

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of **M/s Sai Silks (Kalamandir) Limited** will be held on Monday, 30th September, 2019 at 11.00 A.M. at the Registered Office of the Company situated at 6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016 to transact the following business:

ORDINARY BUSINESS:

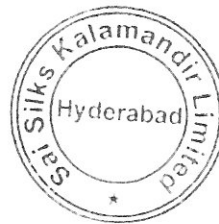
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2019 along with the Notes thereon and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Annam Kalyan Srinivas (DIN: 02428313) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

3. Appointment of Mrs. Sirisha Chintapalli (DIN: 08407008) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as on Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Sirisha Chintapalli (DIN: 08407008), who was appointed as an Additional Director of the Company by the Board of Directors effective 12th April, 2019 as per section 161 of the Companies Act, 2013 and who holds her office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years commencing on 12th April, 2019.”



Registered Office

Sai Silks (Kalamandir) Limited

6 - 3 - 790 / 8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500 016. Tel: 040 - 6656 6555, Fax: 040 - 6610 6699.

Zonal Office: # 33, 9th Main, 46th Cross, 5th Block, Jayanagar, Bengaluru - 560 041. Tel: 080 - 4205 0918.

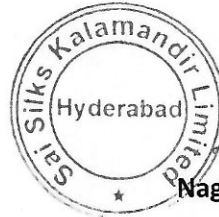
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CIN No. U52190TG2008PLC059968

4. Appointment of Mr. Laxminivas Jaju (DIN: 02697745), as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as on Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Laxminivas Jaju (DIN: 02697745), who was appointed as an Additional Director of the Company by the Board of Directors effective 01st August, 2019 as per Section 161 of the Companies Act, 2013 and who holds his office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years commencing on 01st August, 2019.”



By Order of the Board
For Sai Silks (Kalamandir) Limited


Naga Kanaka Durga Prasad Chalavadi
Chairman & Managing Director
DIN: 09129166

Place: Hyderabad

Date: 05/09/2019

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy form duly filled in should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. All alterations/corrections made in the form of Proxy should be initialed by the Member.
2. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip sent herewith duly filled in for attending the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy for his entire shareholding and such person shall not act as a proxy for any other person or shareholder.
4. Information in respect of Directors seeking appointment / re-appointment as required under the Secretarial Standards on General Meetings (SS-2) issued by ICSI is attached herewith.
5. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Item Nos.3 & 4 is annexed hereto.
6. As per SS-2, complete particulars of the venue of the Meeting through route map has been attached herewith the Notice.

Information in respect of Director seeking re-appointment as required under the Secretarial Standards on General Meetings issued by ICSI:-

Name of the director	Annam Kalyan Srinivas	Sirisha Chintapalli
Date of Appointment including terms and conditions of appointment	N.A (retirement by rotation U/s 152)	12.04.2019
Date of first appointment on the Board	01.06.2009	12.04.2019
Date of Birth	16.07.1974 (Age: 45 years)	04.06.1980 (Age: 39 years)
Expertise in Specific Functional areas	Apart from the supervising the business operations of the Company in Telangana region, he heads the ads and publicity functions of the Company. Further, he also plays key role in setting up new showrooms.	She has rich experience in the field of legal, financial, secretarial regulatory cum compliance matters.
Educational Qualification	Bachelors Degree of Commerce from Nagarjuna University	Member of ICSI & ICWA
Directorships in other Companies	1. Sai Retail India Limited 2. Atrium Textiles Private Limited 3. Kalamandir International Private Limited	1. Shilpa Medicare Limited 2. Brahmani Infratech Private Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	Nil	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Remuneration for FY 2018-19 – 58.25 lakhs	No remuneration is proposed to be paid except Sitting Fee.
Shareholding in the Company as on 31.03.2019	He holds 15,15,400 Equity shares of Rs.10/- each	Nil
Relationship between Directors inter-se	Brother in law of Mr. Chalavadi Naga Kanaka Durga Prasad (Chairman & Managing Director) and Ch. D K Durga Rao	Not related to any Director on the Board
Number of Meetings of the Board attended during the year	He has attended 08 Board Meetings during the financial year 2018-19.	Not Applicable

Name of the director	Laxminivas Jaju
Date of Appointment including terms and conditions of appointment	01.08.2019
Date of first appointment on the Board	01.06.2009
Date of Birth	02.06.1952 (Age: 67 years)
Expertise in Specific Functional areas	Rich experience in the areas of administration.
Educational Qualification	BA (Mechanical)
Directorships in other Companies	1. Pavan Stockfin Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	No remuneration is proposed to be paid except sitting fee.
Shareholding in the Company as on 31.03.2019	Nil
Relationship between Directors inter-se	Not related to any Director on the Board
Number of Meetings of the Board attended during the year	Not Applicable

**Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)**

AGENDA – 3 and 4

APPOINTMENT OF INDEPENDENT DIRECTORS

The members may note that pursuant to the provisions of Section 161 of the Companies Act, 2013, the following persons were appointed as Additional Directors (in the Independent category) of the Company with effect from 12.04.2019 and 01.08.2019, respectively, who hold the office as such till the ensuing Annual General Meeting:

- Ms. Sirisha Chintapalli
- Mr. Laxminivas Jaju

The Company has received individual Notices in writing from members along with the deposit of Rs.1 lac as required under Section 160 of the Act proposing the respective candidature of Ms. Sirisha Chintapalli & Mr. Laxminivas Jaju to the office of Director of the Company.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 read with Rules thereunder, any proposal to appoint a Director needs to be approved by the members in their General Meeting.

The aforesaid appointees have declared that they are not disqualified from being appointed as Director in terms of Section 164 of the Act and that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. They have also given their respective consents for the proposed appointments to the office of Director of the Company.

Further, in the opinion of the Board, Ms. Sirisha Chintapalli & Mr. Laxminivas Jaju fulfill the conditions of their appointment as Independent Directors as specified in the Act and the Rules made thereunder and they are independent of the Management as well.

Aforesaid Independent Directors possess immense wealth of knowledge and expertise in their respective fields and bring with them vast and rich experience that would definitely help the Company to inculcate best corporate governance practices across the Company and at the Board level in particular. Keeping the said in view, it will be in the best interest of the Company that the said Additional Directors be appointed as Directors on the Board of the Company.

Pursuant to the provisions of Section 149 of the Act, an independent director shall hold office for a term upto 5 (Five) consecutive years on the Board of a company and he shall not be included in the total number of directors for calculating the number of directors who would retire by rotation. If the appointments are approved, Ms. Sirisha Chintapalli & Mr. Laxminivas Jaju shall hold their respective office of Independent Director of the Company upto 11.04.2024 and 31.07.2024, respectively.

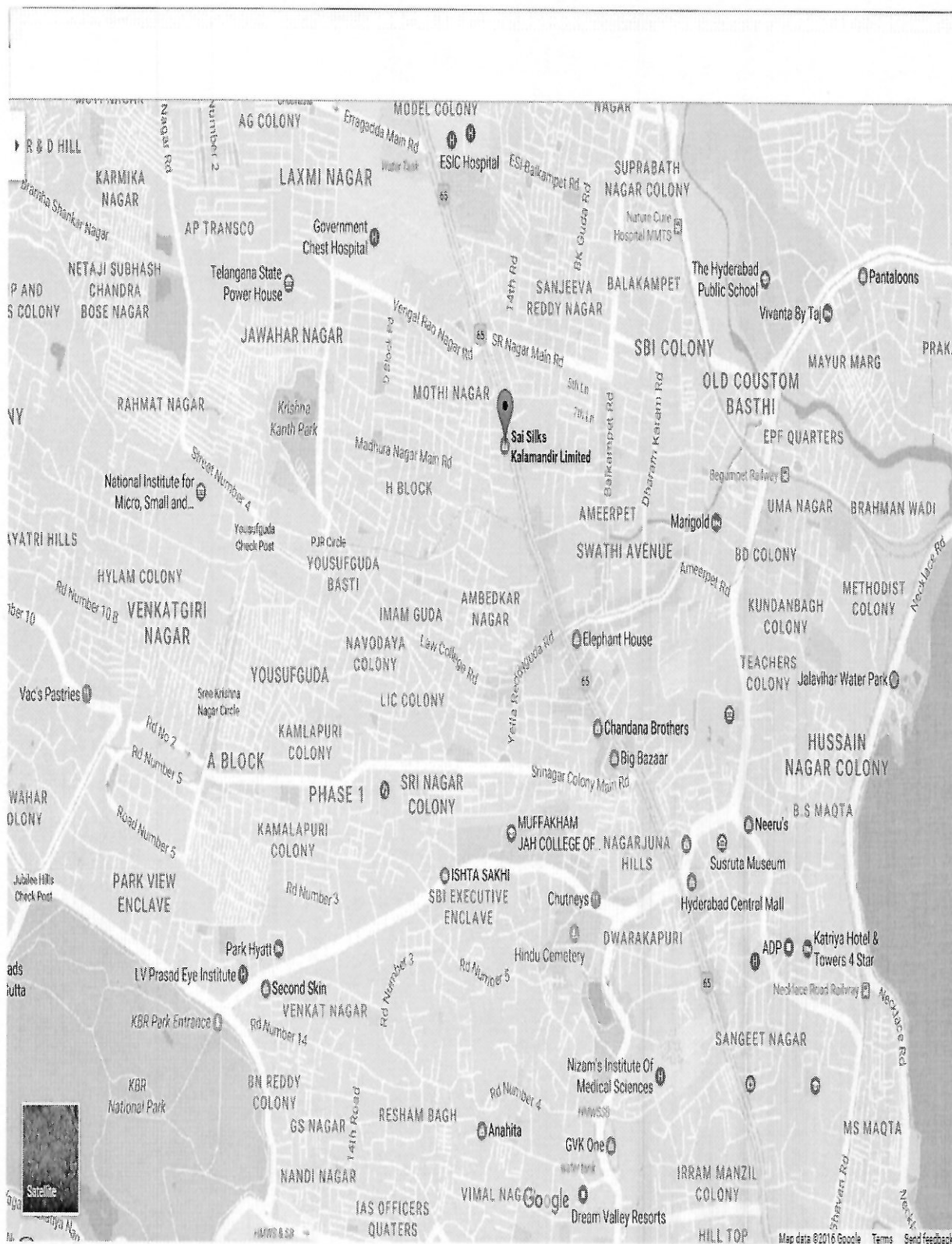
In view of the aforesaid, the resolutions set out at Item No. 3 & 4 are recommended for your consideration.

A copy of each draft letter of appointment of Ms. Sirisha Chintapalli & Mr. Laxminivas Jaju as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Ms. Sirisha Chinthapalli & Mr. Laxminivas Jaju may be deemed to be interested in the respective resolutions proposing the appointments set out at Item No. 3 & 4 in the Notice.

Save and except the aforesaid none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 3 & 4 in the Notice.

ROUTE MAP



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the 11th Annual Report of your Company together with Audited Accounts for the financial year ended 31st March 2019.

1. FINANCIAL RESULTS:

(Rs. In Crores)

PARTICULARS	FY 2018-19	FY 2017-18
Gross Operating Income	1043.89	691.79
Increase / (Decrease) of stock	-115.18	-51.16
Profit for the year before Exceptional Item, Depreciation & Taxation	63.17	53.89
Depreciation and Amortization expense	14.21	9.05
Profit before Exceptional Item & Taxation	48.95	26.72
Profit before Taxation	48.95	26.72
Tax Expense	18.63	11.42
Profit after Taxation	30.32	15.31
Earnings Per Equity Share	12.95	6.63

2. REVIEW OF PERFORMANCE & COMPANY'S STATE OF AFFAIRS:

Your management feels proud to mention that year on year growth has become a hallmark feature of your Company.

The Company has recorded yet another impressive year of good performance, despite the market odds. During the year under review, the turnover of your Company increased by 50 % as compared to last financial year.



Registered Office

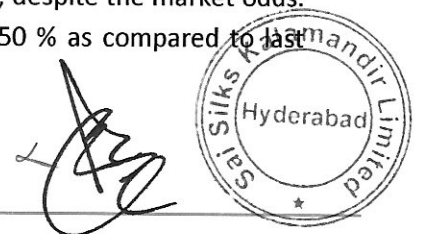
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Further, during the financial year under review, certain fixed expenses such as depreciation & amortization expenses increased from Rs.9.04 to Rs.14.21 Crores and finance costs increased from Rs.18.12 Crores to Rs.20.40 Crores as compared to the preceding financial year. Profit before taxes stood at Rs.48.95 Crores for the FY ended 31st March, 2019 as against Rs.26.72 Crores for the FY ended 31st March, 2018. After providing for taxes, your Company earned a Net Profit of Rs.30.32 Crores when compared to Rs.15.31 Crores for the FY ended 31st March, 2018.

The newly launched brand “KLM” has created ripples in the textiles retail market and has become an instant hit with all the sections of society and age group.

During the year under review, your Company has opened the following new showrooms:

Sl. No.	Brand name / format	Location
1.	KLM Fashion Mall	Saroornagar, Hyderabad
2.	KLM Fashion Mall	Chandanagar, Hyderabad
3.	KLM Fashion Mall	Suchitra, Hyderabad
4.	KLM Fashion Mall	J N Road, Rajahmundry
5.	KLM Fashion Mall	Marthahalli, Hyderabad
6.	KLM Fashion Mall	Jayanagar, Hyderabad
7.	KLM Fashion Mall	HSR Layout, Hyderabad
8.	Mandir	Jubilee Hills, Hyderabad
9.	Varamahlakshmi	Ameerpet, Hyderabad
10.	Varamahlakshmi	Vijayawada Extension, Andhra Pradesh
11.	Varamahlakshmi	Guntur, Andhra Pradesh

Thus, as of now, the total showrooms tally stands (under various brands) as hereunder:

Kalamandir	Mandir	Varamahlakshmi	KLM Fashion Mall
10	2	14	12

All the new showrooms have recorded excellent performance, in terms of customer response and sales turnover.

No amount is being proposed to be transferred to Reserves for the financial year ended 31st March, 2019.

3. MATERIAL CHANGES AFTER THE CLOSURE OF THE FINANCIAL YEAR :

Apart from the business related matters which are routine in nature, there are no material changes that took place after the closure of the Financial Year.

4. FUTURE OUTLOOK:

The Company proposes to open the following showrooms as detailed hereunder:

Sl. No.	Brand name / format	Location
1.	KLM Fashion Mall	A S Rao Nagar, Hyderabad
2.	KLM Fashion Mall	Patny, Hyderabad
3.	KLM Fashion Mall	Suchitra Extension, Hyderabad
4.	KLM Fashion Mall	Boduppal, Hyderabad
5.	KLM Fashion Mall	Bhimavaram, Hyderabad
6.	KLM Fashion Mall	T-Nagar, Chennai

Further, depending upon the market demands, your management is ever responsive and geared up to expand its reach by setting up new showrooms and creating new brands across various segments.

Industry scenario

As we have been witnessing in the recent past, Indian apparel & clothing market has become one of the most dynamic and fashion driven markets across the economy. Further, it is driven by several factors such as rising income level in most parts of the country, changing life style, and rapid urbanization.

Further, Indian apparel & clothing market has witnessed significant growth in the recent past due to strong macro-economic factors together with favorable demographics. Indian apparel & clothing market has consistently grew more than 5.5% year on year basis and is expected to grow at a much higher rate in the near future due to various economic and demographic changes in the nation.

Indian apparel & clothing market is dominated by saree segment, which is most common apparel for the women across the nation. This clothing segment accounted for 43.5% of the overall Indian fabric consumption for the domestic apparel & clothing market. Shirting material represented highest market share in men's segment, this segment accounted for 9.0% of the overall Indian apparel & clothing market. However Jeans and T-Shirt segments are expected to witness highest growth.

At Company level

As you are aware, your Company, since its inception, has concentrated predominantly on sarees which contribute substantially to its topline as well as its bottomline.

