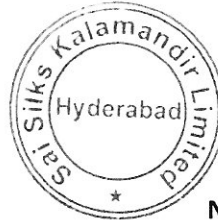


NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the members of **M/s Sai Silks (Kalamandir) Limited** will be held on Thursday, 31st December, 2020 at 10.00 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, 2020 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. Doodeswara Kanaka Durga Rao Chalavadi (DIN: 02689280) who retires by rotation and being eligible offers himself for reappointment.



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


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

Place: Hyderabad

Date: 16/12/2020



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.

www.kalamandir.com | www.facebook.com/kalamandir | email: secretarial@kalamandir.com

CIN No. U52190TG2008PLC059968

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 Director seeking appointment / re-appointment as required under the Secretarial Standards on General Meetings (SS-2) issued by ICSI is attached herewith.
5. As per SS-2, complete particulars of the venue of the Meeting through route map has been attached herewith the Notice.
6. The ensuing AGM is being proposed to be held at a Shorter Notice, which shall be subject to the approval of all the members of the Company in terms of Section 101 of the Companies Act, 2013.

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

Name of the director	Doodeswara Kanaka Durga Rao Chalavadi
Date of Appointment including terms and conditions of appointment	Retired by rotation in the AGM held on 29.09.2018 and reappointed thereat in accordance with the provisions of Section 152 of the Companies Act, 2013. Holds the office of Whole Time Director wef 01.05.2018 for a period of 3 years at a remuneration of Rs.3.25 lacs per month
Date of first appointment on the Board	01.06.2009
Date of Birth	03.08.1970 (Age: 50 years)
Expertise in Specific Functional areas	He is entrusted with the administration of Company's Bengaluru operations. He has also played key role in expansion of Company's retail business of Bengaluru.
Educational Qualification	Master's Degree in Computing
Directorships in other Companies	Nil
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	Appointed as Whole Time Director wef 01.05.2018 for a period of 3 years at a remuneration of Rs.3.25 lacs per month. Pursuant to the said, he was paid a remuneration of Rs.3.25 lacs per month for the FY 2019-20. No change in proposed remuneration.
Shareholding in the Company as on 31.03.2020	He holds 16,16,500 Equity shares of Rs.10/- each
Relationship between Directors inter-se	Brother of Mr. Chalavadi Naga Kanaka Durga Prasad (Chairman & Managing Director)
Number of Meetings of the Board attended during the year	He has attended 05 Board Meetings during the financial year 2019-20.

ROUTE MAP



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the 12th Annual Report of your Company together with Audited Accounts for the financial year ended 31st March 2020.

1. FINANCIAL RESULTS:

(Rs. In Crores)

PARTICULARS	FY 2019-20	FY 2018-19
Gross Operating Income	1175.56	1043.89
Increase / (Decrease) of stock	-27.40	-115.18
Profit for the year before Exceptional Item, Depreciation & Taxation	73.83	63.18
Depreciation and Amortization expense	15.79	14.22
Profit before Exceptional Item & Taxation	58.04	48.96
Exceptional Item	-	-
Profit before Taxation	58.04	48.96
Tax Expense	12.45	18.63
Profit after Taxation	45.59	30.33
Earnings Per Equity Share	19.44	12.95

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

Financial Performance

We feel ecstatic to report that your Company has posted yet another year of impressive performance and sustained growth, both in terms of turnover and profitability.

Registered Office

Sai Silks (Kalamandir) Limited

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CIN No. U52190TG2008PLC059968



Despite various odds and uncertainties at macro level, your Company has recorded a turnover of Rs.1175.56 Crores for the FY ended 31st March, 2020 when compared to that of Rs.1043.89 for the FY ended 31st March, 2019. In other words, the turnover increased by 11.20%. Further, in terms of profitability, your Company achieved a Net Profit of Rs. 45.59 Crores for the FY 2019-20, when compared Rs. 30.33 for the FY 2018-19. In other words, it was a growth of 50.31%.

On expenses front, employee benefit expenses and finance costs shot up during the FY ended 31st March, 2020, whereas certain fixed expenses such as depreciation & amortization expenses remained almost flat.

Profit before taxes stood at Rs.58.04 Crores for the FY ended 31st March, 2020 as against Rs.48.96 Crores for the FY ended 31st March, 2019. After providing for taxes, your Company earned a Net Profit of Rs.45.59 Crores when compared to Rs.30.33 Crores for the FY ended 31st March, 2019.

Business Review

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 targeting all the sections of society and age group. The said brand has been successfully able to maintain its appeal across 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.

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

Sl. No.	Brand name / format	Location
1.	KLM Fashion Mall	Patny, Hyderabad
2.	KLM Fashion Mall	Boduppall, Hyderabad
3.	KLM Fashion Mall	Suchitra, Hyderabad
4.	KLM Fashion Mall	A S Rao Nagar, Hyderabad
5.	KLM Fashion Mall	Vanasthalipuram, Hyderabad
6.	KLM Fashion Mall	Bhimavaram,

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

Kalamandir	Mandir	Varamahlakshmi	KLM Fashion Mall
10	2	14	18

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

Further, the Company, in order to adapt itself and respond to the contemporary market needs, has developed various means of sales promotion, such as youtube, facebook and Instagram. We have tied up with Myntra, Mee-choice, 2GUD, virtual sales platforms, to sell our products online and cater to the needs of customers.

3. FUTURE OUTLOOK VIS A VIS COVID -19

As we all are aware, the outbreak of Covid pandemic in our country during the late March, 2020 is yet to show any signs of respite. The rising curve of Covid cases, despite the best possible safety and precaution measures has created havoc among one and all. We all are breathing in the environment of fear, gloom and uncertainty. Normal life has taken a different approach. We are restricting ourselves to meet the basic necessities of life and avoiding undertaking other activities, to the extent possible. Extra curricular activities and activities driven by rituals and traditions are being either avoided or deferred for the time being, thus adversely affecting our business. We, being an organized retailer, dealing extensively and intensively in textiles, are experiencing our worst times. Customers footfall has reduced drastically. During first half of the current FY, we were mostly making stopgap arrangements vis a vis the ongoing tragedy.

However, off late, especially during the recent festive season, we were able to see some momentum in our sales and revenues. Hope, we find the light at the end of tunnel.

However, amidst the said atmosphere of uncertainties, as of now, its beyond our capability to ascertain the cascading impact of the ongoing pandemic on our business operations.

However, the management laced with all its experience and acumen, shall put all its efforts to stabilize the Company's operations and achieve good performance as far as possible.

Further, we draw your attention to Note 44 to the Financial Statement for more discussion on the captioned matter.

4. TRANSFER TO RESERVES:

We do not propose any amount to be transferred to the Reserves for the current Financial Year.

5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY :

There have been no material changes and commitments affecting the financial position of the company between the end of the financial year and the date of this report. Despite the said, as discussed above, the ongoing Covid may have its own ripple effect on the business operations of the Company.

6. NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the FY ended 31st March, 2020.

7. 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. Irrespective of the said, the Company's operations are set to be adversely affected owing to the ongoing pandemic resulting in uncertain and cascading impact on the topline as well as bottomline of the Company. In this backdrop, the Board of Directors felt it prudent to conserve its internal resources and hence do not recommend any dividend for the financial year ended 31st March, 2020.

8. SHARE CAPITAL:

During the year under review, there were no changes in the share capital of the Company. However, subsequent to the close of Financial year (i.e, on 23rd October, 2020), 3,00,000 shares were issued and allotted to Mr. Nagakanaka Durga Prasad Chalavadi, Promoter & Managing Director of the Company at a price of Rs.100/- (inclusive premium of Rs.90/-) under Rights issue.

9. BOARD & GENERAL MEETINGS:

The Board met 8 times during the Financial Year 2019-20 on the following dates:

01.04.2019, 12.04.2019, 01.08.2019, 05.09.2019, 14.11.2019, 27.12.2019, 02.03.2020 and 21.03.2020.

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. 2019-20
Nagakanaka Durga Prasad Chalavadi	08/08
Annam Kalyana Srinivas	07/08
D K DurgaRaoChalavadi	06/08
Naveen Nandigam	04/08
Laxminivas Jaju	04/08
Sirisha Chinthapalli	04/08
Vanitha Nagulavari	-
Jineshwar Kumar Sankhala	-

Note :

Mr. Jineshwar Kumar Sankhala resigned wef 12.04.2019

Mrs. Vanitha Nagulavari resigned wef 12.04.2019

Mrs. Sirisha Chinthapalli appointed wef 12.04.2019

Mr. Laxminivas Jaju appointed wef 01.08.2019

Further, during the year under review, Mr. Naveen Nandigam, who had ceased to hold his office of Independent Director upon completion of his term of 5 years has been reappointed for another period of 5 years wef 27.12.2019.

10. COMMITTEES COMPOSITION & MEETINGS:

COMMITTEES' COMPOSITION

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

Name of the Committee	Members
Audit Committee	- Mr. Naveen Nandigam - Chairman - Mr. Nagakanaka Durga Prasad Chalavadi - Mr. Laxminivas Jaju
Nomination and Remuneration Committee	- Mr. Naveen Nandigam– Chairman - Mr. Laxminivas Jaju - Ms. Sirisha Chintapalli
Stakeholders Relationship Committee	- Mr. LaxminivasJaju– Chairman - Mr. Naveen Nandigam - Mr. NagakanakaDurga Prasad Chalavadi
Executive Management Committee	- Mr. Nagakanaka Durga Prasad Chalavadi- Chairman - Mr. Ch D K Durga Rao - Mr. Annam Kalyana Srinivas
Corporate Social Responsibility Committee	- Mr. Naveen Nandigam - Chairman - Mr. Nagakanaka Durga Prasad Chalavadi - Mr. Laxminivas Jaju

COMMITTEE MEETINGS:

Audit Committee:

The Committee met 4 times during the financial year under review i.e., on 10.04.2019, 01.08.2019, 27.12.2019 and 02.03.2020.

Attendance:

<u>Name of the Member</u>	<u>Number of Meetings attended/ Total Meetings held during the F.Y. 2019-20</u>
Mr. Naveen Nandigam– Chairman	4/4
Mr. Laxminivas Jaju	2/4
Mr. Nagakanaka Durga Prasad Chalavadi	4/4
Mr. Jineshwar Kumar Sankhala	1/1

1. Mr. Jineshwar Kumar Sankhala Ceased to hold the committee membership upon resignation from the Board wef 12.04.2019.
2. Mr. Laxminivas Jaju appointed as member of the Committee by the Board in their Meeting held on 01.08.2019.
3. Mr. Naveen Nandigam was reappointed to the Committee upon reappointed on the Board wef 27.12.2019.

Nomination and Remuneration Committee:

The Committee met 3 times during the financial year under review i.e., on 10.04.2019, 01.08.2019 and 27.12.2019.

Attendance:

<u>Name of the Member</u>	<u>Number of Meetings attended/ Total Meetings held during the F.Y. 2019-20</u>
Mr. Naveen Nandigam– Chairman	2/3
Mr. Jineshwar Kumar Sankhala	1/1
Mrs. Vanitha Nagulavari	1/1
Mr. Laxminivas Jaju	1/1
Mrs. Sirisha Chinthapalli	2/2

1. Mr. Jineshwar Kumar Sankhala ceased to hold the committee membership upon resignation from the Board wef 12.04.2019.
2. Mrs. Vanitha Nagulavari appointed as Committee member wef 01.04.2019 and ceased to hold the committee membership upon resignation from the Board wef 12.04.2019.
3. Mr. Laxminivas Jaju appointed as member of the Committee by the Board in their Meeting held on 01.08.2019.
4. Mr. Naveen Nandigam was reappointed to the Committee upon reappointed on the Board wef 27.12.2019.

Stakeholders Relationship Committee

The Committee met 2 times during the financial year under review i.e., on 05.09.2019, and 21.03.2020.

Attendance at the meetings:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2019-20
Mr. Laxminivas Jaju– Chairman	2/2
Mr. Naveen Nandigam	2/2
Mr. Nagakanaka Durga Prasad Chalavadi	2/2

Mr. Naveen Nandigam was reappointed to the Committee upon reappointed on the Board wef 27.12.2019.

Executive Management Committee

The Committee met 2 times during the financial year under review i.e., on 05.09.2019 and 21.03.2020.

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2019-20
Mr. Nagakanaka Durga Prasad Chalavadi– Chairman	2/2
Mr. DurgaRao Doodeswara Kanaka Chalavadi	1/2
Mr. Annam Kalyana Srinivas	1 /2

Corporate Social Responsibility Committee

The Committee met 2 times during the financial year under review i.e., on 05.09.2019, and 21.03.2020.

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2019-20
Mr. Naveen Nandigam– Chairman	1 /2
Mr. LaxminivasJaju	2/2
Mr. Nagakanaka Durga Prasad Chalavadi	2/2

Mr. Naveen Nandigam was reappointed to the Committee upon reappointed on the Board w.e.f 27.12.2019.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Annam Kalyan Srinivas retired by rotation in the previous AGM held on 30.09.2019 and was reappointed thereat.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Durgarao Doodeswara Kanaka Chalavadi (DIN: 02689280), Whole time Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Further, the following changes took place in the office of Independent Directors of the Company:

Sl. No.	Name	Particulars
1.	Mr. Jineshwar Kumar Shankala	resigned with effect from 10.04.2019
2.	Ms. N. Vanitha	resigned with effect from 10.04.2019
3.	Ms. Sirisha Chintapalli	appointed as Additional Director with effect from 12.04.2019 and subsequently appointed to the office of Director in the AGM held on 30.09.2019
4.	Mr. Laxminivas Jaju	appointed as Additional Director with effect from 01.08.2019 and subsequently appointed to the office of Director in the AGM held on 30.09.2019

Further, Mrs. Rupamani Nagakanakadurga sri Harshada Chalavadi resigned from the office of CEO of the Company wef 02.03.2020.

