists
 - Nilesh K. HUF
 - Manish K. HUF
- III) Other Related Parties
 - S R Textiles Industries Pvt. Ltd

(Rs. In Lacs)

Nature of Transaction	2022-2023	2021-2022
Remuneration		
-Mr. Manish K Shah	5.00	4.50
-Mr. Nilesh Shah	5.00	6.00
-Mrs. Pinky N. Shah	4.50	6.00
Loan & Advances Taken		
-Mr. Manish K Shah	93.93	107.49
-Manish K Shah HUF	-	26.55
-Mr. Nilesh Shah	37.88	20.30
-Mrs. Asha M. Shah	24.30	41.64
-Mrs. Pinky N. Shah	0.90	23.90
-S R Textiles Industries Pvt. Ltd.	70.00	-

For K K SILK MILLS LTD.

Director

[Signature]



DIRECTORS' REPORT

To

The Members,

KK SILK MILLS LIMITED

(CIN: U17120MH1991PLC063074)

Address :- 24A Siddhi Vinayak Bldg, OldManuman,
1st Cross Lane Kalbhadavi 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 31st March, 2023.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS

The Company's performance during the year ended 31st March, 2023 as compared to the previous financial year, is summarized below:

Particulars	For the financial year ended 31 st March, 2023	(Amount in Lakhs)	
		For the financial year ended 31 st March, 2022	For the financial year ended 31 st March, 2021
Income	18,928.26	17,256.98	16,800.00
Less: Expenses	18,737.34	17,130.98	16,600.00
Exceptional Items	43.50	84.69	1,200.00
Profit/ (Loss) before tax	147.42	41.31	1,000.00
Tax Expense:			
Current Tax	48.37	53.84	50.00
Tax Expenses of Earlier Years	5.14	-	-
MAT Credit Utilisation	-	-	-
Deferred Tax	(10.24)	(58.72)	(50.00)
Exception Income	-	-	-
Exception expenditure	-	-	-
Profit after Tax	104.15	46.19	41.31

APPROPRIATION

Interim Dividend	-	-
Final Dividend	-	-
Tax on distribution of dividend	-	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	104.15	46.19



OPERATIONS & STATE OF AFFAIRS OF THE COMPANY:

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.

The gross sales and other income for the financial year under review is Rs. 18,928.26 lakhs as against Rs. 17,256.98 lakhs for the previous financial year. The profit before tax from continuing operations including extraordinary and exceptional items is Rs. 147.42 lakhs and the profit after tax from continuing operations including extraordinary and exceptional items of Rs. 41.31 lakhs for the financial year under review as against Rs. 104.15 lakhs and Rs. 46.19 lakhs respectively for the previous financial year.

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

b. DIVIDEND:

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

c. 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.

d. TRANSFER TO RESERVES:

The Company has not transferred any amount to General Reserve.

e. 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.

f. 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



K K Silk Mills Ltd.

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

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.

g. LOANS FROM DIRECTORS

During the financial year under review, the Company has borrowed the following amount(s) from Directors and the respective director has given a declaration in writing to the Company to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others. Accordingly, the following amount(s) is /are excluded from the definition of Deposit as per Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014:-

Name of Director giving loan	Amount borrowed during 2022-23
Asha M Shah	1,11,82,082
Manish K Shah	94,53,757.01
Nilesh K Jain	38,18,695.40
Pinky N Shah	89,740.00

h. 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.

i. 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.

j. ANNUAL RETURN:

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of Companies Act, 2013, the Annual Return as on 31st March, 2023 is available on Company's website on www.kksilkmills.com



k. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

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

I. 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.

m. 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 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.

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.

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

The Company does not have a Holding or a Subsidiary Company.



3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

a. BOARD MEETINGS:

The Board of Directors met **12** times during the financial year ended 31st March 2023 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 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. Manish Kantilal Shah, Chairman,
2. Mr. Mahaveer Patwari, Independent Director and
3. Mr. Rakeshkumar Giria, Independent Director.

The Audit Committee met **4** times during the financial year ended 31st March 2023.

During the year under review, the Board of Directors of the Company 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:

4. Mr. Manish Kantilal Shah, Chairman,
5. Mr. Mahaveer Patwari, Independent Director and
6. Mr. Rakeshkumar Giria, Independent Director.

The Nomination & Remuneration Committee met **4** times during the financial year ended 31st March 2023.

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.



K K Silk Mills Ltd.

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

d. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Board of Directors.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

e. RISK MANAGEMENT POLICY:

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.

f. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of all the committees i.e. Audit Committee and Nomination and Remuneration Committee of Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. Separate Exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc.



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 31ST MARCH, 2023:**

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2023 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

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.

c. **MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the 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 28/09/2022, appointed M/s. Satish Kumar Gupta, Cost Accountants as the Cost Auditors of the Company for the financial year 2022-23 for the applicable Product Groups covered under the Notification bearing No. 551511, 520842, 520932, 551319, 540710. The Company received the approval of the Central Government for the said appointment.

The Cost Audit Report has been / shall be placed before the Board of Directors for its approval at the Board meeting held / to be held on 27/09/2023, 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 31st March, 2023, the Board of Directors hereby confirms that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. such accounting policies have been selected and applied consistently and the 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 31st March, 2023 and of the profit/loss 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.



K K Silk Mills Ltd.

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

d. CORPORATE GOVERNANCE:

(Amount in Lakhs)

Particulars	Details	Details	Details
Name of Person & Designation to whom Remuneration is paid as per Section II of Schedule V	Manish K Shah (Managing Director)	Nilesh K Jain (Wholetime Director)	Pinky Nilesh Shah (Director)
Financial Year 2021-22	4.50	6	6
Financial Year 2022-23	5	5	4.50
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors	Salary	Salary	Salary
Details of fixed component and performance linked incentives along with the performance criteria	-	-	-
Service contracts, notice period, severance fees	-	-	-
Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	-	-	-



K K Silk Mills Ltd.

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

e. 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.

f. 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.

g. 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.

h. 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.

i. DISCLOSURE OF PROCEEDINGS PENDING OR APPLICATION MADE UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

No application was filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

j. DISCLOSURE OF REASON FOR DIFFERENCE BETWEEN VALUATION DONE AT THE TIME OF TAKING LOAN FROM BANK AND AT THE TIME OF ONE TIME SETTLEMENT

There was no instance of onetime settlement with any Bank or Financial Institution.



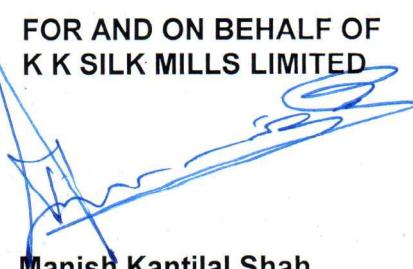
K K Silk Mills Ltd.

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

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
K K SILK MILLS LIMITED


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Wholetime Director
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DATE: 02/09/2023
PLACE: Mumbai