However, the newly launched brand "KLM" has been developed while targeting all the sections of society and age group. Alongside the existing brands, your management is aggressively promoting the new format.

Further, the brands “Kalamandir” “Mandir” and “Varamahalakshmi” are also performing good in terms of market share.

5. CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of business of your Company during the FY ended 31st March, 2019.

6. DIVIDEND:

As discussed elsewhere in this Report, your Company has been constantly expanding its operations and reach by opening new outlets under various brand names and formats. In order to meet the long term capital requirements, your Directors have resolved to plough back the profits for the FY ended 2019. Hence, no Dividend is being recommended for the current financial year.

7. SHARE CAPITAL:

During the year under review, your company, has allotted 50,000 equity shares of Rs.10 each at a price of Rs.100 per share (inclusive of Rs.90 per share towards premium) under Rights Issue, thereby raising the equity capital to Rs.23,45,45,880/- in order to meet the working capital requirements and capital expenditures.

8. BOARD AND COMMITTEE MEETINGS:

The Board met 10 times during the Financial Year 2018-19 on the following dates:

06.04.2018, 29.05.2018, 18.06.2018, 24.08.2018, 20.09.2018, 05.11.2018, 21.11.2018, 17.12.2018, 05.02.2019 and 14.03.2019.

The intervening gap between any two consecutive Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013.

The names of members of the Board and their attendance at the Board Meetings are as under:

Name of the Director	Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19
Nagakanaka Durga Prasad Chalavadi	07/10
Annam Kalyana Srinivas	08/10
D K Durga Rao Chalavadi	05/10
Jineshwar Kumar Sankhala	4/10
Naveen Nandigam	4/10
Vanitha Nagulavari	4/10

9. **COMPOSITION OF COMMITTEES:**

As on date of this Report, the composition of various Committees stands as hereunder:

Name of the Committee	Members
Audit Committee	<ul style="list-style-type: none">- Mr. Naveen Nandigam - Chairman- Mr. Jineshwar Kumar Shankala (<i>resigned on 12.04.2019</i>)- Mr. Nagakanaka Durga Prasad Chalavadi- Mr. Laxminivas Jaju (<i>appointed on 01.08.2019</i>)
Nomination and Remuneration Committee	<ul style="list-style-type: none">- Mr. Naveen Nandigam – Chairman- Mr. Jineshwar Kumar Shankala (<i>resigned on 12.04.2019</i>)- Ms. Sirisha Chintapalli (<i>appointed on 12.04.2019</i>)- Mr. Laxminivas Jaju (<i>appointed on 01.08.2019</i>)
Stakeholders Relationship Committee	<ul style="list-style-type: none">- Mr. Naveen Nandigam – Chairman- Mr. Jineshwar Kumar Shankala (<i>resigned on 12.04.2019</i>)- Mr. Nagakanaka Durga Prasad Chalavadi- Mr. Laxminivas Jaju (<i>appointed on 01.08.2019</i>)
Executive Management Committee	<ul style="list-style-type: none">- Mr. Nagakanaka Durga Prasad Chalavadi - Chairman- Mr. Ch D K Durga Rao- Mr. Annam Kalyana Srinivas
Corporate Social Responsibility Committee	<ul style="list-style-type: none">- Mr. Naveen Nandigam - Chairman- Mr. Jineshwar Kumar Shankala (<i>resigned on 12.04.2019</i>)- Mr. Nagakanaka Durga Prasad Chalavadi- Mr. Laxminivas Jaju (<i>appointed on 01.08.2019</i>)

COMMITTEE MEETINGS:

Audit Committee:

The Committee met 5 times during the financial year under review i.e., on 06.04.2018, 29.05.2018, 24.08.2018, 21.11.2018 and 05.02.2019.

Attendance:

<u>Name of the Member</u>	<u>Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19</u>
Mr. Naveen Nandigam – Chairman	3/5
Mr. Jineshwar Kumar Shankala	3/5
Mr. Nagakanaka Durga Prasad Chalavadi	4/5

Nomination and Remuneration Committee:

The Committee met 2 times during the financial year under review i.e., on 06.04.2018 and 05.11.2018.

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19
Mr. Naveen Nandigam – Chairman	2/2
Mr. Jineshwar Kumar Shankala	2/2
Mr. Annam Kalyana Srinivas	2/2

Stakeholders Relationship Committee

The Committee met 2 times during the financial year under review i.e., on 24.08.2018, and 05.02.2019.

Attendance at the meetings:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19
Mr. Naveen Nandigam – Chairman	2/2
Mr. Jineshwar Kumar Shankala	1/2
Mr. Nagakanaka Durga Prasad Chalavadi	1/2

Executive Management Committee

The Committee met 2 times during the financial year under review i.e., on 20.09.2018 and 14.03.2019.

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19
Mr. Nagakanaka Durga Prasad Chalavadi – Chairman	2/2
Mr. D K Durga Rao Chalavadi	2/2
Mr. Annam Kalyana Srinivas	1/2

Corporate Social Responsibility Committee

The Committee met 2 times during the financial year under review i.e., on 29.05.2018 and 24.08.2018.

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2018-19
Mr. Naveen Nandigam – Chairman	2/2

Mr. Jineshwar Kumar Shankala	1/2
Mr. Nagakanaka Durga Prasad Chalavadi	2/2

10. DIRECTORS AND KEY MANAGERIAL PERSONNELS:

Mr. D K Durga Rao Chalavadi retired by rotation in the previous AGM held on 29.09.2018 and was reappointed thereat.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Annam Kalyan Srinivas (DIN: 02428313), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Mr. M K Bhaskara Teja was appointed to the office of Company Secretary (a Key Managerial Personnel of the Company) w.e.f. 05th November, 2018.

Further, the following Directors were reappointed to their respective offices during the year under review:

Sl. No.	Name	Particulars
1.	Mr. Nagakanaka Durga Prasad Chalvadi	reappointed to the office of Managing Director for a period of 3 years effective 01.05.2018
2.	Mr. Annam Kalyana Srinivas	reappointed to the office of Whole Time Director for a period of 3 years effective 01.05.2018
3.	Mr. D K Durga Rao Chalavadi	reappointed to the office of Whole Time Director for a period of 3 years effective 01.05.2018

Further, the following changes took place in the office of Independent Directors of the Company subsequent upon close of Financial Year under review:

Sl. No.	Name	Particulars
1.	Mr.Jineshwar Kumar Shankala	resigned with effect from 12.04.2019
2.	Ms. N. Vanitha	resigned with effect from 12.04.2019
3.	Ms. Sirisha Chintapalli	appointed with effect from 12.04.2019
4.	Mr. Laxminivas Jaju	appointed with effect from 01.08.2019

Resolutions proposing the appointment of Ms Sirisha Chintapalli and Mr. Laxminivas Jaju forms part of Notice attached hereto.

11. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received respective declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (7) of Section 149 of the Companies Act, 2013.

In compliance with schedule IV of the Companies Act, 2013 the Independent Directors held their meeting on 05th February, 2019, without the attendance of non-independent directors and members of the management, inter alia, to discuss the following:

- Noting the report of performance evaluation of the Board from the Chairman of the Board;
- Review of the performance of non-independent directors and the Board;
- Review of the performance of the Chairman of the Company;
- Assessment of the quality and quantity and timeliness of flow of information to the Board;

All the Independent Directors were present at the aforesaid meeting.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (3) (c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm 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) they have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) they have taken proper and sufficient care 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) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS:

a) STATUTORY AUDITORS

The shareholders in their meeting held on 30th September, 2017 appointed M/s. Kannegolla Krishna Rao & Co., Chartered Accountants, Eluru, (FRN: 001727S), as the Statutory Auditors of the Company for a period of 5 years i.e., till the conclusion of 14th Annual General Meeting. The said Statutory Auditors shall continue to hold their office as such for the ensuing FY.

b) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, your Company has appointed L V N Sumanth & Associates in place of Mr. V.N.S. Srinivasa Rao as the Internal Auditor of the Company with effect from 01.08.2019

c) SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a copy of Secretarial Audit for the FY ended 31st March, 2019 is attached herewith and marked as **Annexure IV** hereto.

d) COST RECORDS:

It is hereby confirmed that the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence accounts and records related thereto are not required to be made or maintained.

14. DIRECTORS' EXPLANATION TO AUDITORS' OBSERVATIONS:

No qualification, reservation or adverse remark or disclaimer has been made by the Statutory Auditors in their report.

However, in response to the observations made in the Secretarial Auditors Report, your Board offers the following explanations:

<u>Observation</u>	<u>Explanation</u>
Delay in filing of forms with ROC	The Company is generally regular in filing the forms and returns with the Registrar of Company. However, due to inadvertence, there were delays in certain occasions. Measures are being taken to avoid such delays in future.

15. FIXED DEPOSITS:

The Company has neither accepted nor repaid any deposits during the financial year ended on 31.03.2019. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the financial year 2019. Hence, no details are required to be provided pursuant to Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014.

Further, the details of unsecured loans borrowed from Directors during the FY ended 31st March, 2019 and / or outstanding as on the said date are as hereunder:

(Amt in Rs.)

Sl. No.	Name	Borrowings / repayment during the year	Amt. outstanding as on 31st March, 2019
1.	Mr. Nagakanaka Durga Prasad Chalavadi	2,00,00,000	2,18,73,448
2.	Mr. Krishna Murty Chalavadi	-	11,616

Further, Mr. Nagakanaka Durga Prasad Chalavadi and Mr. Krishna Murty Chalavadi have provided declaration in writing that the amounts lent by them are their own funds and not been given out of funds acquired by them by borrowing or accepting loans or deposits from others.

16. SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have any Subsidiary or Joint venture or Associate Company as on the closure of the financial year under reporting and even as on the date.

17. CORPORATE SOCIAL RESPONSIBILITY:

During the year under review, your Company undertook various philanthropic activities, predominantly in the areas of Child Education, vocational skills development, women empowerment and healthcare & sanitation, either on its own or in association with KALAMANDIR FOUNDATION.

The CSR Committee, constituted by the Board, is in place and is actively involved in identifying new areas for the purpose of CSR which are more needy, requires immediate attention and are germane to the Company's Policy. Further, the Committee also supervises the progress of CSR activities of the Company.

The composition of the CSR Committee has been already disclosed elsewhere in this Report.

Simultaneously KALAMANDIR FOUNDATION, the CSR arm of your Company is also actively involved in furthering the cause of CSR for your Company.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 your Company was required to spend an amount of Rs. 45,81,045/- towards CSR Activities.

Your management feels proud to mention that for the financial year ended 31st March, 2019 your Company together with KALAMANDIR FOUNDATION has spent a total amount of Rs.1,21,56,737/- towards various CSR activities which was far more than the mandatorily prescribed limit.

The Report on CSR activities for FY 2018-19 is appended to this Report as "**Annexure III**".

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

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in the **Annexure – I** and forms part of this report.

19. EXTRACTS OF ANNUAL RETURN:

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed Format i.e. **Form MGT -9** is appended as **Annexure –V** to this Report.

20. RELATED PARTY TRANSACTIONS:

The Company has not entered into any related party transactions which are not at arm's length basis during the FY ended 31st March, 2019.

However, all the related party transactions entered into during the financial year 2018-19 were at arm's length basis and were in the ordinary course of business. The details of related party transactions which were entered into during the previous year / current year are provided in Note No.29 forming part of the notes to financial statements.

As per clause h of Section 134 (3) of the Companies act, 2013, the particulars of related party transactions, (which were entered into pursuant to existing contracts as well as fresh contracts) as referred to in Section 188 (1) of the Companies act, 2013 have been disclosed in **Form No. AOC – 2** which is appended as **Annexure –II** to this Report.

21. LOANS, GUARANTEES AND INVESTMENTS:

During the year under review, the Company has not made any investment or given any guarantee or provided any security as contemplated under Section 186 of the Companies Act, 2013.

22. INTERNAL FINANCIAL CONTROL:

The Company has laid down internal financial controls through Entity level controls inter-alia to ensure orderly and efficient conduct of business, including adherence to Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safe guarding of assets, prevention and detection of frauds and errors.

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic internal audit program. Based on the review of the reported evaluations, the directors confirm that, for the preparation of financial accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively and that no material weakness were noticed.

23. RISK MANAGEMENT POLICY:

The Company has in place a Risk Management Policy, aimed at sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

Pursuant to the said policy, the Board (a) oversees and approves the Company's enterprise wide risk management framework and (b) oversees that all the risks that the organization may face such as inventory management related risks, financial, liquidity, security, legal, regulatory, reputational and other risks have been identified and assessed and ensures that there is an adequate risk management mechanism in place capable of addressing those risks.

24. BOARD EVALUATION, NOMINATION AND REMUNERATION POLICY:

Based on the recommendations made by the Nomination and Remuneration Committee, the Company has in place a Policy for performance evaluation of the Board and the committees as a whole and that of the Individual Directors, which include criteria for determining qualifications, positive attributes and independence of Directors.

Besides, the Company also surveys on the best practices prevalent in the Industry with respect to evaluation of the performance of the Board and its members. The Company also avails services of professionals seeking their suggestions on the said matter. Based on the inputs received from the aforesaid sources and in accordance with the Policy of the Company, evaluation process is undertaken at appropriate time(s).

The following policies of the Company are attached herewith and marked as **Annexure VI & VII** respectively:

- a) Policy for selection of Directors and determining Directors Independence

- b) Remuneration Policy for Directors, Key managerial Personnel and other employees.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has in place a robust and full-fledged Vigil Mechanism and a Whistle Blower Policy for its directors and employees, to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct in terms of Section 177 (10) of the Act and Rules thereunder. The mechanism provides adequate safeguards against victimization of persons who use this mechanism.

Mr. Naveen Nandigam, Independent Director of the Company is the Head of the Vigil Mechanism; all the employees have direct access to report their concerns and complaints. During the year under the review no complaint has been received.

The details of the vigil mechanism are provided in the Corporate Governance Report and are set out in *Annexure VIII* to this Report.

26. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

The Company strongly supports the rights of all its employees to work in a harassment free environment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

We further confirm that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

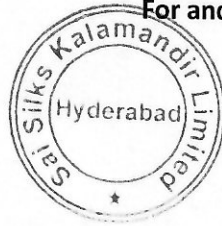
27. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS


There are no orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations. Further, it is confirmed that there were no instances of fraud to be reported by the Auditors vide their Report for the FY 2018-19.

28. ACKNOWLEDGEMENTS:

Your Board members wish to place on record their appreciation for the continued co-operation and support by the Banks, Government authorities, Business Partners, Weavers and Suppliers, Customers and other Stakeholders and more importantly the employees of the Company.

For and on behalf of the Board of Directors




Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)

Place: Hyderabad
Date: 05/09/2019

Annexure - I

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO:

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy : NA

- i. the steps taken or impact on conservation of energy;
- ii. the steps taken by the Company for utilizing alternate sources of energy;
- iii. the capital investment on energy conservation equipment;

B. Technology Absorption: NA

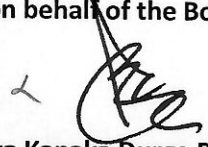
- i. The efforts made towards technology absorption;
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution;
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - the details of technology imported; the year of import;
 - whether the technology been fully absorbed;
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
 - the expenditure incurred on Research and Development.