Apart from the aforesaid, there was no change in the office of Director / KMPs of the Company during the FY 2019-20.

12. 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 21st March, 2020 without the presence 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.

13. 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.

14. 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. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

Auditors Observation(s):

With reference to "Emphasis of Matter" stated in the Report on Audit of Financial Statements, we would like to mention that the matter pertains to the ongoing pandemic Covid -19, which as of now is a global crisis. The same has been more discussed elsewhere in this Report and also under Note 44 of the Financial Statements attached herewith. Further, the Notes to Accounts are self-explanatory and hence do not need further discussion.

b) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, your Company has appointed LVN Sumanth & Associates as the Internal Auditor of the Company.

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, 2020 is attached herewith and marked as **Annexure IV** hereto.

Observation(s):

With reference to the reported delay in filing of Forms, we would like to mention that it was purely on account of procedural issues connected therewith. We would ensure that such delays do not reoccur in future instances.

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.

15. FIXED DEPOSITS:

The Company has neither accepted nor repaid any deposits during the financial year ended on 31.03.2020. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the financial year 2020. 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, 2020 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, 2020
1.	Mr. Nagakanaka Durga Prasad Chalavadi	-	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 Company has a Policy on Corporate Social Responsibility (CSR). The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as '**Annexure III**' to this report. The CSR Policy is posted on the website of the Company and the web link is <https://store.kalamandir.com/pub/media/porto/web/images/CSRPolySSKL.pdf>

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.65,60,846/- towards CSR Activities.

Your management feels proud to mention that for the financial year ended 31st March, 2020 your Company together with KALAMANDIR FOUNDATION has spent a total amount of Rs.1,07,81,352/- towards various CSR activities which was far more than the mandatorily prescribed limit.

The Report on CSR activities for FY 2019-20 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:

An extract of the Annual Return in the prescribed Format i.e. **Form MGT -7** is placed on website of the company and the weblink is

<https://store.kalamandir.com/pub/media/porto/web/images/AnnualReturn2019-20.pdf>

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, 2020.

However, all the related party transactions entered into during the financial year 2019-20 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.30 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, 2020 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 V & VI* 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 VII** 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.

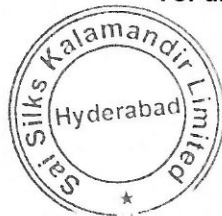
27. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS


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 2019-20.

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: 16/12/2020

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: 2019-20 (Amount in Rs.)

Foreign Exchange Earned:	Nil
Foreign Exchange Outgo:	Nil

For and on behalf of the Board of Directors




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

Place: Hyderabad
Date: 16/12/2020

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 (Enterprise over which Directors having significant influence)	Sale / Purchases	5 years	Purchase of textiles, Sarees etc., in the ordinary Course of Business, upto a maximum value of Rs.1100 Crores during any FY. Other terms as per Agreement.	27.03.2017	Nil
Sai Retail India Ltd (Enterprise over which Directors having significant influence)	Rent (income)	5 years	Lease Rentals 1. Kanchi – Rs. 10,000 per month	01.04.2017	Nil
Sai Retail India Ltd (Enterprise over which Directors having significant influence)	Sub Lease (Expenses)	6 years	Sub lease of premises, (Vijayawada) @ Rs. 92,000 per month	18.06.2018	Nil

SSS Marketing (Enterprise over which Directors having significant influence)	Commission	5 years	2% on net sales or 1,50,000 per month - whichever is higher	01.04.2014 Renewed on 14.03.2019	12,00,000
Sumaja Creations (Enterprise over which Directors having significant influence)	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 01.04.2014 Renewed on 14.03.2019	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 Renewed on 14.03.2019	2,40,000
Varamahalakshmi Holdings (P) Ltd. (Enterprise over which Directors having significant influence)	Rent	5 years	Lease rentals for Office premises 1. Vizag – Rs. 60,000 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 Rs.18.5 lacs per annum	20-09-2018	Nil
Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Consultancy services	One time contract. Hence no duration.	Consultancy services towards Software design and implementation for Rs.60 lacs	01-04-2019	Nil

Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Rent (income)	5 years	Lease rentals for Office premises Rs.1,00,000 per month.	01-04-2019	6,00,000
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For and on behalf of the Board of Directors



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

Place: Hyderabad
Date: 16/12/2020

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. The CSR is being reported from 01 April, 2019 to 31 March, 2020.
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. 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.32,80,42,285/-

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

The Company is required to spend Rs.65,60,846/-towards CSR.

E. Details of CSR spend for the financial year:

a. Total amount spent for the financial year:

Rs. 1,07,81,352/-

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	72,91,257	72,91,257	Kalamandir Foundation
2.	Empowering Women	Schedule VII (III)	Kanchi, Tamilnadu	N.A	1,25,000	1,25,000	Kalamandir Foundation

3.	Health Care & Sanitation	Schedule VII (I)	Hyderabad	N.A	2,92,591	2,92,591	Kalamandir Foundation
4.	Other activities	-	Hyderabad	N.A	23,71,282	23,71,282	Kalamandir Foundation
5.	Other activities	-	Hyderabad	N.A	7,01,222	7,01,222	Direct (from the Company)
	Total				1,07,81,352	1,07,81,352	

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: 16/12/2020



ANAND KUMAR.C.KASAT

Practicing Company Secretary

D.No. 6-3-347/22/2, Flat No. 10,
Ishwarya Nilayam, Dwarkapuri Colony,
Punjagutta, Hyderabad - 5000 82.
Cell No. : +91 9390340136
E-mail: anand.kasat@yahoo.co.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

*[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

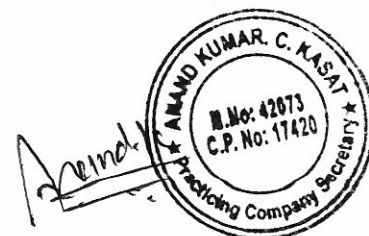
6-3-790/8, Flat No. 1, Bathina Apartments
Ameerpet, Hyderabad- 500016.

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, 2020 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, 2020, 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)
- 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.

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 and Women Director as per the provisions of Companies Act, 2013. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in accordance with the provisions of the Act.

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.
- Apart from the said, there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the company's affairs.

However, attention is drawn to Notes to Financial Statements, which describes the management's assessment of the impact of Covid -19 pandemic on the operations and financial results or the recoverability of the carrying value of the assets of the Company.



ANAND KUMAR C KASAT
Practicing Company Secretary
M. No.42078
C.P. No.17420
UDIN A042078B000677922

Place: Hyderabad
Date: 07.09.2020

[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


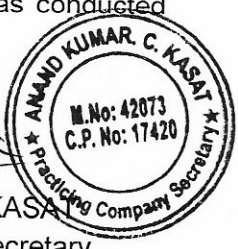
1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

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 C KASAT
Practising Company Secretary
M. No.42078
C.P. No.17420
UDIN A042078B000677922

Place: Hyderabad
Date: 07.09.2020

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 non-profit 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.

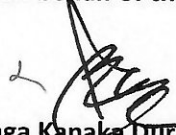
4.3 Other directorships / committee memberships

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


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

Place: Hyderabad
Date: 16/12/2020

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

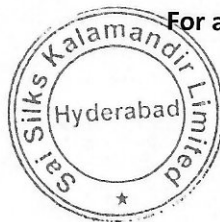
(v) Annual Performance Bonus

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: 16/12/2020

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 read "Naga Kanaka Durga Prasad Chalavadi".

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

**Place: Hyderabad
Date: 16/12/2020**

KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAI SILKS (KALAMANDIR) LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **M/s Sai Silks (Kalamandir) Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit & Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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.

Emphasis of Matter

We draw your attention to Note No. 44 of the Financial Statements which describes Management's assessment of the impact of the COVID-19 pandemic on the operations and Financial results of the company. Our opinion is not modified in respect of the above matter.

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 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.



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

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

When we read 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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



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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 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 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 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 financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in



planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the financial statements.

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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 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration



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paid/provided by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position 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

CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place: Hyderabad

Date: 04th Sep 2020

UDIN: 20211147AAAACE9963



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Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial Statements as at March 31st, 2020, 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.



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- 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).
- (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 2020 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.38 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 vehicle 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.



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- (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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- (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) According to the information and explanations given to me and based on my examination of the records of the company, the Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company

For Kannegolla Krishna Rao & Co.
Chartered Accountants

K. S. S. Gopal Gupta

CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place: Hyderabad

Date: 04th Sep 2020

UDIN: 20211147AAAACE9963



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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 2020 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.



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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 2020, 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: 04th Sep 2020

UDIN: 20211147AAAACE9963

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

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

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-2020

(Amount INR)

Particulars	Note No.	As At 31.03.2020	As At 31.03.2019
A Equity and Liabilities:			
Shareholders' funds			
Share capital	1	23,45,45,880	23,45,45,880
Reserves and Surplus	2	2,11,52,26,100	1,65,93,70,665
Money received against share warrants			
Share application money pending allotment	3	-	-
Non-current liabilities			
Long-term borrowings	4	34,58,35,470	40,36,12,358
Deferred tax liabilities (net)		15,40,91,794	15,19,38,863
Other long-term liabilities	5	50,49,919	13,09,280
Long-term provisions	6	2,98,81,165	2,66,19,695
Current liabilities			
Short-term borrowings	7	1,18,03,48,838	1,17,91,79,338
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,70,06,17,444	1,41,99,52,090
Other current liabilities	9	47,88,35,171	42,56,80,398
Short-term provisions	10	4,91,10,975	16,06,81,890
TOTAL		6,29,35,42,755	5,66,28,90,457
B Assets:			
Non-current assets			
Property, Plant and Equipment	11		
Tangible assets		1,71,79,23,385	1,37,96,60,936
Intangible assets		11,93,81,628	14,16,16,650
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non-Current Investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	12	1,92,75,830	2,50,06,810
Other Non-Current Assets	13	33,22,80,881	22,32,56,641
Current assets			
Current investments		-	-
Inventories	14	3,71,51,43,723	3,41,10,52,141
Trade receivables	15	1,69,24,620	5,93,24,561
Cash and Bank Balances	16	18,07,45,084	21,43,66,295
Short-term loans and advances	17	18,25,82,218	19,31,71,417
Other Current Assets	18	92,85,387	1,54,35,004
TOTAL		6,29,35,42,755	5,66,28,90,457

Other relevant Notes to Financial Statements

26 to 45


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


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


Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

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

Place: Hyderabad **Ramakrishna Oruganti**
Date: 4th Sep, 2020 Chief Financial Officer


M K Bhaskara Teja
Company Secretary

Statement of Profit and Loss for the year ended 31-Mar-2020

(Amount INR)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
A Continuing Operations:			
I Revenue from operations	19	11,75,56,00,944	10,43,89,48,394
II Other income	25	2,79,19,616	1,05,63,799
III Total Revenue (I + II)		11,78,35,20,561	10,44,95,12,193
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	20	8,73,46,18,685	8,49,48,74,948
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(27,40,08,382)	(1,15,18,14,008)
Employee benefits expense	22	1,06,83,48,532	97,36,23,355
Finance Costs	24	26,93,66,781	20,40,67,685
Depreciation and amortisation expense	11	15,79,03,997	14,21,96,545
Other expenses	23	1,24,68,92,432	1,29,69,68,949
Total Expenses		11,20,31,22,046	9,95,99,17,474
V Profit / (Loss) before exceptional & extraordinary items and tax (III - IV)		58,03,98,515	48,95,94,719
VI Exceptional items			
VII Profit / (Loss) before extraordinary items and tax (V - VI)		58,03,98,515	48,95,94,719
VIII Extraordinary items			
IX Profit / (Loss) before tax (VII - VIII)		58,03,98,515	48,95,94,719
X Tax expense:		12,45,43,081	18,63,44,227
Provision for Income Tax			
Income Tax			
Current tax		12,23,90,150	14,88,62,270
Less: MAT credit entitlement		-	-
Net current tax		12,23,90,150	14,88,62,270
Previous Year Tax		-	1,07,35,957
Deferred Tax		21,52,931	2,67,46,000
XI Profit/(Loss) from continuing operations (IX - X)		45,58,55,435	30,32,50,492
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)		45,58,55,435	30,32,50,492
XVI Earnings per equity share:			
- Basic (Face Value Rs. 10 per share)		19.44	12.95
- Diluted (Face Value Rs. 10 per share)		19.44	12.95
Other relevant Notes to Financial Statements	26 to 45		