C. Foreign Exchange Earnings and Outgo during the year: 2018-19 (Amount in Rs.)

Foreign Exchange Earned:	Nil
Foreign Exchange Outgo:	Rs.17,79,082



For and on behalf of the Board of Directors


Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)

Place: Hyderabad
Date: 05/09/2019

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

The Company has not entered into any contract or arrangement or transaction which is not at arm's length basis during the year under review.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions: Sales	Duration of the contracts/arrangements/transactions: Ordinary Course of business	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Sai Retail India Ltd (Public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital)	Sale / Purchases	5 years	Purchase of textiles, Sarees etc., in the ordinary Course of Business. Other terms as per Agreement	27.03.2017	Nil
Sai Retail India Ltd (Public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital)	Rent (income)	5 years	Lease Rentals 1. Kanchi – Rs. 10,000 per month 2. Bangalore – Rs. 14,000 per month	01.04.2017	Nil

Sai Retail India Ltd (Public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital)	Sub Lease (Expenses)	6 years	Sub lease of premises @ Rs. 92,000 per month	18.06.2018	Nil
SSS Marketing (Firm in which director, manager or his relative is a partner)	Commission	5 years	2% on net sales or 1,50,000- whichever is higher	01.04.2014 Renewed on 14.03.2019	Nil
Sumaja Creations (Firm in which director, manager or his relative is a partner)	Advertisement	5 years	Advertisement and publicity services As per the agreement	01.04.2014 Renewed on 14.03.2019	Nil
Naga Kanaka Durga Prasad Chalavadi (Managing Director)	Rent	5 years	Lease rentals for Office premises 1. Flat No:1 – Rs. 20,000 per month 2. Flat No:3 – Rs. 40,000 per month	20-04-2015	3,60,000
Naga Kanaka Durga Prasad Chalavadi (Managing Director)	Rent	5 years	Lease rentals for Office premises 1. Flat No:1 – Rs. 20,000 per month 2. Flat No:3 – Rs. 40,000 per month	20-04-2015	3,60,000
Ch. Jhansi Rani (Relative of Directors)	Rent	5 years	Lease rentals for Office premises Flat No:14 – Rs. 40,000 per month	20-04-2015	2,40,000
Varamahalakshmi Holdings (P) Ltd. (Private company in which a director or manager or his relative is a member or director)	Rent	5 years	Lease rentals for Office premises 1. Vizag – Rs. 40,000 per month 2. Rajahmundry– Rs. 25,000 per month	27-03-2017	Nil

Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Software & software maintenance services	2 years	Software licensing & servicing agreement Rs18 lacs per annum	20-09-2018	Nil
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For and on behalf of the Board of Directors



[Signature]
Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)

Place: Hyderabad
Date: 05/09/2019

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. The CSR is being reported from 01 April, 2018 to 31 March, 2019.
2. A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken and a reference to the CSR policy and projects /programmes:

A. CSR Policy:

CSR Vision Statement & Objective

CSR Vision:

In alignment with its vision, as a socially responsible corporate citizen, Sai Silks (Kalamandir) Limited (SSKL) will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

Objective:

To operate its business in a sustainable manner respecting the society & the environment, while recognizing the interests of all its stakeholders

To also take up directly or indirectly programs that will benefit the communities in and around its malls/stores/shopping complexes which will over a period of time enhance the quality of life and economic well-being of the local residents.

Through its regular services and additionally through its CSR initiatives, SSKL will generate community goodwill and create a positive image of SSKL as a socially responsible corporate.

Resources:

2% of the average net profits of the Company made during the three immediately preceding financial years.

Any income arising therefrom.

Surplus arising out of CSR activities.

Identification of CSR works:

The applications, representations received from community representatives, NGO's, Panchayat or Govt. agencies requesting assistance for a Work to be taken up or SSKL on its own or through its Trust – 'Kalamandir Foundation' identifying a work for execution, will be listed.

Areas Identified for CSR activities:

The areas where the Company intends to focus its CSR activity are listed below. This is not an exclusive list and the Company may include other activities, based on the areas identified and felt need for improvement by the CSR Committee-

1. Support the economically backward and children in the need of health and education;
2. Support the humanity during the natural calamities, donation of clothes to flood relief camps;
3. Collaborate in the initiatives of other NGOs for the cause of fostering the needy children health care;
4. Support the initiatives that would help the public at large in understanding the health hazards;
5. Conduct the workshops and create awareness about conservation of natural resources;
6. Promote the activities, which would support the welfare and well-being of the Weavers Community;
7. Eradicating extreme hunger and poverty;
8. Infrastructure Development (village roads, culverts, bus shelters, solar lighting etc);
9. Ensuring environmental sustainability;
10. Drinking water / Sanitation;
11. Healthcare ;
12. Community Development;
13. Education and vocational training;
14. Skill Development;
15. Child care and nutrition.

SSKL will engage in the above activities independently or in such manner that it will complement the work being done by local authorities where ever necessary in such a manner that, the work executed by SSKL or through its 'Kalamandir Foundation' will offer a multi fold benefit to the community.

Implementation Process:

A CSR Cell will be formed at Malls/ Stores/ Shopping Complexes and at Corporate and Registered Office to identify the various projects / Programmes suitable as per the policy of the Company. These identified projects / Programmes will be scrutinized by the CSR Committee and select for implementation.

Monitoring:

The coordinators periodically inspect & report the progress of work commissioned every quarter and submit a report to CSR Committee.

B. Composition of the CSR Committee:

- Mr. Naveen Nandigam (Independent Director)
- Mr. JineshwarKumar Sankhala (Independent Director) (resigned on 12.4.2019)
- Mr. Naga Kanaka Durga Prasad Chalavadi (Managing Director)
- Mr. Laxminivas Jaju (appointed on 01.08.2019)

C. Average net profit of the Company for last three financial years:

Average net profit: Rs.22,90,52,231/-

D. Prescribed CSR Expenditure (two percent of the amount mentioned above):

The Company is required to spend Rs. 45,81,045 /-towards CSR.

E. Details of CSR spend for the financial year:

a. Total amount spent for the financial year:

Rs. 1,21,56,737/-

b. Amount unspent, if any:

NIL

c. Reason for not spending: N.A.

d. Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or Activity identified.	Sector in which the Project is covered.	Projects or programs 1) Local Area or other 2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise.	Amount Spent on the projects or programs Subheads (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period.	Amount Spent: Direct or through implementing Agency.
1.	Child education	Schedule VII (II) Promotion of Education	Hyderabad	N.A	85,40,947	85,40,947	Kalamandir Foundation
2.	Empowering Women	Schedule VII (III)	Kanchi, Tamilnadu	N.A	1,16,300	1,16,300	Kalamandir Foundation
3.	Health Care & Sanitation	Schedule VII (I)		N.A	3,60,000	3,60,000	Kalamandir Foundation
4.	Other activities	-	Hyderabad	N.A	16,14,173	16,14,173	Kalamandir Foundation

5.	Other activities	-	Hyderabad	N.A	15,25,317	15,25,317	Direct (from the Company)
	Total				1,21,56,737	1,21,56,737	

e. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of Corporate Social Responsibility Policy is in compliance with CSR objectives and policy of the Company.



For and on behalf of the Board of Directors

Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)

Naveen Nandigam
Chairman CSR Committee
(DIN: 02726620)

Place: Hyderabad
Date: 05/09/2019



Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

SAI SILKS (KALAMANDIR) LIMITED

6-3-790/8, Flat No. 1, Bathina Apartments
Ameerpet, Hyderabad- 500016.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAI SILKS (KALAMANDIR) LIMITED**, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SAI SILKS (KALAMANDIR) LIMITED** ("the Company") for the financial year ended on 31st March, 2019, as made available to us, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – **Not Applicable**
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings–**Not applicable to the Company during the audit period.**
- v. Regulations and Guidelines under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **Not applicable**
- vi. Other laws applicable specifically to the Company
I have been informed that generally applicable laws such as fiscal laws, labour laws and trade related laws etc., alone are applicable to the Company and hence there are no other laws applicable specifically to the Company.

I have also examined the compliance with the applicable clauses of the following:

- i. Listing Agreement entered into by the Company with Stock Exchange(s)– **N.A**

Since the securities (equity shares) of the Company are not listed, no Listing Agreement has been entered into by the Company with any Stock Exchange.

- ii. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective 1st October, 2017).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- *There were few instances where the Company filed forms and returns required to be filed with the Registrar of Companies with additional fee.*



I further report that:

The Board of Directors of the Company is duly constituted with requisite number of Independent Directors as per the provisions of Companies Act, 2013.

As per the information provided by the Company, adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent sufficiently in advance as per the confirmation given by the management, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that:


As per the information provided by the management, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period, following specific events / actions occurred in the Company in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs-

- Issue and allotment of 50,000/- Equity shares Rs.10 each at a premium of Rs.90 per share on rights basis.

Place: Hyderabad

Date: 05.09.2019


ANAND KUMAR C KASAT
Practising Company Secretary
M. No. 42078
C.P. No. 17420

[This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.]



Annexure A

To,
The Members,
SAI SILKS (KALAMANDIR) LIMITED
6-3-790/8, Flat No. 1, Bathina Apartments
Ameerpet, Hyderabad- 500016

Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.


ANAND KUMAR KASAT
Practising Company Secretary
M. No.42078
C.P. No.17420



Place: Hyderabad
Date: 05.09.2019

Form No.MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2019
*[Pursuant to section 92(3) Act, 2013 and rule 12 (1) of the
Companies (Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U52190TG2008PLC059968
ii	Incorporation Date	03/07/2008
iii	Name of the Company	SAI SILKS (KALAMANDIR) LIMITED
iv	Category/Sub-Category of the Company	Public Company Limited by Shares Non- Government Company
v	Address of the Registered office and contact details	6-3-790/8, Flat No. 1, Bathina Apartments, Ameerpet, Hyderabad-500016 E Mail:secretarial@kalamandir.com Ph: 040-66566555
vi	Whether Listed Company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent	Big Share Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp: Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai, Maharashtra 400059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Wholesale and Retail trade in Textiles	4641 & 4751	99.96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N. A.

The Company does not have any Holding, Subsidiary or Associate Company

i)Indian									
ii)Overseas									
B)Individuals									
i)Individual shareholders holding nominal share capital up to Rs.1lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii)Individual shareholders holding nominal share capital in excess of Rs.1lakh									
C)Others (specify)									
Sub-totalB2 :-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding B=B1+B2	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs &ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total(A+B+C)	20220000	3184588	23404588	100	20270000	3184588	23454588	100	NIL

Note: During the year under review 50,000 equity Shares were allotted to Mr. Nagakanaka Durga Prasad Chalavadi on 17th December, 2018 by a way of Rights Issue in Demat mode.

ii) **Shareholding of Promoters/Promoters group:**

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%Change
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
PROMOTERS								
1	Nagakanaka Durga Prasad Chalavadi	5492600	23.47	NIL	6362600	27.13	NIL	3.66
2	Ch Jhansi Rani	6315088	26.98	NIL	5495088	23.43	NIL	-3.55
PROMOTERS GROUP								
1	Annam Kalyana Srinivas	1515400	6.48	NIL	1515400	6.46	NIL	0.00
2	Annam sowjanya	101100	0.43	NIL	101100	0.43	NIL	0.00
3	Annam suchitra	101100	0.43	NIL	101100	0.43	NIL	0.00
4	Annam Venkata Rajesh	101100	0.43	NIL	101100	0.43	NIL	0.00
5	Annam Subhash Chandra Mohan	505600	2.16	NIL	505600	2.16	NIL	0.00
6	P Dhanalakshmi	2931900	12.53	NIL	2931900	12.50	NIL	0.00
7	Ch. Devamani	2224200	9.50	NIL	2224200	9.48	NIL	0.00
8	Ch. D K Durga Rao	1616500	6.91	NIL	1616500	6.89	NIL	0.00
9	Ch N.K.D.Rupamani Harshada	2500000	10.68	0	2500000	10.66	NIL	0.00
	TOTAL	23404588	100	Nil	23454588	100	Nil	Nil

iii) **Change in Promoters' Shareholding/Promoters group (please specify, if there is no change):**

During the year 50,000 equity Shares were allotted to Mr. Nagakanaka Durga Prasad Chalavadi (Promoter) on 17th December, 2018.

SI.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of Shares	% of total shares of the	No.of Shares	% of total shares of the

			<i>Company</i>		<i>Company</i>
Nagakanaka Durga Prasad Chalavadi	At the beginning of the year	5492600	23.47		
05.10.2018	Transfer	820000	3.50		
17.12.2018	Allotment	50000	0.21		
	At the end of the year			6362600	27.13
Ch. Jhansi Rani	At the beginning of the year	6315088	26.98		
05.10.2018	Transfer	(820000)	3.50		
	At the end of the year			5495088	23.43

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE** (Since, all the shareholders are either promoters or Directors)

v) **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. Mr. Nagakanaka Durga Prasad Chalavadi	01-Apr-2018		5492600	23.47		
At the beginning of the year						
Changes during the year	05.10.2018 17.12.2018	820000 Transfer 50000 allotment				
At the end of the year	31-Mar-2019				6362600	27.13

2. Mr. Kalyan Srinivas Annam						
At the beginning of the year	01-Apr-2018		1515400	6.47		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				1515400	6.46
3. Mr. Ch. D K Durga Rao						
At the beginning of the year	01-Apr-2018		1616500	6.91		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				1616500	6.89
4. Mr. Naveen Nandigam						
At the beginning of the year	01-Apr-2018		NIL	NIL		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				NIL	NIL
5. Mr. Jineshwar Kumar Sankhala						
At the beginning of the year	01-Apr-2018		NIL	NIL		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				NIL	NIL
6. Mrs. Vanitha Nagulavari						
At the beginning of the year	01-Apr-2018		NIL	NIL		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				NIL	NIL
7. Mr. Oruganti Ramakrishna						
At the beginning of the year	01-Apr-2018		NIL	NIL		
Changes during the year	NIL	NIL				
At the end of the year	31-Mar-2019				NIL	NIL

8.Mr. M K Bhaskara Teja*						
At the beginning of the year	01-Apr-2018		NA	NA		
Changes during the year	NIL	NIL			NIL	NIL
At the end of the year	31-Mar-2019					

*Mr. M K Bhaskara Teja was appointed to the office of Company Secretary w.e.f. 05.11.2018

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

FY 2018-19	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as at the beginning of the financial year				
Principal Amount	1,12,00,00,304	18,85,064	-	1,12,18,85,368
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,12,00,00,304	18,85,064	-	1,12,18,85,368
Change in Indebtedness during the financial year				
Addition	66,60,26,340	2,00,00,000	-	68,60,26,340
Reduction	9,19,58,453	-	-	9,19,58,453
Net Change	57,40,67,887	2,00,00,000	-	59,40,67,887
Indebtedness as at the end of the financial year				
Principal Amount	1,69,40,68,191	2,18,85,064	-	1,71,59,53,255
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	1,69,40,68,191	2,18,85,064	-	1,71,59,53,255

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

S. No.	Particulars of Remuneration	Name of the Managing Director and Whole Time Director			Total Amount
		Mr. Ch. Naga Kanaka Durga Prasad	Mr. Kalyana Srinivas Annam	Mr. Ch. D K DurgaRao	
1.	Gross salary (a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2)Income-taxAct,1961 (c) Profits in lieu of salary under section17(3)Income- tax Act,1961	1,18,80,000 1,20,000 ---	57,05,000 1,20,000 ---	36,80,000 1,20,000 --	2,12,65,000 3,60,000 --
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	1,20,00,000	58,25,000	38,00,000	2,16,25,000
	Ceiling as per the Act	2,55,60,986 (5% on profits)	2,55,60,986 (5% on profits)	2,55,60,986 (5% on profits)	5,62,34,169 (11 % on profits)

B. Remuneration to other directors:-

S. No.	Particulars of Remuneration	Mr. Jineshwar Kumar Sankhala	Mr. Naveen Nandigam	Mrs. Vanitha Nagulavari
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as% of profit - Others, specify...	NIL	NIL	NIL
5.	Others, please specify Sitting Fee	60,000	60,000	60,000
6.	Total	60,000	60,000	60,000
	Ceiling as per the Act	100,000 per meeting	100,000 per meeting	1,00,000 per meeting

C. REMUNERATION OF KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

S. No	Particulars of Remuneration	CEO	Key Managerial Personnel		
			Company Secretary M K Bhaskara Teja	CFO O. Ramakrishna	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	304,103	895,863	1,199,966
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as% of profit - others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
6.	Total	NIL	304,103	895,863	1,199,966

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Not Applicable

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors



(Signature)
 Naga Kanaka Durga Prasad Chalavadi
 Chairman & Managing Director
 DIN: 01929166

Place: Hyderabad
 Date: 05/09/2019

Policy for selection of Directors and determining Directors Independence

1. Introduction:

- 1.1 Your Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, your Company ensures constitution of a Board of Directors with required composition, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 Your Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **"Director"** means a director appointed to the Board of the Company.
- 3.2 **"Nomination and Remuneration Committee" or NR Committee** means the committee constituted by Sai Silks (Kalamandir) Limited's Board in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy:

4.1 Qualifications and Criteria

4.1.1 The Nomination and Remuneration Committee and the Board shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

4.1.2 In evaluating the suitability of individual Board members, the Nomination Remuneration Committee may take into account factors, such as:

- General understanding of the Company's business perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his / her written consent to act as Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall disclose his concern or interest in any Company or companies or bodies corporate, firms including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

4.1.4 The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess the independence when any new interest or relationship is disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013, is as below:

An independent director in relation to a Company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- c. who has or had no pecuniary relationship with the Company, its Holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) 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;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, 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 ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than shall be 10 Public Limited Companies.