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

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

Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

CA. S.S. Gopal Gupta
Partner

Membership No.211147
F. No. 001727S

Place: Hyderabad

Ramakrishna Oruganti
Chief Financial Officer

M K Bhaskara Teja
Company Secretary

Date: 4th Sep, 2020

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-2020

(Amount INR)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	58,03,98,515	48,95,94,719
Adjustments		
(Profit) / Loss on sale of fixed assets (net)	1,55,983	(82,731)
(Profit) / Loss on sale of investments (net)	-	-
Depreciation and Amortisation Expense	15,79,03,997	14,21,96,545
Preliminary Expenditure Written Off	2,95,000	2,95,000
Interest Income	(56,14,844)	(47,29,751)
Other Income	(2,09,72,674)	(46,26,207)
Finance Costs	26,93,66,781	20,40,67,685
Effect on Exchange Rate Change	(14,88,081)	(11,25,110)
	<u>98,00,44,676</u>	<u>82,55,90,150</u>
(Increase)/Decrease in Trade and Other Receivables	4,23,99,941	(1,81,53,574)
(Increase)/Decrease in Inventories	(30,40,91,582)	(1,15,18,14,008)
Changes in Short Term Loans & Advances	1,05,89,200	(3,87,75,885)
Changes in Other Current Assets	61,49,617	85,652
Increase/(Decrease) in Trade Payables	28,06,65,355	62,06,30,506
Increase/(Decrease) in Other Current Liabilities	4,42,20,993	12,90,78,348
Increase/(Decrease) in Short Term Provisions	3,08,974	85,69,658
	<u>1,06,02,87,175</u>	<u>37,52,10,849</u>
Cash generated from Operations	<u>1,06,02,87,175</u>	<u>37,52,10,849</u>
Direct Taxes paid	(23,42,70,039)	(7,74,76,823)
Net Cash from Operating activities	<u><u>82,60,17,136</u></u>	<u><u>29,77,34,026</u></u>
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	(47,40,87,406)	(53,47,84,961)
Capital Work-in-progress	-	1,22,000
(Purchase) / Sale of Investments (Net)	-	-
(Profit) / Loss on sale of investments	-	-
Acquisition of Companies	-	-
Changes in Long Term Loans & Advances	57,30,980	8,69,15,131
Changes in Other Non Current Assets	(10,93,19,240)	(3,76,75,692)
Increase/(Decrease) in Other Long Term Liabilities	37,40,639	92,801
Increase/(Decrease) in Long Term Provisions	32,61,470	24,54,529
Interest Income	56,14,844	47,29,751
Other Income	2,09,72,674	46,26,207
	<u>(54,40,86,038)</u>	<u>(47,35,20,235)</u>
Cash flow before exceptional items	<u>(54,40,86,038)</u>	<u>(47,35,20,235)</u>
Exceptional Items	-	-
Net Cash from Investment Activities	<u><u>(54,40,86,038)</u></u>	<u><u>(47,35,20,235)</u></u>
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	50,00,000
Proceeds / (Repayment) from Long Term Borrowings	(5,77,76,887)	36,40,97,685
Proceeds / (Repayment) from Short Term Borrowings	11,69,500	20,18,62,012
Finance Costs	(26,04,33,002)	(20,40,67,685)
Dividends Paid	-	-
Dividend tax paid	-	-
Effect on Exchange Rate Change	14,88,081	11,25,110
Net cash used in financing activities	<u><u>(31,55,52,309)</u></u>	<u><u>36,80,17,122</u></u>
Net (Decrease) / Increase in cash and cash equivalents	<u><u>(3,36,21,212)</u></u>	<u><u>19,22,30,914</u></u>
Cash and cash equivalents at the beginning of the year	21,43,66,295	2,21,35,382
Cash and Cash equivalents at the end of the year	<u><u>18,07,45,084</u></u>	<u><u>21,43,66,295</u></u>

As per my audit report of even date

For and on behalf of the board

For Kannegolla Krishna Rao & Co.,
Chartered Accountants

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

Place: Hyderabad
Date: 4th Sep, 2020

Ramakrishna Oruganti
Chief Financial Officer

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



Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

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-2020**(Amount INR)****Note 1 Share Capital**

S. No	Particulars	As At 31.03.2020		As At 31.03.2019	
		Number	Amount	Number	Amount
(i)	Authorised 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	2,34,54,588	23,45,45,880
	Total	2,34,54,588	23,45,45,880	2,34,54,588	23,45,45,880

(a) Reconciliation of number of shares:

S.No.	Particulars	As At 31.03.2020		As At 31.03.2019	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	2,34,54,588	23,45,45,880	2,34,04,588	23,40,45,880
2	Equity Shares Issued during the year			50,000	5,00,000
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	2,34,54,588	23,45,45,880

(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 31.03.2020		As At 31.03.2019	
		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	64,97,600	27.70%	63,62,600	27.13%
2	Chalavadi Jhansi Rani	53,60,088	22.85%	54,95,088	23.43%
3	Perumalla Dhanalakshmi	29,31,900	12.50%	29,31,900	12.50%
4	Chalavadi Devamani	22,24,200	9.48%	22,24,200	9.48%
5	Chalavadi D K Durga Rao	16,16,500	6.89%	16,16,500	6.89%
6	Annam Kalyan Srinivas	15,15,400	6.46%	15,15,400	6.46%
7	Rupamani Naqakanakadurgasri Harshada C	25,00,000	10.66%	25,00,000	10.66%

(d) Aggregate number and class of shares allotted as fully paid up for consideration otherthan 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 otherthan 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



(E) Disclosure under Clause (f) and (h) of the Note 6(A) to the Schedule III of the Companies Act,2013 is not applicable, as the company has no Holding / Subsidiary companies and the company has not reserved any shares for issue under options or under any contracts /commitments for the sale of shares / disinvestment.

(F) Disclosure under Clause (J) to (L) of the Note 6(A) to the Schedule III of the Companies Act,2013 is not applicable, as the company has not issued any securities otherthan equity shares. It has no unpaid calls for such shares or no forfeited shares.

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-2020

Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
2	Note: Reserves and Surplus		
	Securities Premium Account		
	As per last Balance Sheet	28,86,62,920	28,41,62,920
	(+) Additions during the year on account of shares issued during the year	-	45,00,000
	Closing Balance	<u>28,86,62,920</u>	<u>28,86,62,920</u>
	Profit and Loss Account		
	As per last Balance Sheet	1,37,07,07,746	1,06,74,57,253
	(+) Net Profit for the current year	45,58,55,435	30,32,50,492
	(+) Transfer from Reserves		
	(-) Net Loss for the current year		
	(-) Proposed Dividends		
	(-) Interim Dividends		
	Closing Balance	<u>1,82,65,63,180</u>	<u>1,37,07,07,746</u>
	Total	<u>2,11,52,26,100</u>	<u>1,65,93,70,665</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-2020

Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
4	Note: Long Term Borrowings		
	Secured		
	Term Loans from Banks (Current maturities of which shown separately in note no. 9)	31,17,71,902	39,14,87,423
	Vehicle Loans from Banks (Current maturities of which shown separately in note no. 9)	3,40,63,568	1,21,24,935
		34,58,35,470	40,36,12,358
	* Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 37)		
	# Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 37)		
5	Note: Other Longterm Liabilities		
	Trade / Security amounts Received	50,49,919	13,09,280
		50,49,919	13,09,280
6	Note: Long Term Provisions		
	Provisions for Employee Benefits *	1,87,42,165	1,44,75,695
	Provisions for Taxes (previous Years)	-	-
	Provisions - Others**	1,11,39,000	1,21,44,000
		2,98,81,165	2,66,19,695
	* 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 *	1,15,84,63,774	1,15,72,94,274
	Loans repayable on demand from Others Working Capital Loans from Banks		
	Unsecured		
	Loans from Related Parties **	2,18,85,064	2,18,85,064
	Other Loans and Advances Deposits Other Loans & Advances		
		1,18,03,48,838	1,17,91,79,338

* 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

** Loans from Related Parties consists of

S.No.	Name of the Related Party	As At 31.03.2020	As At 31.03.2019
1	Chalavadi Naga Kanaka Durga Prasad	2,18,73,448	2,18,73,448
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



Signature

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-2020

Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
8	Note: Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises *	-	-
	Dues to Others	1,70,06,17,444	1,41,99,52,090
		1,70,06,17,444	1,41,99,52,090
	* 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		
	<u>Current Maturities of Long Term Debt (Secured)</u>		
	Termloans from Banks *	10,69,38,869	12,16,44,964
	Vehicle Loans from Banks #	1,38,32,590	1,05,08,095
	Finance Lease	-	10,08,500
	Interest Accrued & Due on Loans	-	-
	Interest Accrued & But not Due on Loans	89,33,779	-
	Advances received from Customers	1,43,85,959	1,18,43,836
	Other Payables ~	33,47,43,974	28,06,75,003
		47,88,35,171	42,56,80,398
	* Term Loans from Banks are secured against Fixed Assets of the company, both present and future (For details Refer Note No 37).		
	# Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 37).		
	<u>~ Other Payables include</u>		
	Statutory Liabilities	1,13,67,278	84,40,421
	Otherthan Statutory Liabilities	32,33,76,696	27,22,34,582
10	Note: Short Term Provisions		
	Provisions for Employee Benefits		
	Provision for Gratuity	17,69,067	14,60,093
	Provisions - Others:		
	Provision for Taxes	4,73,41,908	15,92,21,797
		4,91,10,975	16,06,81,890



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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-2020

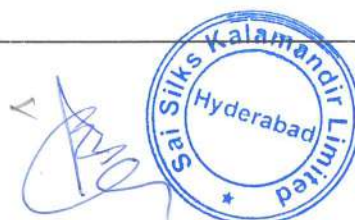
Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
12	Note: Long Term Loans & Advances		
	(a) Capital Advances		
	Secured, considered good	-	-
	Unsecured, considered good	1,92,75,830	2,50,06,810
	Doubtful	-	-
	(b) Security Deposits	-	-
	(c) Loans & Advances to related parties	-	-
	(d) Loans & Advances 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	-	-
	Doubtful	-	-
		1,92,75,830	2,50,06,810
	Less: Provision for other doubtful loans & advances		
		1,92,75,830	2,50,06,810
	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	-	-
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
	(c) Accruals	-	-
	(d) Other Non-current Assets		
	Electricity Deposits	1,97,13,587	1,35,60,171
	Rent Deposit*	26,49,10,324	18,83,67,715
	Telephone Deposit	34,335	34,335
	In Deposit Accounts^	4,74,05,635	2,07,82,420
	Other Deposits	2,17,000	2,17,000
		33,22,80,881	22,32,56,641
	* 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. 2.17 Cr (in CANARA Bank) and Rs. 2.53 Cr (in SBI) held as collateral 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-2020

Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
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) *	3,68,50,60,523	3,41,10,52,141
	Goods-in-transit		
	(e) Stores and spares		
	Goods-in-transit		
	(f) Loose tools		
	Goods-in-transit		
	(g) Packing Material	3,00,83,200	-
	Goods-in-transit	-	-
		3,71,51,43,723	3,41,10,52,141
	* Mode of valuation:		
	Finished Goods		: At lower of cost or net realisable value
	Raw material & Sticking 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	1,69,24,620	5,93,24,561
	Doubtful	-	-
		1,69,24,620	5,93,24,561
	Less: Provision for doubtful trade receivables	-	-
		1,69,24,620	5,93,24,561
	* 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	10,18,73,397	7,09,88,865
	(ii) Cheques, drafts on hand		
	(iii) Cash on hand	7,88,71,687	4,06,31,098
	(b) Other Bank balances		
	In Deposit Accounts*	-	10,27,46,333
		18,07,45,084	21,43,66,295



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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-2020

Note No.	Particulars	As At 31.03.2020	As At 31.03.2019
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	4,49,64,288	2,93,86,147
	Doubtful	-	-
	(d) Prepaid expenses - Unsecured, considered good *	1,02,22,102	1,01,21,505
	(e) Balances with government authorities		
	Unsecured, considered good		
	GST Credit	10,67,78,053	12,04,55,973
	(f) Inter-corporate deposits	-	-
	MAT Credit entitlement - Unsecured, considered good	-	-
	(h) Advance to Suppliers **	2,06,17,775	3,05,56,114
	(i) Other Loans & Advances		
	Secured, considered good	-	-
	Unsecured, considered good	-	26,51,679
	Doubtful	-	-
		<u>18,25,82,218</u>	<u>19,31,71,417</u>
	Less: Provision for other doubtful loans and advances	-	-
		<u>18,25,82,218</u>	<u>19,31,71,417</u>
	* "Prepaid Expenses" pertains to Insurance Premium, Annual Maintenance Contracts.		
	**Advance to Suppliers - Sai Retail India Limited	-	2,23,46,339
18	Note: Other Current Assets		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets *	92,85,387	1,54,35,004
		<u>92,85,387</u>	<u>1,54,35,004</u>
	* Other Current Assets include		
	Interest Accrued But Not due on FDs	1,64,853	-
	Discount Receivable	91,20,534	1,46,25,004
	Rental Debtors	-	8,10,000



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-2020

Note 11 Property, Plant and Equipment

(Amount INR)

S. No.	Particulars	Gross Block									
		Balance As At 01.04.2019	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange difference	Borrowing cost capitalised	Other Adj.	Balance As At 31.03.2020
		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	23,10,62,988	3,81,23,152	-	-	-	-	-	-	-	26,91,86,140
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(b)	Plant & Machinery										
	Owned	28,41,90,003	7,61,21,597	-	-	-	-	-	-	-	36,03,11,600
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	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	5,88,26,213	85,93,975	-	-	-	-	-	-	-	6,74,20,189
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(e)	Furniture and Fixtures										
	Owned	1,08,04,65,372	31,15,63,388	-	-	-	-	-	-	-	1,39,20,28,759
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
(f)	Vehicles										
	Owned	7,32,78,291	3,99,59,794	26,64,870	-	-	-	-	-	-	11,05,73,215
	Taken under finance lease	-	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-	-
	Total (A)	1,84,26,06,530	47,43,61,907	26,64,870	-	-	-	-	-	-	2,31,43,03,567
	Previous Year	(1,30,87,88,624)	(53,43,21,401)	(5,03,495)	-	-	-	-	-	-	(1,84,26,06,520)
B Intangible assets											
	Computer Software	1,40,22,188	-	-	-	-	-	-	-	-	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)	22,29,15,094	-	-	-	-	-	-	-	-	22,29,15,094
	Previous Year	(22,22,36,534)	(6,78,560)	-	-	-	-	-	-	-	(22,29,15,094)
	Grand Total (A + B)	2,06,55,21,624	47,43,61,907	26,64,870	-	-	-	-	-	-	2,53,72,18,661