For and on behalf of the Board of Directors



A handwritten signature in black ink, appearing to be "Naga Kanaka Durga Prasad Chalavadi".

Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN:01929166)

Place: Hyderabad
Date: 05/09/2019

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction:

Your Company recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

2. Scope:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of the Company.

3.2 "Key Managerial Personnel" means

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

3.3 "Nomination and Remuneration Committee" or NR Committee means the committee constituted by Board of Directors your Company in accordance with the provisions of Section 178 of the Companies Act, 2013.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Commission

(iv) Retiral benefits

(v) Annual Performance Bonus

4.2 Remuneration to Non-Executive Directors

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders, if any.

4.3 Remuneration to other employees

Employees may be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

For and on behalf of the Board of Directors




Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)

Place: Hyderabad
Date: 05/09/2019

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As referred in the Directors Report and the Report on Corporate Governance, the Company has framed and adopted the Whistleblower policy that covers our directors and employees. The policy is subject to need based review and modifications, if required, from time to time.

Scope and purpose:

The purpose of this policy is to define the Company's policy on reporting irregularities and for submitting complaints regarding questionable accounting, internal accounting controls and auditing practices, to provide employees with procedures on reporting such irregularities and complaints, including confidential reporting, and to establish procedures for the receipt, retention and remedying of such irregularities and complaints.

This policy applies to all employees of the Company.

Roles and Responsibilities

Role	Responsibility
Audit Committee	Review, Investigate and Determine Course of Action
Nodal Officer	Review and Advise
Any Employee	Report irregularities and accounting complaints

How & Where to Report

You must report all suspected violations to (i) your immediate supervisor; (ii) the nodal officer, i.e., the Chairman of Audit Committee; at or (iii) anonymously, by sending an email to: secretarial@kalamandir.com

If you have reason to believe that your immediate supervisor or the Company Secretary is involved in the suspected violation, your report may be made to the Chairman of the Audit Committee at the registered office of the Company.

Because you have several means of reporting, you need never report to someone you believe may be involved in the suspected violation or from whom you would fear retaliation.

Post reporting Investigation

All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for

or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

Zero - Retaliation policy

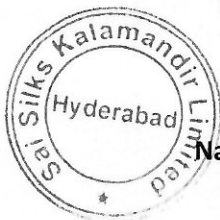
No one may take any adverse action against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's Code of Conduct and Ethics. The Company takes reports of such retaliation seriously. Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation will result in appropriate disciplinary action against anyone responsible, including possible termination of employment. Those working for or with the Company who engage in retaliation against reporting employees may also be subject to civil, criminal and administrative penalties.

Modification

The Audit Committee or the Board of Directors of your Company can modify this Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with national, state or local regulations and / or accommodate organizational changes within the Company.

Please sign the acknowledgment form below and return it to the Company Secretary. This will let the Company know that you have received the Policy and are aware of the Company's commitment to a work environment free of retaliation for reporting violations of any Company policies or any applicable laws.

For and on behalf of the Board of Directors



A handwritten signature in black ink, appearing to be "Naga Kanaka Durga Prasad Chalavadi".

**Naga Kanaka Durga Prasad Chalavadi
Chairman and Managing Director
(DIN: 01929166)**

**Place: Hyderabad
Date: 05/09/2019**

KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



H.O. Address : D.No. 7A-8-3 (16283), Makinavari Street,
In the Building of Sri Kannegolla Krishna Rao,
Near Kotha Road, Adarsha Anjaneyaswamy Temple,
ELURU, West Godavari District, Andhra Pradesh - 534001

B.O. Address : D.No. 11-52-30, III Floor, Gudivadavari Street,
VIJAYAWADA - 520001

Phone : 08812-230854, 233274, 221953

Mobile : 99498 51611, 94401 80854, 94903 50331,

e-mail : gopalkannegolla@gmail.com krishnarao_kannegolla@hotmail.com
cakatya1122@gmail.com

Independent Auditor's Report

To the Members of
Sai Silks (Kalamandir) Limited

Report on Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **M/s Sai Silks (Kalamandir) Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss and Statement of Cash flows for the year then ended 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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 opinion.

Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 the SAs, we exercise Professional Judgement and maintain Professional Skepticism throughout the audit.

We also;

1. Identify and assess the risks of material misstatement of the standalone 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.



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 standalone 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.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in
 - (i) planning the scope of our audit work and in evaluating the results of our work; and
 - (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
7. 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
8. 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31stMarch, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2019 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".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 significantly.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kannegolla Krishna Rao & Co.,
Chartered Accountants

K. S. Gopal Gupta

CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place : Hyderabad

Date: 05th Sep 2019

UDIN : 19211147AAAABA1408



KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



H.O. Address : D.No. 7A-8-3 (16283), Makkinavari Street,
In the Building of Sri Kannegolla Krishna Rao,
Near Kotha Road, Adarsha Anjaneyaswamy Temple,
ELURU, West Godavari District, Andhra Pradesh - 534001

B.O. Address : D.No. 11-52-30, III Floor, Gudivadavari Street,
VIJAYAWADA - 520001

Phone : 08812-230854, 233274, 221953
Mobile : 99498 51611, 94401 80854, 94903 50331,
e-mail : gopalkannegolla@gmail.com krishnarao_kannegolla@hotmail.com
cakatya1122@gmail.com

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements as at March 31st, 2019, we report that:

(i) In respect of Company's fixed Assets :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
- c) According to the information and explanations 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.

(ii)

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii)

- a) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- b) In case of loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (b) of the order is not applicable to the company in respect of repayment of principal amount.
- c) There are no overdue amounts in respect of the loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (The Act).



HO : 7A-8-3, Eastern Street, Eluru - 534001

BO : 11-52-30, III Floor, Gudivadavari Street, Vijayawada - 520001.

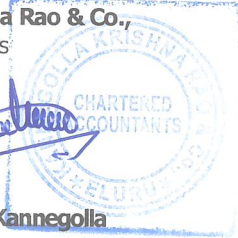
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of Sec 73 to 76 and the rules framed there under are not applicable to the Company. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
- (vii)
- 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 Provident fund, Employee state insurance, Income-tax, Sales tax, Value added tax, Duty of customs, Service tax, Goods and service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee state insurance, Income-tax, Sales tax, Value added tax, Duty of customs, Duty of excise, Service tax, Goods and service tax, Cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no material statutory dues including Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and service tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute except those were disclosed in the note no.37 as a part of financials.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of equity shares of Rs. 0.5 lakhs (Face value at Rs.10/- each) at premium of Rs 90/- in compliance with the requirements of Section 42 of Companies Act, 2013 and the amount raised have been used for the purpose for which the amount was raised.
- (xv) According to the 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 transactions with directors or persons connected with him during the Financial year. Accordingly, the provisions of 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 Kannegolla Krishna Rao & Co.,
Chartered Accountants

K. Gopala Krishna



CA S.S.Gopal Gupta Kannegolla
Partner
M.No. 211147
Firm Regn No. 001727S

Place : Hyderabad
Date : 05th Sep 2019
UDIN : 19211147AAAABA1408

KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



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cakatya1122@gmail.com

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 **M/s Sai Silks (Kalamandir) Limited** ("the Company") as of 31st March 2019 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls 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, 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 31st March 2019, 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 Kannegolla Krishna Rao & Co.,
Chartered Accountants



CA S.S.Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place : Hyderabad

Date : 05th Sep 2019

UDIN : 19211147AAAABA1408



Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
 CIN : U52190TG2008PLC059968
Balance Sheet as at 31-Mar-2019

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018
A Equity and Liabilities:			
Shareholders' funds			
Share capital	1	23,45,45,880	23,40,45,880
Reserves and Surplus	2	1,65,93,70,665	1,35,16,20,173
Money received against share warrants			
Share application money pending allotment	3	-	-
Non-current liabilities			
Long-term borrowings	4	40,36,12,358	3,95,14,673
Deferred tax liabilities (net)		15,19,38,863	12,51,92,864
Other long-term liabilities	5	13,09,280	12,16,479
Long-term provisions	6	2,66,19,695	2,41,65,166
Current liabilities			
Short-term borrowings	7	1,17,91,79,338	97,73,17,326
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,41,99,52,090	79,93,21,583
Other current liabilities	9	42,56,80,398	29,66,02,050
Short-term provisions	10	16,06,81,890	6,99,90,828
TOTAL		5,66,28,90,457	3,91,89,87,021
B Assets:			
Non-current assets			
Property, Plant and Equipment	11		
Tangible assets		1,37,96,60,936	96,54,33,830
Intangible assets		14,16,16,650	16,31,72,610
Capital work-in-progress		-	1,22,000
Intangible assets under development		-	-
Fixed Assets held for sale		-	-
Non-Current Investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	12	2,50,06,810	11,19,21,941
Other Non-Current Assets	13	22,32,56,641	18,58,75,949
Current assets			
Current investments		-	-
Inventories	14	3,41,10,52,141	2,25,92,38,134
Trade receivables	15	5,93,24,561	4,11,70,987
Cash and Bank Balances	16	21,43,66,295	2,21,35,382
Short-term loans and advances	17	19,31,71,417	15,43,95,533
Other Current Assets	18	1,54,35,004	1,55,20,656
TOTAL		5,66,28,90,457	3,91,89,87,021

Other relevant Notes to Financial Statements are attached to the Balance Sheet. Previous Year Figures have been regrouped/ reclassified/ rearranged wherever necessary.

As per my audit report of even date
For Kannegolla Krishna Rao & Co.,
 Chartered Accountants

CA. S.S. Gopal Gupta Kannegolla
 Partner

Membership No.211147
 F. No. 001727S

Place: Hyderabad
 Date: 5th Sep, 2019

Ramakrishna Oruganti
 Chief Financial Officer

Rupamani Chalavadi
 Chief Executive Officer

M K Bhaskara Teja
 Company Secretary

Ch.N.K.D.Prasad
 Chairman & Managing Director
 DIN : 01929166

Annam Kalyan Srinivas
 Whole Time Director
 DIN : 02428313

(Handwritten signature)

Statement of Profit and Loss for the year ended 31-Mar-2019

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
A Continuing Operations:			
I Revenue from operations	19	10,43,89,48,394	6,91,78,53,885
II Other income	20	1,05,63,799	47,81,042
III Total Revenue (I + II)		10,44,95,12,193	6,92,26,34,927
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	21	8,49,48,74,948	5,57,72,42,538
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(1,15,18,14,008)	(51,15,80,188)
Employee benefits expense	23	46,79,26,958	31,87,92,341
Finance Costs	25	20,40,67,685	18,12,44,831
Depreciation and amortisation expense	11	14,21,96,545	9,04,57,642
Other expenses	24	1,80,26,65,345	99,92,40,535
Total Expenses		9,95,99,17,474	6,65,53,97,699
V Profit / (Loss) before exceptional & extraordinary items and tax (III - IV)		48,95,94,719	26,72,37,228
VI Exceptional items			
VII Profit / (Loss) before extraordinary items and tax (V - VI)		48,95,94,719	26,72,37,228
VIII Extraordinary items			
IX Profit / (Loss) before tax (VII - VIII)		48,95,94,719	26,72,37,228
X Tax expense:		18,63,44,227	11,41,72,041
Provision for Income Tax			
Income Tax			
Current tax		14,88,62,270	8,44,78,180
Less: MAT credit entitlement		-	-
Net current tax		14,88,62,270	8,44,78,180
Previous Year Tax		1,07,35,957	1,08,98,615
Deferred Tax		2,67,46,000	1,87,95,246
XI Profit/(Loss) from continuing operations (IX - X)		30,32,50,492	15,30,65,187
B Discontinuing Operations			
XII Profit / (Loss) from discontinuing operations (before tax)		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
C Total Operations			
XV Profit / (Loss) for the year (XI + XIV)		30,32,50,492	15,30,65,187
XVI Earnings per equity share:			
- Basic		12.95	6.63
- Diluted		12.95	6.63
Other relevant Notes to Financial Statements	26 to 43		

Previous Year Figures have been regrouped/ reclassified/ rearranged, wherever necessary.

As per my audit report of even date

For and on behalf of the board

For Kannegolla Krishna Rao & Co.,

Chartered Accountants

K. Gopal Gupta
CA. S.S. Gopal Gupta Kannegolla
Partner
Membership No.211147
F. No. 001727S

Ch. N.K.D. Prasad
Ch. N.K.D. Prasad
Chairman & Managing Director
DIN : 01929166

Annam Kaiyan Srinivas
Annam Kaiyan Srinivas
Whole Time Director
DIN : 02428313

Place: Hyderabad

Ramakrishna Oruganti

Rupamani Chalavadi

M K Bhaskara Teja

Date: 5th Sep, 2019

Chief Financial Officer

Chief Executive Officer

Company Secretary

Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Cash Flow Statement for the year ended 31-Mar-2019

(Amount INR)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	48,95,94,719	26,72,37,228
Adjustments		
(Profit) / Loss on sale of fixed assets (net)	(82,731)	5,604
(Profit) / Loss on sale of investments (net)	-	-
Depreciation and Amortisation Expense	14,21,96,545	9,04,57,642
Preliminary Expenditure Written Off	2,95,000	2,95,000
Interest Income	(47,29,751)	(16,17,312)
Other Income	(46,26,207)	(29,63,292)
Finance Costs	20,40,67,685	18,12,44,831
Effect on Exchange Rate Change	(11,25,110)	(2,06,042)
	82,55,90,150	53,44,53,659
(Increase)/Decrease in Trade and Other Receivables	(1,81,53,574)	(2,49,61,671)
(Increase)/Decrease in Inventories	(1,15,18,14,008)	(51,15,80,188)
Changes in Short Term Loans & Advances	(3,87,75,885)	54,06,374
Changes in Other Current Assets	85,652	(1,49,79,905)
Increase/(Decrease) in Trade Payables	62,06,30,506	53,85,50,749
Increase/(Decrease) in Other Current Liabilities	12,90,78,348	12,11,25,485
Increase/(Decrease) in Short Term Provisions	85,69,658	80,55,407
	37,52,10,849	65,60,69,909
Cash generated from Operations	37,52,10,849	65,60,69,909
Direct Taxes paid	(7,74,76,823)	(6,48,41,463)
Net Cash from Operating activities	29,77,34,026	59,12,28,446
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	(53,47,84,961)	(40,09,60,095)
Capital Work-in-progress	1,22,000	2,42,405
Changes in Long Term Loans & Advances	8,69,15,131	(4,25,36,581)
Changes in Other Non Current Assets	(3,76,75,692)	(3,74,88,814)
Increase/(Decrease) in Other Long Term Liabilities	92,801	(2,04,24,424)
Increase/(Decrease) in Long Term Provisions	24,54,529	18,96,476
Interest Income	47,29,751	16,17,312
Other Income	46,26,207	29,63,292
	(47,35,20,235)	(49,46,90,429)
Cash flow before exceptional items	(47,35,20,235)	(49,46,90,429)
Exceptional Items	-	-
Net Cash from Investment Activities	(47,35,20,235)	(49,46,90,429)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	50,00,000	4,50,00,000
Proceeds / (Repayment) from Long Term Borrowings	36,40,97,685	(10,55,03,944)
Proceeds / (Repayment) from Short Term Borrowings	20,18,62,012	14,54,92,755
Finance Costs	(20,40,67,685)	(18,12,44,831)
Dividends Paid	-	-
Dividend tax paid	-	-
Effect on Exchange Rate Change	11,25,110	2,06,042
Net cash used in financing activities	36,80,17,122	(9,60,49,978)
Net (Decrease) / Increase in cash and cash equivalents	19,22,30,914	4,88,038
Cash and cash equivalents at the beginning of the year	2,21,35,382	2,16,47,344
Cash and Cash equivalents at the end of the year	21,43,66,295	2,21,35,382

As per my audit report of even date

For Kannegolla Krishna Rao & Co.,
Chartered Accountants

CA. S.S. Gopal Gupta Kannegolla
Partner
Membership No.211147
F. No. 001727S

Place: Hyderabad
Date: 5th Sep, 2019

Ramakrishna Oruganti
Chief Financial Officer

For and on behalf of the board

Ch.N.K.D.Prasad
Chairman & Managing Director*
DIN : 01929166

Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

Rupamani Chalavadi
Chief Executive Officer

M K Bhaskara Teja
Company Secretary

Sai Silks (Kalamandir) Limited

#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

Notes forming part of Financial Statements As At 31-Mar-2019**Note 1 Share Capital**

S. No	Particulars	As At 31.03.2019		As At 31.03.2018	
		Number	Amount	Number	Amount
	Authorised				
(i)	Equity Shares of Rs. 10/- each with Voting Rights	4,20,00,000	42,00,00,000	4,20,00,000	42,00,00,000
(i)	Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights	2,34,54,588	23,45,45,880	2,34,04,588	23,40,45,880
	Total	2,34,54,588	23,45,45,880	2,34,04,588	23,40,45,880

(a) Reconciliation of number of shares:

S.No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	2,34,04,588	23,40,45,880	2,29,54,588	22,95,45,880
2	Equity Shares Issued during the year	50,000	5,00,000	4,50,000	45,00,000
3	Equity Shares bought back during the year				
4	Equity Shares outstanding at the end of the year	2,34,54,588	23,45,45,880	2,34,04,588	23,40,45,880

(b) Rights, preferences and restrictions attached to 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 proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. 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.

(c) Details of shares held by Shareholders holding more than 5 % of the shares in the company:

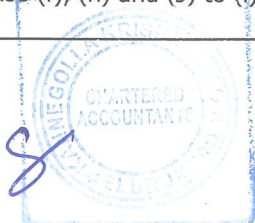
S.No.	Particulars	As At 31.03.2019		As At 31.03.2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	<u>Equity Shares with Voting Rights</u>				
1	Chalavadi Naga Kanaka Durga Prasad	63,62,600	27.13%	54,92,600	23.47%
2	Chalavadi Jhansi Rani	54,95,088	23.43%	63,15,088	26.98%
3	Perumalla Dhanalakshmi	29,31,900	12.50%	29,31,900	12.53%
4	Chalavadi Devamani	22,24,200	9.48%	22,24,200	9.50%
5	Chalavadi D K Durga Rao	16,16,500	6.89%	16,16,500	6.91%
6	Annam Kalyan Srinivas	15,15,400	6.46%	15,15,400	6.47%
7	Rupamani Nagakanakadurgasri Harshada C	25,00,000	10.66%	25,00,000	10.68%

(d) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date :

Share capital as at March 31, 2017 includes, 20,64,588 equity shares of ` .10/- each allotted during the previous FY 2015-16 at Premium of Rs. 90/-each for consideration other than cash, to the Share Holders of I-One Investments Pvt. Ltd., in the scheme of Amalgamation as per the order of the Hon'ble High Court of Hyderabad, Telangana Dated 18-Aug-2016. (Appointed Date 01.10.2015)

S.No.	Name of the Allottee	No of Equity Shares
1	Chalavadi Jhansi Rani	20,63,388
2	Annam Subash Chandra Mohan	1,200
	Total	20,64,588

Clause (f), (h) and (j) to (l) of the Note 6(A) to the Schedule III of the Companies Act, 2013 is not applicable.



Handwritten signatures and a circular stamp of Sai Silks Kalamandir Limited, Hyderabad.

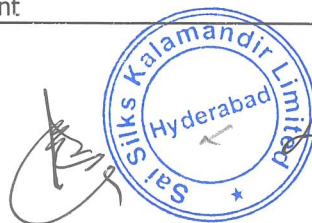
Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
2	Note: Reserves and Surplus		
	Securities Premium Account		
	As per last Balance Sheet	28,41,62,920	24,36,62,920
	(+) Additions during the year on account of shares issued during the year	45,00,000	4,05,00,000
	Closing Balance	<u><u>28,86,62,920</u></u>	<u><u>28,41,62,920</u></u>
	Profit and Loss Account		
	As per last Balance Sheet	1,06,74,57,253	91,43,92,066
	(+) Net Profit for the current year	30,32,50,492	15,30,65,187
	(+) Transfer from Reserves		
	(-) Net Loss for the current year		
	(-) Proposed Dividends		
	(-) Interim Dividends		
	Closing Balance	<u><u>1,37,07,07,746</u></u>	<u><u>1,06,74,57,253</u></u>
	Total	<u><u>1,65,93,70,665</u></u>	<u><u>1,35,16,20,173</u></u>
3	Note: Share Application money pending allotme	-	-



Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
4	Note: Long Term Borrowings		
	Secured		
	Term Loans from Banks *	39,14,87,423	2,12,23,108
	(Current meturities of which shown seperately in note no. 9)		
	Vehicle Loans from Banks #	1,21,24,935	1,72,86,359
	(Current meturities of which shown seperately in note no. 9)		
	Long Term Maturities of Finance Lease	-	10,05,206
	(Current meturities of which shown seperately in note no. 9)		
		40,36,12,358	3,95,14,673
	* Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 36)		
	#Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 36)		
5	Note: Other Longterm Liabilities		
	Other Liabilites *	13,09,280	12,16,479
		13,09,280	12,16,479
	* Other Liabilities pertains to:		
	Trade / Security amounts Received	13,09,280	12,16,479
		13,09,280	12,16,479
6	Note: Long Term Provisions		
	Provisions for Employee Benefits *	1,44,75,695	1,10,16,166
	Provisions for Taxes (previous Years)	-	-
	Provisions - Others**	1,21,44,000	1,31,49,000
		2,66,19,695	2,41,65,166
	* Provisions for Employee Benefits comprises "Provision for Gratuity " which is based on Actuarial Valuation as detailed in Note no. 28.		
	** Provisions for Others comprises "Windmill Revenue Compensation".		
7	Note: Short Term Borrowings		
	Secured		
	Loans repayable on demand from Banks *	1,15,72,94,274	97,54,32,262
	Loans repayable on demand from Others		
	Working Capital Loans from Banks		
	Unsecured		
	Loans from Related Parties **	2,18,85,064	18,85,064
	Other Loans and Advances		
	Deposits		
	Other Loans & Advances		
		1,17,91,79,338	97,73,17,326
	* Short Term Loans from Banks are secured by hypothecation of stocks, receivables and other current assets of the company on paripassu basis, both present and future (For details Refer Note No 36).		
	** Loans from Related Parties consists of		
S.No.	Name of the Related Party	As At 31.03.2019	As At 31.03.2018
1	Chalavadi Naga Kanaka Durga Prasad	2,18,73,448	18,73,448
2	Chalavadi Krishna Murty	11,616	11,616
	The Company has borrowed above unsecured loans on the following terms & conditions:		
	Terms & Conditions	Particulars	
	Rate of Interest	Nil	
	Security	Unsecured	
	Terms of Repayment	Repayable on Demand	



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Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
8	Note: Trade Payables		
	Dues to Micro, Small and Medium Enterprises *	-	-
	Dues to Others	1,41,99,52,090	79,93,21,583
		1,41,99,52,090	79,93,21,583

* The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

1. Principal amount due and remaining unpaid as at year end	-	-
2. Interest due on above and remaining unpaid as at year end	-	-
3. Principal amount paid beyond the appointed day during the year	-	-
4. Interest paid on payments made beyond the appointed day during the year U/Sec 16 of MSMED Act, 2006	-	-
5. Interest due and Payable on payments made beyond the appointed day during the year otherthan MSMED Act, 2006	-	-
6. Interest remaining due and payable for the period of delay in earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

9 Note: Other Current Liabilities

Current Maturities of Long Term Debt (Secured)

Termloans from Banks *	12,16,44,964	9,26,12,600
Vehicle Loans from Banks #	1,05,08,095	93,65,858
Finance Lease ^	10,08,500	30,74,911
Advances received from Customers	1,18,43,836	1,03,07,913
Other Payables ~	28,06,75,003	18,12,40,767
	42,56,80,398	29,66,02,050

* Term Loans from Banks are secured against Fixed Assets of the company, both present and future (For details Refer Note No 36).

Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 36).

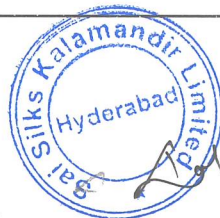
^ Secured by hypothecation of respective assets taken under finance lease. (For details Refer Note No.34)

~ Other Payables include

Statutory Liabilities	84,40,421	1,14,51,347
Otherthan Statutory Liabilities	27,22,34,582	16,97,89,420



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Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
10	Note: Short Term Provisions		
	Provisions for Employee Benefits		
	Provision for Gratuity	14,60,093	11,16,415
	Provisions - Others:		
	Provision for Taxes	15,92,21,797	6,88,74,413
		16,06,81,890	6,99,90,828
	* Provisions for Employee Benefits comprises "Provision for Gratuity " which is based on Actuarial Valuation as detailed in Note no. 28.		
12	Note: Long Term Loans & Advances		
	(a) Capital Advances		
	Secured, considered good	-	-
	Unsecured, considered good	2,50,06,810	11,19,21,941
	Doubtful	-	-
	(b) Security Deposits	-	-
	(c) Loans & Advances to related parties	-	-
	(d) Loans & Advances to Employees	-	-
	(e) Prepaid Expenses	-	-
	(f) Advance Income Tax/TDS (Unsecured, Considered good)*	-	-
	(g) MAT Credit Entitlement	-	-
	(h) Balances with Government Authorities	-	-
	(i) Other Loans & Advances		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	(j) Doubtful	-	-
		2,50,06,810	11,19,21,941
	Less: Provision for other doubtful loans & advances		
		2,50,06,810	11,19,21,941
	Note: Long Term Loans & Advances include amounts due from		
	Directors	-	-
	Other Officers of company	-	-
	Firms in which any director is a partner	-	-
	Private companies in which any director is a director or member	-	-
	* Pertains to Previous Years		



Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

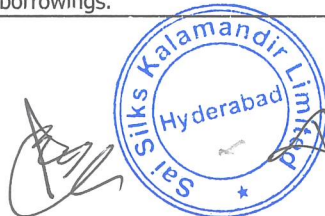
Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
13	Note: Other Non-Current Assets		
	(a) Long-term trade receivables	-	-
	(b) Unamortised expenses ** (to the extent not written off or not adj.)		
	(i) Ancillary borrowing costs	-	-
	(ii) Share issue expenses	-	-
	(iii) Discount on shares	-	-
	(iv) Other Expenses		
	Preliminary Expenditure	-	-
	Public Issue Expenditure	-	-
	Amalgamation Expenditure	2,95,000	5,90,000
	(c) Accruals	-	-
	(d) Other Non-current Assets		
	Electricity Deposits	1,35,60,171	69,39,032
	Rent Deposit*	18,83,67,715	15,84,78,895
	Telephone Deposit	34,335	34,335
	In Deposit Accounts^	2,07,82,420	1,96,52,187
	Other Deposits	2,17,000	1,81,500
		22,32,56,641	18,58,75,949
	* Rent Deposit Includes:		
	- Deposit to SSS Marketing	12,00,000	12,00,000
	- CH N K D Prasad	3,60,000	3,60,000
	- CH Jahnsi Rani	2,40,000	2,40,000
	^ Deposit accounts includes Deposits having original maturity greater than one year of Rs. 2.04 Cr (in SBI) (Previous Year-Rs. 1.97 Cr (in SBI)) held as security against borrowings.		
	Amalgamation Expenses		
	Opening Balance	5,90,000	8,85,000
	Add : Incurred during the year	-	-
		5,90,000	8,85,000
	Less : Written-off during the period (3rd year)	2,95,000	2,95,000
		2,95,000	5,90,000



Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
14	Note: Inventories:		
	(a) Raw materials		
	Goods-in-transit		
	(b) Work-in-progress		
	Goods-in-transit		
	(c) Finished goods (other than those acquired for trading)		
	Goods-in-transit		
	(d) Stock-in-trade (acquired for trading) *	3,41,10,52,141	2,25,92,38,134
	Goods-in-transit		
	(e) Stores and spares		
	Goods-in-transit		
	(f) Loose tools		
	Goods-in-transit		
	(g) Others (Specify nature)		
	Goods-in-transit		
		3,41,10,52,141	2,25,92,38,134
	* Mode of valuation:		
	Finished Goods		: At lower of cost or net realisable value
	Raw material & Stching Material		: At Cost
	Stores, Spare parts, Packing & Branding Material		: At Cost
15	Note: Trade Receivables		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
	Trade receivables outstanding for a period less than six months from the date they were due for payment *		
	Secured, considered good	-	-
	Unsecured, considered good	5,93,24,561	4,11,70,987
	Doubtful	-	-
		5,93,24,561	4,11,70,987
	Less: Provision for doubtful trade receivables	-	-
		5,93,24,561	4,11,70,987
	* Trade receivables include debts due from:		
	Directors	-	-
	Other officers of the Company	-	-
	Firms in which any director is a partner (give details per firm)	-	-
	Private companies in which any director is a director or member (give details per company)	-	-
16	Note: Cash and Bank Balances		
	(a) Cash and Cash Equivalents		
	(i) Balances with banks;		
	In Deposit Accounts	-	-
	In Current Accounts	7,09,88,865	21,40,310
	(ii) Cheques, drafts on hand		
	(iii) Cash on hand	4,06,31,098	1,99,95,072
	(b) Other Bank balances		
	In Deposit Accounts*	10,27,46,333	-
		21,43,66,295	2,21,35,382

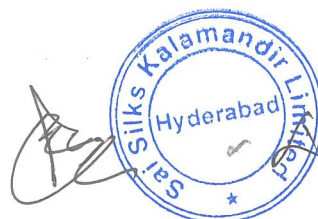
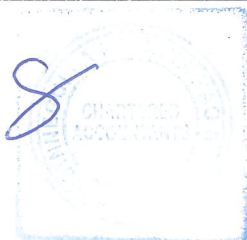
^ Deposit accounts includes Deposits having original maturity of 3 months for amount of Rs. 10 Cr in CANARA Bank & held as security against borrowings.



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Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	As At 31.03.2019	As At 31.03.2018
17	Note: Short Term Loans & Advances		
	(a) Loans and advances to related parties	-	-
	(b) Security deposits		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
	(c) Loans and advances to employees		
	Secured, considered good	-	-
	Unsecured, considered good	2,93,86,147	4,54,30,176
	Doubtful	-	-
	(d) Prepaid expenses - Unsecured, considered good *	1,01,21,505	96,27,739
	(e) Balances with government authorities		
	Unsecured, considered good		
	GST Credit	12,04,55,973	4,93,09,446
	(f) Inter-corporate deposits	-	-
	MAT Credit entitlement - Unsecured, considered good	-	-
	(h) Advance to Suppliers **	3,05,56,114	4,70,61,699
	(i) Other Loans & Advances		
	Secured, considered good	-	-
	Unsecured, considered good***	26,51,679	29,66,473
	Doubtful	-	-
		<u>19,31,71,417</u>	<u>15,43,95,533</u>
	Less: Provision for other doubtful loans and advances	-	-
		<u>19,31,71,417</u>	<u>15,43,95,533</u>
	* "Prepaid Expenses" pertains to Insurance Premium, Annual Maintenance Contracts.		
	**Advance to Suppliers - Sai Retail India Private Limited	2,23,46,339	4,70,61,699
	***Other Loans & Advances includes		
	Travelling Advances	16,39,555	18,02,896
	Advances for Expenses	6,46,686	2,55,448
	SSS Marketing	3,65,437	9,08,129
18	Note: Other Current Assets		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets *	1,54,35,004	1,55,20,656
		<u>1,54,35,004</u>	<u>1,55,20,656</u>
	* Other Current Assets include		
	Interest Accrued But Not due on FDs	-	5,167
	Discount Receivable	1,46,25,004	1,47,05,489
	Rental Debtors	8,10,000	8,10,000



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Sai Silks (Kalamandir) Limited

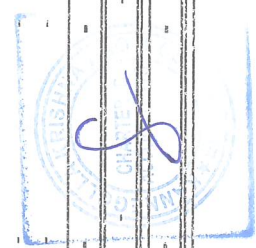
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

Notes forming part of Financial Statements As At 31-Mar-2019

Note 11. Property, Plant and Equipment

(Amount INR)

S. No.	Particulars	Gross Block									Balance As At 31.03.2019	
		Balance As At 01.04.2018	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange difference	Borrowing cost capitalised	Other Adj.		
		1	2	3	4	5	6	7	8	9	10 = 1+2-3+4-5 +6-7+8-9	
A Tangible assets :												
(a)	Civil Works											
	Owned	18,37,40,177	4,42,66,184	-	-	-	-	-	-	-	-	22,80,06,361
	Taken under finance lease	30,56,627	-	-	-	-	-	-	-	-	-	30,56,627
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
(b)	Plant & Machinery											
	Owned	18,60,43,889	9,63,89,481	-	-	-	-	-	-	-	-	28,24,33,370
	Taken under finance lease	17,56,633	-	-	-	-	-	-	-	-	-	17,56,633
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
(c)	Wind Mill											
	Owned	11,47,83,663	-	-	-	-	-	-	-	-	-	11,47,83,663
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
(d)	Computers & Peripherals											
	Owned	4,02,76,734	1,85,49,480	-	-	-	-	-	-	-	-	5,88,26,213
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
(e)	Furniture and Fixtures											
	Owned	70,50,83,968	36,77,38,928	-	-	-	-	-	-	-	-	1,07,28,22,897
	Taken under finance lease	76,42,475	-	-	-	-	-	-	-	-	-	76,42,475
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
(f)	Vehicles											
	Owned	6,64,04,458	73,77,328	5,03,495	-	-	-	-	-	-	-	7,32,78,291
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-	-
	Total (A)	1,30,87,88,624	53,43,21,401	5,03,495	-	-	-	-	-	-	-	1,84,26,06,530
	Previous Year	(91,32,75,592)	(39,60,73,121)	(5,60,089)	-	-	-	-	-	-	-	(1,30,87,88,624)
B Intangible assets												
	Computer Software	1,33,43,628	6,78,560	-	-	-	-	-	-	-	-	1,40,22,188
	Brand (Kalamandir)	20,68,92,906	-	-	-	-	-	-	-	-	-	20,68,92,906
	Brand (KLM Fashions)	20,00,000	-	-	-	-	-	-	-	-	-	20,00,000
	Total (B)	22,22,36,534	6,78,560	-	-	-	-	-	-	-	-	22,29,15,094
	Previous Year	(21,72,49,560)	(49,86,974)	-	-	-	-	-	-	-	-	(22,22,36,534)
	Grand Total (A + B)	1,53,10,25,158	53,49,99,961	5,03,495	-	-	-	-	-	-	-	2,06,55,21,624



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S. No.	Particulars	Accumulated depreciation and impairment										Net book	
		Balance As At 01.04.2018	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance As At 31.03.2019	Balance As At 31.03.2019	Balance As At 31.03.2018		
		11	12	13	14	15	16	17	18=sum(11:17)	19=(10-18)	20=(1-11)		
A Tangible assets :													
(a)	Civil Works												
	Owned	1,30,35,373	1,13,05,726	-	-	-	-	-	2,43,41,099	20,36,65,263	17,07,04,804		
	Taken under finance lease	2,05,654	48,366	-	-	-	-	-	2,54,019	28,02,608	28,50,973		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(b)	Plant & Machinery												
	Owned	4,64,80,847	1,94,16,857	-	-	-	-	-	6,58,97,704	21,65,35,665	13,95,63,042		
	Taken under finance lease	4,72,797	1,11,192	-	-	-	-	-	5,83,989	11,72,644	12,83,836		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(c)	Wind Mill												
	Owned	3,38,81,240	49,53,483	-	-	-	-	-	3,88,34,723	7,59,48,940	8,09,02,423		
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
	Computers & Peripherals												
	Owned	2,65,82,023	78,07,558	-	-	-	-	-	3,43,89,582	2,44,36,632	1,36,94,711		
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(e)	Furniture and Fixtures												
	Owned	19,80,16,475	6,74,51,375	-	-	-	-	-	26,54,67,850	80,73,55,047	50,70,67,494		
	Taken under finance lease	30,81,534	7,25,836	-	-	-	-	-	38,07,370	38,35,105	45,60,941		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
(f)	Vehicles												
	Owned	2,15,98,852	81,41,632	3,71,226	-	-	-	-	2,93,69,258	4,39,09,033	4,48,05,606		
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-		
	Given under operating lease	-	-	-	-	-	-	-	-	-	-		
	Total (A)	34,33,54,794	11,99,62,026	3,71,226	-	-	-	-	46,29,45,594	1,37,96,60,936	96,54,33,830		
	Previous Year	(27,54,53,678)	(6,83,55,602)	(4,54,485)	-	-	-	-	(34,33,54,794)	(96,54,33,830)	(63,78,21,914)		
B Intangible assets													
	Computer Software	72,38,808	13,56,614	-	-	-	-	-	85,95,422	54,26,766	61,04,820		
	Brand (Kalamandir)	5,17,23,227	2,06,77,960	-	-	-	-	-	7,24,01,187	13,44,91,719	15,51,69,680		
	Brand (KLM Fashions)	1,01,890	1,99,945	-	-	-	-	-	3,01,835	16,98,165	18,98,110		
	Total (B)	5,90,63,925	2,22,34,519	-	-	-	-	-	8,12,98,444	14,16,16,650	16,31,72,610		
	Previous Year	(3,69,61,884)	(2,21,02,041)	-	-	-	-	-	(5,90,63,925)	(16,31,72,610)	(18,02,87,676)		
C Capital Work in Progress													
	Grand Total (A + B + C)	40,24,18,719	14,21,96,545	3,71,226	-	-	-	-	54,42,44,038	1,52,12,77,586	1,12,87,28,439		
											1,22,000		

Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
19	Note: Revenue from Operations		
	Sale of products		
	Domestic	10,43,47,58,602	6,91,53,43,297
	Export	-	-
	Other operating revenues	41,89,792	25,10,588
		10,43,89,48,394	6,91,78,53,885
	Sales of traded goods under broad heads:		
	Description	FY 2018-19	FY 2017-18
	Sarees and other textiles products	10,43,47,58,602	6,91,53,43,297
	Others	-	-
	Total	10,43,47,58,602	6,91,53,43,297
20	Note: Other Income		
	Interest from Deposits	47,29,751	16,17,312
	<u>Other Non-Operating Income:</u>		
	Rent Received	46,26,207	29,63,292
	Forex Gain	11,25,110	2,06,042
	Profit/Loss on Sale of FA	82,731	(5,604)
		1,05,63,799	47,81,042
21	Note: Purchases		
	Purchases	8,49,38,12,602	5,57,49,45,133
	Less : Discount / Rate Difference	557	(6,11,203)
		8,49,38,12,045	5,57,55,56,336
	Add : Carriage-in-wards	10,62,903	16,86,202
		8,49,48,74,948	5,57,72,42,538
	Purchases of traded goods under broad heads:		
	Description		
	Sarees and other textiles products	8,49,38,12,045	5,57,55,56,336
	Others	-	-
	Total	8,49,38,12,045	5,57,55,56,336
22	Note: Changes in inventories of finished goods, work-in-progress and stock-in-trade		
	<u>Inventories at the end of the year:</u>		
	Finished goods (acquired for trading)	3,41,10,52,141	2,25,92,38,134
	Work-in-progress		
	Stock-in-trade		
		3,41,10,52,141	2,25,92,38,134
	<u>Inventories at the beginning of the year:</u>		
	Finished goods (acquired for trading)	2,25,92,38,134	1,74,76,57,945
	Work-in-progress		
	Stock-in-trade		
		2,25,92,38,134	1,74,76,57,945
	Net increase / (decrease)	1,15,18,14,008	51,15,80,188

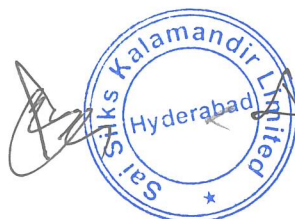


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Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

Notes forming part of Financial Statements As At 31-Mar-2019

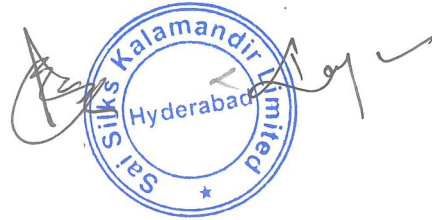
Note No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
23	Note: Employee Benefit Expenses		
	Salaries and wages	36,07,99,634	24,48,19,055
	Directors Remuneration	2,16,25,000	1,36,04,032
	Staff Bonus	3,05,93,255	2,22,76,024
	Contribution to provident and other funds *	64,15,255	58,89,197
	Prov. for Gratuity	38,03,207	37,13,590
	Staff welfare expenses	4,46,90,607	2,84,90,443
		46,79,26,958	31,87,92,341
	* includes contribution to Employee provident fund, Employee State Insurance Scheme, Gratuity		
24	Note: Other Expenses		
	<u>Administration Expenses</u>		
	Audit Fee	1,00,000	1,00,000
	Computer Maintenance	56,84,346	26,21,643
	Consultation Charges	2,62,54,078	2,07,28,201
	Conveyance	1,53,06,919	1,20,78,095
	Directors Sitting Fee	1,80,000	1,80,000
	Electrical Charges	11,45,88,167	6,64,70,888
	Festival & Functional Expenses	82,95,637	50,51,634
	Generator maintenance	52,22,677	26,41,767
	Insurance	94,33,446	71,69,549
	Office & Stores Maintenance	7,25,72,980	3,64,40,510
	Printing ,Postage & Stationery	1,01,39,210	45,34,085
	Rent	22,58,90,776	17,20,79,166
	Repairs & Maintenance	15,96,04,390	7,81,93,901
	Security Charges	2,23,24,708	1,26,28,824
	Subscription	1,19,888	96,322
	Rates & Taxes	1,10,58,706	77,93,603
	Telephone & Internet Charges	30,75,414	34,29,830
	Travelling Expenses	1,61,87,503	1,40,13,747
	Vehicle Maintenance / Repairs	12,95,702	17,82,152
	<u>Selling & Distribution Expenses</u>		
	Advertisement	44,37,20,437	21,23,55,264
	Business Promotion	4,43,52,880	3,35,95,097
	Packing Material	8,23,62,743	4,08,24,153
	Propaganda Charges	37,19,41,127	14,64,23,107
	Sales Commission	13,37,55,270	10,44,51,459
	Alteration, Rolling & Polishing Charges	67,46,607	54,48,358
	CSR Expenditure	1,21,56,737	78,14,181
	Amalgamation Expenses Written Off	2,95,000	2,95,000
		1,80,26,65,345	99,92,40,535



Kalamandir

Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
25	Note: Finance Costs		
	Interest Expense		
	Interest	12,97,59,479	10,76,31,785
	Interest on Others *	72,79,969	81,56,823
	Interest on TDS & Income Tax	61,88,937	2,69,09,590
	Other Borrowing Costs:		
	Loan Processing Charges	1,02,30,435	32,90,790
	Bank Charges (Incl Cash Pickup & CC Swiping Charges)	5,06,08,865	3,52,55,842
		<u>20,40,67,685</u>	<u>18,12,44,831</u>
	* "Interest on Others" include Interest on Vehicle Loans, Trade deposits and Hire purchase		



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	FY 2018-19	FY 2017-18
26	Note: Auditors Remuneration		
	Payments to Auditors comprises:		
	As Auditors - Statutory Audit	75,000	75,000
	For taxation matters	25,000	25,000
	For company law matters	-	-
	For management services	-	-
	For other services	-	-
	Reimbursement of Expenses	-	-
27	Note: Deferred Tax Liability (Net)		
	Depreciation as per Company Law	14,21,96,545	9,04,57,642
	Depreciation as per Income Tax Law	22,25,39,357	14,84,80,195
	Timing Differences	8,03,42,812	5,80,22,553
	Deferred Tax Liability	2,80,74,992	2,00,80,445
	Provision for the period on Depreciation	2,80,74,992	2,00,80,445
	Provision for the period on Gratuity	(13,28,993)	(12,85,199)
	Total Deferred Prov. For the period	2,67,46,000	1,87,95,246

28 Note: Retirement Benefits :

The Gratuity liability is recognised in the books of accounts based on Actuarial Valuation in accordance with the Revised AS-15.

The Process and Assumptions taken for the purpose calculation of Gratuity is as follows :

Particulars	FY 2018-19	FY 2017-18
Opening defined benefit obligation	1,21,32,581	84,18,991
Interest cost	9,70,606	6,73,519
Current services cost	28,02,882	19,77,709
Benefits paid	-	-
Actuarial (gains)/losses on obligation	29,719	10,62,362
Closing defined benefit obligation	1,59,35,788	1,21,32,581
Assumptions :		
Date of Valuation	31.03.2019	31.03.2018
Normal Retirement age	60 years	60 years
Salary Growth Rate (Per Annum)	4.00%	4.00%
Discount Rate (Per Annum)	7.65%	8.00%
Mortality Rate (as % of IALM (2012-014) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	5%
Withdrawal Rate	5%	5%
Adjusted Average Future Service	12.40 Years	12.29 Years
GRATUITY LIABILITY		
Short Term Liability	14,60,093	11,16,415
Long Term Liability	1,44,75,695	1,10,16,166
TOTAL NET LIABILITY	1,59,35,788	1,21,32,581



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Sai Silks (Kalamandir) Limited

Notes forming part of Financial Statements As At 31-Mar-2019

Note No. 29 Related Party Disclosures

S.No.	Name of the Related Party	Nature of Relationship
1	CHINKD Prasad	MD & Whole Time Director
2	Annam Kalyan Srinivas	Executive Director
3	CHDK Durga Rao	Executive Director
4	Oruganti Rama Krishna	Key Managerial Personnel (CFO)
5	Rupamani Nagakanakadurgasri Harshada Ch	Key Managerial Personnel (CEO)
6	KOTI BHASKARA TEJA MATTE	Key Managerial Personnel (CS)
7	Jinesh Kumar Sankhala	Non Executive / Independent Director
8	Naveen Nandigam	Non Executive / Independent Director
9	Vanitha Nagulavari	Non Executive / Independent Director
10	Ch Jhansi Rani	Relative of Director
11	Annam Suchitra	Relative of Director
12	Supriya Padarthy	Relative of Director
13	CH Mohana Durga Rao	Relative of Director
14	Chalavadi Krishna Murty	Relative of Director
15	Annam Subash Chandra Mohan	Relative of Director
16	Annam Venkata Rajesh	Relative of Director
17	Annam Sowjanya	Relative of Director
18	DEVAMANI VENKATA KANAKA DURGA HANISI-	Relative of Director
19	RACHAMADUGU BALAJI BHARADWAJ	Relative of Director
20	Sai Readymades	Enterprise over which Directors having Significant Influence (EDS)
21	Sai Retail India Limited	Enterprise over which Directors having Significant Influence (EDS)
22	SSS Marketing	Enterprise over which Directors having Significant Influence (EDS)
23	Sai Swarnamandir Jewellers Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
24	Sumaja Creations	Enterprise over which Directors having Significant Influence (EDS)
25	K Factory	Enterprise over which Directors having Significant Influence (EDS)
26	Kalamandir Foundation	Enterprise over which Directors having Significant Influence (EDS)
27	Kalamandir International Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
28	Varamahalakshmi Holdings Pvt Ltd.	Enterprise over which Directors having Significant Influence (EDS)
29	Soul of Pluto Tech LLP	Enterprise over which Directors having Significant Influence (EDS)



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Transactions with Related Parties:

(Amount in INR)

S.No.	Nature of Transaction	FY 2018-19			FY 2017-18				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total
1	Purchases	8,45,19,84,948			8,45,19,84,948	5,55,78,71,918			5,55,78,71,918
2	Rent (Expense)	18,48,000	7,20,000	4,80,000	30,48,000	11,40,000	4,80,000	23,40,000	
3	Rent (Income)	2,04,000			2,04,000	2,88,000		2,88,000	
4	Commission (Expense)	18,06,465			18,06,465	19,02,431		19,02,431	
5	Salary / Remuneration		2,30,04,966	1,91,05,000	4,21,09,966		1,36,94,032	2,83,94,372	
6	Advertisement (Expense)	26,40,50,430			26,40,50,430	15,27,75,041		15,27,75,041	
7	Donation	1,06,31,420			1,06,31,420	71,15,000		71,15,000	
8	Unsecured loan Taken		2,00,00,000		2,00,00,000			4,50,00,000	
9	Shares Allotted		50,00,000		50,00,000			6,00,00,000	
10	Advance Received Back								
11	Software Consultation / Ma	72,50,000			72,50,000				

Balances with Related Parties As At 31.03.2019:

S.No.	Nature of Transaction	FY 2018-19			FY 2017-18				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total
1	Short Term Borrowings		2,18,73,448	11,616	2,18,85,064		18,73,448	11,616	18,85,064
2	Trade Payables	4,76,761			4,76,761	4,76,761		4,76,761	
3	Other Payables	12,12,72,258	34,50,250	13,07,004	12,60,29,512	7,84,21,549	17,63,477	8,23,11,552	
4	Short Term Loans & Advances	2,27,11,776			2,27,11,776	4,79,69,828		4,79,69,828	
5	Rent Deposits Given	12,00,000	3,60,000	2,40,000	18,00,000	12,00,000	2,40,000	18,00,000	



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2019
Related Party Disclosures Workings

S.No.	Name of the Party / Personnel	Concern	Ref. for Relationship as per AS-18	Details of Relation	Nature of Transaction	FY 2018-19		FY 2017-18	
						Transaction Value	Outstanding Dr/ (Cr)	Transaction Value	Outstanding Dr/ (Cr)
1	Sai Retail India Limited	Limited	3 (E)	Directors interested	Purchases Rent (Expense)	8,45,19,84,948 8,28,000	2,23,46,339	5,55,78,71,918 1,20,000	4,70,61,699
2	SSS Marketing	Partnership	3 (E)	Relative of Director Interested	Rent (Income)	2,04,000		2,88,000	
3	Sumaja Creations	Proprietary	3 (E)	Relative of Director Interested	Commission paid Rent Deposit	18,06,465 -	3,65,437 12,00,000	19,02,431 -	9,08,129 12,00,000
4	Varamahalakshmi Holdings Pvt Ltd.	Private Limited	3 (E)	Relative of Director Interested	Advertisement	26,40,50,430	(11,75,77,980)	15,27,75,041	(7,78,03,549)
5	K Factory	Partnership	3 (E)	Directors interested	Rent Expense	10,20,000	(10,12,429)	10,20,000	(6,18,000)
6	Soul of Pluto Tech LLP	LLP	3 (E)	Directors interested	Purchases	-	(4,76,761)	-	(4,76,761)
7					Software Consultation / Maintenance	72,50,000	(26,81,849)	-	-
					Remuneration	1,20,00,000	(22,67,972)	68,00,000	(13,80,538)
					Rent Paid	7,20,000	(54,000)	7,20,000	(54,000)
					Shares Allotted	50,00,000	-	4,50,00,000	-
	CHINKD Prasad	Individual	3 (D)	Director	Rent Deposit Advance Received Back	- - -	3,60,000	- 6,00,00,000 -	3,60,000 - -
8	CH Jhansi Rani	Individual	3 (D)	Relative of Director	Unsecured Salary Rent	2,00,00,000 33,50,000 4,80,000	(2,18,73,448) (2,36,029) (36,000)	- 14,10,000 4,80,000	(18,73,448) (2,89,140) (36,000)
9	A Kalyan Srinivas	Individual	3 (D)	Director	Rent Deposit	-	2,40,000	-	2,40,000
10	CHDK Durga Rao	Individual	3 (D)	Director	Remuneration	58,25,000	(3,27,797)	41,00,000	(2,53,253)
11	A Subhash	Individual	3 (D)	Director	Remuneration	38,00,000	(3,16,620)	27,04,032	(1,81,645)
12	A Rajesh	Individual	3 (D)		Salary	15,25,000	-	29,00,000	(1,08,676)
13	A Sowjanya	Individual	3 (D)		Salary	38,00,000	(2,52,476)	29,00,000	(1,33,249)
14	A Suchitra	Individual	3 (D)		Salary	10,10,000	(80,460)	9,60,000	(70,460)
15	CH Mohana Durga Rao	Individual	3 (D)	Relative of	Salary	10,10,000	(86,363)	9,60,000	(68,691)
					Salary	38,00,000	(2,77,996)	27,04,032	(1,08,676)

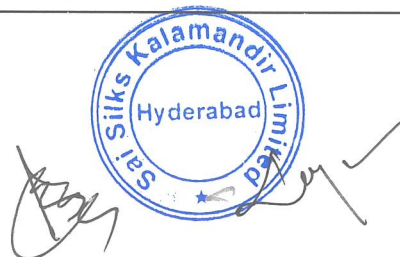
S.No.	Name of the Party / Personnel	Concern	Ref. for Relationship as per AS-18	Details of Relation	Nature of Transaction	FY 2018-19		FY 2017-18	
						Transaction Value	Outstanding Dr/ (Cr)	Transaction Value	Outstanding Dr/ (Cr)
16	Supriya Padarthy	Individual	3 (D)	Director	Salary	10,10,000	(89,800)	9,60,000	(79,800)
17	Ch Krishna Murty	Individual	3 (D)		Unsecured	-	(11,616)	-	(11,616)
19	DEVAMANI VENKATA KANAKA DURGA HANISHA	Individual	3 (D)		Salary	12,00,000	(88,854)	3,00,000	(2,99,400)
20	RACHAMADUGU BALAJI BHARADWAJ	Individual	3 (D)		Salary	24,00,000	(1,59,026)	6,00,000	(5,69,385)
18	Oruganti Rama Krishna	Individual	KMP	CFO	Remuneration	8,95,863	(66,255)	7,76,478	(67,090)
20	Alla Lakshmi Sowjanya	Individual	KMP	CS	Remuneration	-	-	1,39,830	-
21	KOTI BHASKARA TEJA MATTE	Individual	KMP	CS	Remuneration	3,04,103	(65,606)	-	-
21	Kajainandir Foundation	Trust	3 (E)	Managing Trustee	Donations	1,06,31,420	-	71,15,000	-
22	Jinesh Kumar Sankhala	Individual	KMP	Non Executive Directors	Sitting Fees	60,000	(1,36,000)	60,000	(82,000)
22	Naveen Nandigam	Individual	KMP		Sitting Fees	60,000	(1,08,000)	60,000	(54,000)
23	Vanitha Nagulavari	Individual	KMP		Sitting Fees	60,000	(1,08,000)	60,000	(54,000)



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.	Particulars	FY 2018-19	FY 2017-18
30	Note: Earnings Per Share		
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	30,32,50,492	15,30,65,187
	No of Equity Shares	2,34,54,588	2,34,04,588
	Weighted Average no. of equity shares	2,34,18,972	2,30,70,478
	Basic and Diluted Earnings per share (INR)	12.95	6.63
	Face value per share (INR)	10.00	10.00
	The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.		
31	Note: Earnings in foreign currency		
	Export of Goods calculated on FOB basis	-	-
32	Note: Expenditure in foreign currency	17,79,082	63,94,138
33	Note: Tax Expense		
	The Tax Expenses for the year comprises of;		
	Income Tax	15,95,98,227	9,53,76,795
	Current Year	14,88,62,270	8,44,78,180
	Less : MAT Credit Entitlement	-	-
	Net Current Tax	14,88,62,270	8,44,78,180
	Previous Year	1,07,35,957	1,08,98,615
	Deferred Tax	2,67,46,000	1,87,95,246
	Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.		
34	(a) Note: Obligations towards operating leases		
	The company has entered into operating lease arrangements for its premises at various locations.		
	Future minimum lease payments		
	not later than one year	25,02,01,398	20,65,85,082
	later than one year and not later than five years	1,02,44,46,869	94,05,44,114
	later than five years	1,76,50,96,204	1,80,23,22,866
	The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of showrooms:		
	On account of Lock-in Period	5,45,36,864	2,12,10,370
	On account of Notice Period	7,10,76,455	7,65,78,785
	Lease payments recognized in the Statement of Profit and Loss (net)	22,58,90,776	17,20,79,166
	Sublease payments received / receivable recognized in the Statement of Profit and Loss	46,26,207	29,63,292
35	Note: Capital and Other commitments	FY 2018-19	FY 2017-18
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	58,58,70,702	20,79,27,250
	(b) Uncalled liability on shares and other investments partly paid	-	-
	(c) Other commitments (specify nature)	-	-



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2019

Note No.36

1.0 Nature of Security and terms of repayment for term loans from banks:

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	SBI Corporate Loan - 35302584018	1st charge on fixed assets of the company both present and future.	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule.	Repayable in 12 Quarterly installments Starting from 30-Sep-2016 of Rs.1.25Cr per Quarter.	1 year MCLR + 2.25% (On the date of Sanction 1 Year MCLR is 8.55%)
2	SBI Term Loan- 31466177740 (Wind Mill)	1st charge on fixed assets of the company both present and future.	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule.	It is repayable in 36 Installments starting from Jul-2011 till Apr-20 as follows_ROI @ 13.5%(At the time of Sanction) But currently it is @ 10.80%: 2011-12_13L PQ, 2012-13_13L PQ, 2013-14_15L PQ, 2014-15_17L PQ, 2015-16_20L PQ, 2016-17_23L PQ, 2017-18_26L PQ, 2018-19_30L PQ, 2019-20_35L PQ, 2020-21_29L PQ.	1 year MCLR + 2.25% (On the date of Sanction 1 Year MCLR is 8.55%)
3	SBI Corporate Loan - 37599016822	1st charge on fixed assets of the company both present and future.	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule.	Repayable in 20 Quarterly installments 1.50 Cr each. (From 31-Dec-18 to 30-Sep-23) ROI @ 13.1%(at the time of Sanction) but currently it is 10.80%.	1 year MCLR + 2.25% (On the date of Sanction 1 Year MCLR is 8.55%)
4	Canara Bank Term Loan - 4929773000015	1. Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation 2. Intangibles (Brand Value) - Paripassu I charge by way of assignment	1. Stock and other current assets on Paripassu II charge basis 2. For Term Loan and WC Limits together, the company offered Immovable properties worth Rs. 10 Crore* and pledged 1.75 crore equity shares worth Rs. 17.50 crores held by the promoters of the company	Repayable in 20 Quarterly installments 1.10 Cr each. (From 30-Jun-19 to 31-Mar-24) ROI @ 13.95% p.a	1 year MCLR + 4.50% + 0.85% (TP) (On the date of Sanction 1 Year MCLR is 8.60%)

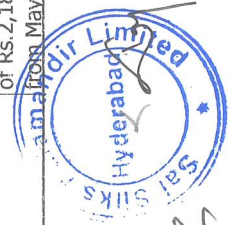
*The company informed that since the identification and finalization of properties may take some time, requested to accept a fixed deposit worth Rs. 10 crores till the mortgage transaction is completed. The term deposit shall be returned upon security creation and perfection.



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1.1. Nature of Security and terms of repayment for vehicle loans from banks:

Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate
1	HDFC Commercial vehicle Loan - 47771368	Ultra Light Commercial vehicle - Mahindra Bolero	Repayable in 36 monthly installments of Rs.20,913/- each commencing from 15 Jun'17	8.75%
2	HDFC Commercial vehicle Loan - 47769475	Ultra Light Commercial vehicle - Mahindra Bolero	Repayable in 36 monthly installments of Rs.20,913/- each commencing from 15 Jun'17	8.75%
3	HDFC Auto Loan - 597243332	Tata Tiago	Repayable in 36 monthly installments of Rs.16,337/- each commencing from 07 Sep'18	9.50%
4	Yes Bank Loan - 396709	Jaguar F Pace	Repayable in 36 monthly installments of Rs.1,45,457/- each commencing from 15 Sep'18	8.79%
5	Toyota FSIL Vehilce Loan- Innova-NHYD1076175	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Jul'16	9.25%
6	Toyota FSIL Vehilce Loan- Innova-NHYD1077164	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 02Aug'16	9.25%
7	Toyota FSIL Vehilce Loan- Innova-NHYD1082159	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Sep'16	9.25%
8	Toyota FSIL Vehicle Loan - Innova NBLR1094858	Innova	Repayable in 36 monthly installments of Rs.63,027/- each commencing from Feb. 2017.	8.99%
9	Kotak Mahindra Vehicle Loan - Benz - Cf 12806897	Benz	Repayable in 60 monthly installments of Rs.1,28,380/- each commencing from 05May'16	9.38%
10	Kotak Mahindra Vehicle Loan - Jaguar Cf-13123058	Jaguar	Repayable in 60 monthly installments of Rs.98,270/- each commencing from 01Aug'16.	8.98%
11	Kotak Mahindra Vehicle Loan - Volvo -Cf 12806991	Volvo	Repayable in 60 monthly installments of Rs.90,515/- each commencing from 05May'16.	9.39%
12	Kotak M Vehicle Loan - Land Rover - CF-13265958	Land Rover	Repayable in 60 monthly installments of Rs.1,10,607/- each commencing from 05Sep'16.	9.13%
13	Kotak M Vehicle Loan- Benz2017-CF-14170601	Benz2017	Repayable in 36 monthly installments of Rs.2,18,717/- each commencing from May 2017.	7.89%



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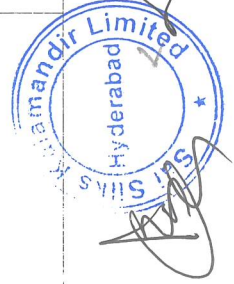
1.2 Nature of Security and terms of repayment for working capital limits from banks:

Sl.No	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	State Bank of India (CC and SLC)	Hypothecation of stocks, receivables and other current assets of the company on 1st Charge Basis	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members and Pledge of Shares as specified in the below schedule apart from the cash collateral in the name of the promoter / company as detailed below 2. For Term Loan and WC Limits together, the company offered Immoveable properties worth Rs. 10 Crore* and pledged 1.75 crore equity shares worth Rs. 17.50 crores held by the promoters of the company	On demand DP Margins : Paid Stock-25% Debtors - 100%	1 Year MCLR+2% In Case of SLC/Adhoc: 1% over the ROI on CC [On the date of Sanction 1 year MCLR is 8.55%]
2	Canara Bank (CC)	Hypothecation of stocks, other current assets of the company on Paripassu 1st Charge Basis	1. Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Immoveable properties worth Rs. 10 Crore* and pledged 1.75 crore equity shares worth Rs. 17.50 crores held by the promoters of the company	On demand DP Margins : Paid Stock-25% Debtors - 100%	1 Year MCLR+4.5% [On the date of Sanction 1 year MCLR is 8.60%]

*The company informed that since the identification and finalization of properties may take some time, requested to accept a fixed deposit worth Rs. 10 crores till the mortgage transaction is completed. The term deposit shall be returned upon security creation and perfection.

1.3 Schedule of Collateral property

Sl no	Type	Belonging To	Address	Offered to	Others
1	Open Land (Site) (Admeasuring 332.00 Sq.Yds)	A.Subhash Chandra Mohan	Plot No.6, in Sy. No. 87 & 90 T.S. No.13 & 14, Shaikpet village & mandal, Hyderabad.	State Bank of India	Title deed No. 2280/2007 Dated 26.06.2007
2	Two Open Lands (Admeasuring 400.00 Sq.Yds (200.00 Sq.Yds Each))	Ch.N.K.D.Prasad (MD)	D. No. 40-1/1-14e, NTS Nos. 42 & 43, Rev. Ward No.11, Block No.2, Adj. to SVR Neuro Hospital, Mogalrajapuram, Vijayawada	State Bank of India	Title deed No. 3191, 3192 Dated 09 and 10.08.2000
3	Open Land (Admeasuring Ac 4.30 Gts)	Smt.M.R.Soumya	In Sy. No. 105/2A1, Bannikuppa Village, Bidadi Hobli, Ramanagar, Bangalore.	State Bank of India	Sale Deed No. 3540/2006
4	Open Plot (Admeasuring Ac 4.10 Gts)	Mrs. T.R. Saroja	Sy. No. 168, New No. 168/1, Kannurahalli village, Kasaba Hobli, Hoskote, Taluk Bangalore.	State Bank of India	Out of which Land Converted vide ALN(H)SR80/88-89 of 4.1.1988 By DC Bangalore to an extent of 2 Acres only for Brick Factory

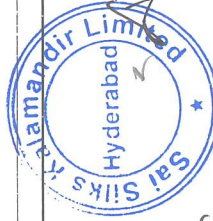


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5	Land and Building (Admeasuring 311.11 Sq. Yds)	S. Mohan Rao S/o S. Vemkateswarlu and Smt. S. Swarnalatha w/o S. Mohan Rao	Kukatpally Housing board Colony, Phase I & II, Ward No.15, Block No.24, Kuakatpally viilage & Municipality, Balanagar Mandal, RR District (AP)	State Bank of India	Being a Cellar + G + 4 Floors commercial Building totally admeasuring 9610 sqft. And other civil works there on.
6	Commercial Plot Admeasuring 2893 Sq Yards	Varamahalakshmi Holdings Pvt. Ltd.	Sy no. 8-5-255/1 (7,7/1,8 to 12), Diamond Colony, Saroor Nagar, Ranga Reddy, Telangana	State Bank of India	
7	Cash Colleteral of 7.80 Crores.	Existing 2.04 Cr and Addl 5.76 Cr		State Bank of India	
8	30% Pledge of paid up Shares of the company held by Promoters				

1.4 **Personal Guarantees of the following persons:**

Sl No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthi	State Bank of India , Canara Bank
2	Sri Annam Kalyan Srinivas S/o A. Chandra Sekhar	State Bank of India , Canara Bank
3	Sri Annam Subhash Chandra Mohan S/o. A. Chandra Sekhar	State Bank of India
4	Shri Chalavadi DK Durga Rao S/o C. Krishna Murthy	State Bank of India , Canara Bank
5	Shri Annam Venkata Rajesh S/o A. Chandra Sekhar	State Bank of India
6	Shri S. Mohan Rao S/o S. Venkateswaralu	State Bank of India
Third Party Guarantors		
1	Smt S Swarnalatha W/O S Mohan Rao	State Bank of India
2	Smt T R Saroja D/o Late T S Ramaiah	State Bank of India
3	Smt M R Sowmya W/O Girija Shanker	State Bank of India
Corporate Gaurantor		
1	Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India



Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2019

Note No **Particulars**

37 Note: Contingent Liabilities

The company has filed Rectification u/s 154 in relation to the following and which is pending
 - For an amount of Rs. 14,62,828/- in respect of the AY 2012-13, due to variation in calculation of Interest on deferred payments u/s 234B & C.

- For an amount of Rs. 84,56,774/- in respect of the AY 2016-17, due to variation in calculation of Interest on deferred payments u/s 234A, 234B & C.

38 The Board of Directors of Sai Silks (Kalamandir) Limited has approved the share exchange ratio and the Scheme of Amalgamation between Sai Silks (Kalamandir) Limited (Transferee company) and I-One Investments Pvt Ltd. (Transferor Company) as on the date of Board Meeting held at its Regd. Office on 4-Jan-2016. The Relevant scheme of Amalgamation has been submitted to the Hon'ble High Court as on 17-Feb-2016, and the notice of the Petition has been submitted to the Register of companies, and also to the Regional director & Official liquidator of the Ministry of corporate affairs as on 3-Mar-2016. And the Appointed date of Amalgamation as per the scheme submitted to the Hon'ble High Court is 1-Oct-2015 with an intention of carrying on the business of the amalgamating company (I-One Investments Pvt. Ltd.) even after the completion of Amalgamation. The Scheme has been approved by the Hon'ble High Court by an order passed on 18-Aug-2016. And the relevant filing with the ROC Completed during the FY 2016-17

39 The Suppliers of Wind Energy Generators were accepted to compensate a part of revenue loss over estimated life of the machines. The same were recognised proportionately throughout the life of the project for relevant financial year.

40 In the opinion of the Board, current assets, loans and advances are stated at a value, which could be realized in the ordinary course of business. The provision for all known liabilities made is adequate and not in excess of the amount reasonably necessary.

41 Some of the balances in Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation, reconciliations and adjustments if any, which in the opinion of the management will not be significant.

42 These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous period figures have been recasted / restated to confirm to the classification of the current period.

As per my audit report of even date
For Kannegolla Krishna Rao & Co.,
 Chartered Accountants

K. Gopal Gupta
CA. S.S. Gopal Gupta Kannegolla
 Partner

Membership No. 211147
 F. No. 001727S

Place: Hyderabad
 Date: 5th Sep, 2019

Ramkrishna Oruganti
Ramkrishna Oruganti
 Chief Financial Officer

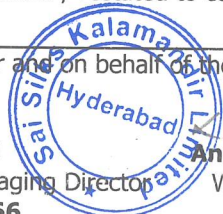
For and on behalf of the board

Ch.N.K.D. Prasad
Ch.N.K.D. Prasad
 Chairman & Managing Director
DIN : 01929166

Rupamani Chalavadi
Rupamani Chalavadi
 Chief Executive Officer

Annam Kalyan Srinivas
Annam Kalyan Srinivas
 Whole Time Director
DIN : 02428313

M K Bhaskara Teja
M K Bhaskara Teja
 Company Secretary



Note No.26: Significant Accounting Policies

General Information:

M/s Sai Silks (Kalamandir) Limited ("The Company") is incorporated under the companies Act,1956 in Hyderabad on 3-Jul-2008 having the CIN U52190TG2008PLC059968. The Company is engaged in the business of buying and selling of Textile and Textile articles as a Retailer in the name and style of "Kalamandir", "Varamahalakshmi", "Mandir"and "KLM Fashions" in Telangana, Andhra Pradesh, Karnataka and Tamilnadu and the Accounting Policies following by the Company are as follows:

1. Basis of Accounting;

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to existing accounting standard requires the change in the accounting policy hitherto in use. Management evaluates all relevant issues or revised accounting standards on an ongoing basis.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the Generally Accepted Accounting Principles that are followed by the company.

2. Use of Estimates;

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets, Depreciation and Intangible Assets(AS 10&26);

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be put to use. The same is in compliance with AS-10 to the extent applicable.

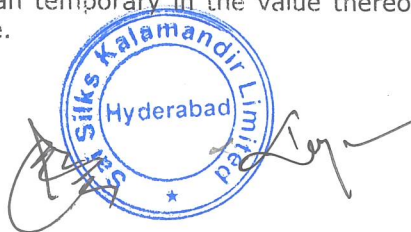
Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in the Companies Act with reference to the month of acquisition / installation / launching of new stores. Depreciation on assets sold, scrapped or demolished during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or demolished as required by Schedule II to the Companies Act, 2013.

4. Borrowing Cost(AS 16);

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. The same is in compliance with AS-16 to the extent applicable.

5. Investments(AS 13);

Long-term Investments are stated at cost. Provision for diminution is being made if necessary to recognize a decline, other than temporary in the value thereof. The same is in compliance with AS-13 to the extent applicable.



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6. Inventories(AS 2);

Inventories are valued as follows;

- a) Stores, Spare parts, Packing material and Branding material : At cost
- b) Raw material & Stitching material : At cost
- c) Finished Goods : At lower of cost or net realizable value

The same is in compliance with AS-2 to the extent applicable.

7. Transactions in Foreign Currency(AS 11);

Foreign currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated into Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in Profit and Loss Account. In the case of assets and liabilities covered by Forward contracts, the difference between the exchange rate at the inception of forward exchange contract and the forward rate specified in the contract is amortised and recognized in the statement of profit and loss over the period of the contract. Premium or discount on foreign exchange forward contract are amortised and recognized in the statement of profit and loss over the period of the contract. The same is in compliance with AS-11 to the extent applicable.

8. Revenue Recognition (AS 9);

Sale of Goods are accounted on deliver to customers. Sales is net of returns, discounts and Sales Tax / Value Added Tax / Goods and Service tax basis. Export sale is accounted as revenue on the basis of Bill of Lading. Interest income is recognized on accrual basis. Dividend income is accounted for when the right to receive is established. Claims are accounted when there is reasonable certainty of its ultimate collection. The same is in compliance with AS-9 to the extent applicable.

9. Miscellaneous Expenditure(AS 26);

Miscellaneous Expenditure includes, expenses incurred on conversion of Partnership into Private Limited Company under Part IX of Companies Act, 1956 and expenses relevant to Amalgamation of I-One Investments Private Limited in the scheme of Amalgamation were expensed 20% for each year.

10. Retirement and other employee benefits(AS 15);

Defined Contribution Plan : The company makes defined contribution to Provident Fund, which are recognized in the Profit and Loss Account on accrual basis.

Defined Benefit Plan : The company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of financial year and accounted on accrual basis. The same is in compliance with AS-15 to the extent applicable.

11. Provision for current tax and deferred tax(AS 22);

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. The same is in compliance with AS-22 to the extent applicable.



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12. Cash Flow Statement(AS 3);

The Cash Flow Statement is prepared by indirect method set in Accounting Standard 3 on cash flow statement and presents the cash flows by Operating, Investing and Finance activities of the company. Cash and cash equivalents presented in cash flow consists of cash in hand, cheques in hand, bank balances. The same is in compliance with AS-3 to the extent applicable.

13. Provisions, Contingent Liabilities and Contingent Assets(AS 29)

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. The same is in compliance with AS-29 to the extent applicable.

14. Impairment of Assets(AS 28);

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which the asset is impaired and the impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. The same is in compliance with AS-28 to the extent applicable.

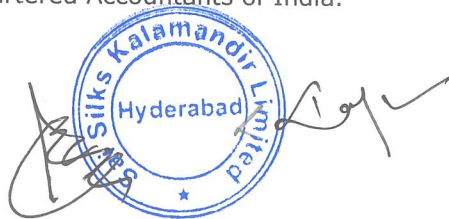
15. Leases(AS 19);

Operating lease payments and finance lease payments are recognized as expenses in the profit and loss account as per the terms of the agreements which is representative of the time pattern of the users' benefit. The same is in compliance with AS-19 to the extent applicable.

17. All the extra ordinary and prior period items of Income and expenses are separately disclosed in the statement of Profit and Loss account in the manner such that it's impact on the current profit or loss can be perceived. If there has been any change in the Company's accounting policies or accounting estimate so as to have material impact on the current year profit/loss or that of later periods the same would be disclosed as part of notes to accounts. All the items of Income and Expenses from ordinary activities with such size and nature such that they become relevant to explain the performance of the company have been disclosed separately. The same is in compliance with AS-5 to the extent applicable.

18. Accounting on Amalgamation (AS-14)

Method of Accounting for Amalgamation / Takeover is in compliance of Accounting Statndard-14 issued by the Institute of Chartered Accountants of India.



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Name	Sai Silks (Kalamandir) Limited	Financial Year	2018-2019
D.O.B.	03.07.2008	Assessment Year	2019-2020
Address	6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016	Status	Public Limited Company
Bank Name	State Bank of India	PAN No.	AAMCS1175P
A/c No		Ward / Circle	DCIT/ACIT,CIR-3(1),HYD
MICR Code			

STATEMENT OF TOTAL INCOME

Income from Business or Profession

Net Profit as per Profit and Loss A/c		48,95,94,719
Add: Depreciation provided in the books of accounts	14,21,96,545	
Add: Preliminary Expenses Written Off (5th year)	-	
Add: Amalgamation Expenses Written Off (2nd Year)	2,95,000	
Add :Interest on Tax & TDS	61,88,937	
Add: Donation	1,21,56,737	
Add: Wealth Tax	-	
Add: Gratuity(sec 40A(7))	38,03,207	
		<u>16,46,40,426</u>
		65,42,35,145
Less : Depreciation as per IT Act, 1961	22,25,39,357	
Less : Preliminary Expenses Written Off u/sec 35D (5th year)	-	
Less : Preliminary Expenses Written Off u/sec 35D (2nd year)	2,95,000	
Less : Profit / (Loss) on Sale of Assets	82,731	
		<u>22,29,17,088</u>
		43,13,18,057
Less: Chapter VIA Deductions Sec 80G		53,15,710
Taxable Income		<u>42,60,02,347</u>
		<u>42,60,02,350</u>
		42,60,02,350
Tax Payable thereon @ 30%		12,78,00,705
Tax payable-Maximum of		
Tax Payable as per Computation	12,78,00,705	
Tax payable u/sec 115JB	9,05,75,023	
		<u>12,78,00,705</u>
Add: Surcharge @ 12%		1,53,36,085
		14,31,36,790
Add : Health & Education Cess @4%		57,25,472
		<u>14,88,62,262</u>
		14,88,62,270
Less: Advance Tax Paid		
Less: TDS		7,04,577
Less: TCS		58,900
Less: MAT Credit		-
		<u>14,80,98,793</u>
Add: Interest 234A		
234B		
234C		-
		<u>14,80,98,793</u>
Tax Payable/ (Refund)		14,80,98,793

Date: 24th Aug, 2018

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Computation of Minimum Alternative Tax (MAT) U/s 115 JB for AY 2018-19**Amount (Rs)**

Profit as per Profit and Loss A/c	48,95,94,719
ADD : Depreciation debited to Profit & Loss A/c	14,21,96,545
	<hr/>
	63,17,91,264
LESS: Depreciation (otherthan on revaluation of assets)	14,21,96,545
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Book Profit u/sec 115JB	48,95,94,719
MAT @ 18.5%	9,05,75,023
ADD : Surcharge @ %	1,08,69,003
ADD : Health & Education Cess @ 2%	40,57,761
	<hr/>
Tax Payable as per Sec 115JB	10,55,01,787
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