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S. No.	Particulars	Accumulated depreciation and impairment										Net block	
		11	12	13	14	15	16	17	18= sum(11:17)	19= (10-18)	20= (1-11)		
	Balance As At 01.04.2019	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 31.03.2020	Balance As At 31.03.2020	Balance As At 31.03.2019			
A Tangible assets :													
(a)	Civil Works												
	Owned	2,45,95,118	36,64,613	-	-	-	-	2,82,59,731	24,09,26,410	20,64,67,870			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
(b)	Plant & Machinery												
	Owned	6,64,81,693	1,82,79,712	-	-	-	-	8,47,61,406	27,55,50,194	21,77,08,309			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
(c)	Wind Mill												
	Owned	3,88,34,723	49,67,054	-	-	-	-	4,38,01,777	7,09,81,886	7,59,48,940			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
	Computers & Peripherals												
	Owned	3,43,89,582	1,08,20,830	-	-	-	-	4,52,10,412	2,22,09,777	2,44,36,632			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
(e)	Furniture and Fixtures												
	Owned	26,92,75,220	8,85,87,461	-	-	-	-	35,78,62,681	1,03,41,66,078	81,11,90,152			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
(f)	Vehicles												
	Owned	2,93,69,258	93,49,304	22,34,386	-	-	-	3,64,84,175	7,40,89,041	4,39,09,033			
	Taken under finance lease	-	-	-	-	-	-	-	-	-			
	Given under operating lease	-	-	-	-	-	-	-	-	-			
	Total (A)	46,29,45,594	13,56,68,974	22,34,386	-	-	-	59,63,80,182	1,71,79,23,385	1,37,96,60,936			
	Previous Year	(34,33,54,794)	(11,99,62,026)	(3,71,226)	-	-	-	(46,29,45,594)	(1,37,96,60,936)	(96,54,33,830)			
B Intangible assets													
	Computer Software	85,95,422	12,99,917	-	-	-	-	98,95,339	41,26,849	54,26,766			
	Brand (Kalamandir)	7,24,01,187	2,07,34,612	-	-	-	-	9,31,35,799	11,37,57,107	13,44,91,719			
	Brand (KLM Fashions)	3,01,835	2,00,493	-	-	-	-	5,02,328	14,97,672	16,98,165			
	Total (B)	8,12,98,444	2,22,35,022	-	-	-	-	10,35,33,466	11,93,81,628	14,16,16,650			
	Previous Year	(5,90,63,925)	(2,22,34,519)	-	-	-	-	(8,12,98,444)	(14,16,16,650)	(16,31,72,610)			
C Capital Work in Progress													
	Grand Total (A + B + C)	54,42,44,038	15,79,03,997	22,34,386	-	-	-	69,99,13,648	1,83,73,05,012	1,52,12,77,586			






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-2020

Note No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
19	Note: Revenue from Operations		
	Sale of products		
	Domestic	11,75,45,95,944	10,43,47,58,602
	- Sales through Showrooms	11,74,68,58,750	10,43,47,58,602
	- Sales through Online OMNI Channel	77,37,194	-
	Export	-	-
	Other operating revenues	10,05,000	41,89,792
		11,75,56,00,944	10,43,89,48,394
	Sales of traded goods under broad heads:		
	Description	For the year ended 31.03.2020	For the year ended 31.03.2019
	Sarees and other textiles products	11,75,45,95,944	10,43,47,58,602
	Others	-	-
	Total	11,75,45,95,944	10,43,47,58,602
20	Note: Purchases		
	Purchases	8,73,32,94,025	8,49,38,12,602
	Less : Discount / Rate Difference	24,338	557
		8,73,32,69,686	8,49,38,12,045
	Add : Carriage-in-wards	13,48,999	10,62,903
		8,73,46,18,685	8,49,48,74,948
	Purchases of traded goods under broad heads:		
	Description		
	Sarees and other textiles products	8,73,32,69,686	8,49,38,12,045
	Others	-	-
	Total	8,73,32,69,686	8,49,38,12,045
21	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)	3,68,50,60,523	3,41,10,52,141
	Work-in-progress		
	Stock-in-trade		
		3,68,50,60,523	3,41,10,52,141
	<u>Inventories at the beginning 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		
	Packing Material		
		3,41,10,52,141	2,25,92,38,134
	Net increase / (decrease)	27,40,08,382	1,15,18,14,008



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-2020

Note No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
22	Note: Employee Benefit Expenses		
	Salaries and wages	95,82,12,946	86,64,96,031
	Directors Remuneration	2,17,82,258	2,16,25,000
	Staff Bonus	3,99,10,646	3,05,93,255
	Staff welfare expenses	3,65,34,361	4,46,90,607
	Contribution to provident and other funds *	73,32,877	64,15,255
	Prov. for Gratuity	45,75,444	38,03,207
		<u>1,06,83,48,532</u>	<u>97,36,23,355</u>

* includes contribution to Employee provident fund, Employee State Insurance Scheme

23 Note: Other Expenses

Administration Expenses

Audit Fee	1,00,000	1,00,000
Computer Maintenance	22,72,252	56,84,346
Professional Charges	5,15,02,183	2,62,54,078
Conveyance	1,75,50,542	1,53,06,919
Directors Sitting Fee	1,80,000	1,80,000
Electrical Charges	15,51,57,930	11,45,88,167
Festival & Functional Expenses	46,98,310	82,95,637
Generator maintenance	49,77,023	52,22,677
Insurance	1,37,43,352	94,33,446
Office & Stores Maintenance	8,11,15,293	7,25,72,980
Printing, Postage & Stationery	90,16,013	1,01,39,210
Rent	30,01,49,992	22,58,90,776
Repairs & Maintenance	12,66,21,449	15,96,04,390
Security Charges	2,36,33,072	2,23,24,708
Subscription	36,823	1,19,888
Rates & Taxes	2,22,88,722	1,10,58,706
Telephone & Internet Charges	49,68,521	30,75,414
Travelling Expenses	1,02,44,951	1,61,87,503
Vehicle Maintenance / Repairs	29,01,986	12,95,702

Selling & Distribution Expenses

Advertisement	27,70,61,411	44,37,20,437
Business Promotion	2,78,83,992	4,43,52,880
Packing Material	9,17,12,827	8,23,62,743
Alteration, Rolling & Polishing Charges	79,99,437	67,46,607

CSR Expenditure	1,07,81,352	1,21,56,737
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Amalgamation Expenses Written Off	2,95,000	2,95,000
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	<u>1,24,68,92,432</u>	<u>1,29,69,68,949</u>
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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-2020

Note No.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
24	Note: Finance Costs		
	Interest Expense		
	Interest	17,70,10,326	12,97,59,479
	Interest on Others *	71,10,832	72,79,969
	Interest on TDS & Income Tax	2,17,02,983	61,88,937
	Other Borrowing Costs:		
	Loan Processing Charges	43,45,492	1,02,30,435
	Bank Charges (Incl Cash Pickup & CC Swiping Charges)	5,91,97,148	5,06,08,865
		26,93,66,781	20,40,67,685
	* "Interest on Others" include Interest on Vehicle Loans, Trade deposits and Hire purchase		
25	Note: Other Income		
	Interest from Deposits	56,14,844	47,29,751
	<u>Other Non-Operating Income:</u>		
	Rent Received	1,15,39,462	46,26,207
	Other Incomes	94,33,212	-
	Forex Gain	14,88,081	11,25,110
	Profit/Loss on Sale of FA	(1,55,983)	82,731
		2,79,19,616	1,05,63,799



Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2020

Note No.	Particulars	FY 2019-20	FY 2018-19
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)		
	DTL Provision for the period on Depreciation	17,87,361	2,80,74,992
	DTA Provision for the period on Gratuity	(3,65,569)	13,28,993
	Total Deferred Prov. For the period	21,52,931	2,67,46,000

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 2019-20	FY 2018-19
Opening defined benefit obligation	1,59,35,788	1,21,32,581
Interest cost	35,88,258	9,70,606
Current services cost	12,19,088	28,02,882
Benefits paid	-	-
Actuarial (gains)/losses on obligation	(2,31,901)	29,719
Closing defined benefit obligation	2,05,11,233	1,59,35,788
Assumptions :		
Date of Valuation	31.03.2020	31.03.2019
Normal Retirement age	60 years	60 years
Salary Growth Rate (Per Annum)	4.00%	4.00%
Discount Rate (Per Annum)	6.76%	7.65%
Mortality Rate (as % of IALM (2012-014) Ult. Mortality Table)	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%
Withdrawal Rate	5%	5%
Adjusted Average Future Service	12.21 Years	12.40 Years
GRATUITY LIABILITY		
Short Term Liability	17,69,068	14,60,093
Long Term Liability	1,87,42,165	1,44,75,695
TOTAL NET LIABILITY	2,05,11,233	1,59,35,788

29 Note on CSR Expenditure:

As per Sec 135 of Companies Act,2013 along with Rules made there under, the company has constituted the CSR committee to frame CSR policies and to monitor the performance of the CSR team.

The promoters of the Company had established a registered Trust **KALAMANDIR FOUNDATION** to undertake charitable activities since 2010. After enabling the CSR provisions under the companies Act, 2013, the company is performing all of its CSR activities as mentioned in the Schedule-VII of the Companies Act, 2013 read with Circular no. 21/2014 through this Trust. KALAMANDIR FOUNDATION is the CSR arm of the Company.

During the year, The Company undertook various activities predominantly in the areas of Child Education, Vocational skills development, Women Empowerment and Health care & Sanitation in association with KALAMANDIR FOUNDATION. The details are as follows.

Gross Amount required to be spent

Average Profits for the last 3 Years	32,80,42,285	22,90,52,231
2% of Average required to be spent	65,60,846	45,81,045
Amount Spent by the Company during the Year for CSR	1,07,81,352	1,21,56,737



Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2020
Note Nr 30 Related Party Disclosures

S.No.	Name of the Related Party	Nature of Relationship
1	CHNKD 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	Naveen Nandigam	Non Executive / Independent Director
8	Sirisha Chintapalli	Non Executive / Independent Director
9	Laxminivas Jaju	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	Annam Bhavani	Relative of Director
19	Lavanya Mankal	Relative of Director
20	DEVAMANI VENKATA KANAKA DURGA HANISH	Relative of Director
21	RACHAMADUGU BALAJI BHARADWAJ	Relative of Director
22	Sai Readymades	Enterprise over which Directors having Significant Influence (EDS)
23	Sai Retail India Limited	Enterprise over which Directors having Significant Influence (EDS)
24	SSS Marketing	Enterprise over which Directors having Significant Influence (EDS)
25	Sai Swarnamandir Jewellers Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
26	Sumaja Creations	Enterprise over which Directors having Significant Influence (EDS)
27	K Factory	Enterprise over which Directors having Significant Influence (EDS)
28	Karamandir Foundation	Enterprise over which Directors having Significant Influence (EDS)
29	Kalamandir International Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
30	Varanasi Lakshmi Holdings Pvt Ltd.	Enterprise over which Directors having Significant Influence (EDS)
31	Soul of Python Tech LLP	Enterprise over which Directors having Significant Influence (EDS)



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Transactions with Related Parties:

S.No.	Nature of Transaction	FY 2019-20				FY 2018-19				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total	
		(Amount in INR)								
1	Purchases	8,68,94,79,435				8,45,19,84,948				8,45,19,84,948
2	Rent (Expense)	21,24,000	7,20,000	4,80,000		18,48,000	7,20,000	4,80,000		30,48,000
3	Rent (Income)	15,20,000				2,04,000				2,04,000
4	Commission (Expense)	18,00,000				18,06,465				18,06,465
5	Salary / Remuneration		2,35,54,884	2,02,90,324			2,30,04,966	2,07,95,000		4,37,99,966
6	Advertisement (Expense)	20,70,24,002				26,40,50,430				26,40,50,430
7	Donation	1,00,80,130				1,06,31,420				1,06,31,420
8	Unsecured loan Taken						2,00,00,000			2,00,00,000
9	Shares Allotted						50,00,000			50,00,000
10	Software Consultation / Maintenance (Exp)	2,22,00,000				72,50,000				72,50,000
11	Other Incomes	78,00,000								78,00,000
12	Rent Deposits Received	6,00,000								6,00,000
	Balances with Related Parties As At 31.03.2020:									
S.No.	Nature of Transaction	FY 2019-20				FY 2018-19				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total	
		(Amount in INR)								
1	Short Term Borrowings		2,18,73,448	11,616			2,18,73,448	11,616		2,18,85,064
2	Trade Payables	4,76,761				4,76,761				4,76,761
3	Other Payables	12,01,17,289	26,35,948	13,00,389		12,12,72,258	34,50,250	15,16,007		12,62,38,515
4	Short Term L&A					2,27,11,776				2,27,11,776
5	Other Current Liabilities	79,803								79,803
6	Rent Deposits Given	12,00,000	3,60,000	2,40,000		12,00,000	3,60,000	2,40,000		18,00,000
7	Rent Deposits Received	6,00,000								6,00,000



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2020
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 2019-20		FY 2018-19	
						Transaction Value	Outstanding Dr/ (Cr)	Transaction Value	Outstanding Dr/ (Cr)
1	Sai Retail India Limited	Public Limited	3 (E)	Directors interested	Purchases Rent (Expense) Rent (Income)	8,68,94,79,435 11,04,000 1,20,000	- - -	8,45,19,84,948 8,28,000 2,04,000	2,23,46,339 - -
2	SSS Marketing	Partnership	3 (E)	Relative of Director Interested	Commission paid Rent Deposit	18,00,000 -	(79,803) 12,00,000	18,06,465 -	3,65,437 12,00,000
3	Sumaja Creations	Proprietary	3 (E)	Relative of Director Interested	Advertisement Manpower Service (Income)	20,70,24,002 18,00,000	(12,33,84,647) -	26,40,50,430 -	(11,75,77,980) -
4	Varamahalakshmi Holdings Pvt Ltd.	Private Limited	3 (E)	Directors interested	Rent Expense	10,20,000	(7,19,529)	10,20,000	(10,12,429)
5	K Factory	Partnership	3 (E)	Directors interested	Purchases	-	(4,76,761)	-	(4,76,761)
6	Soul of Pluto Tech LLP	LLP	3 (E)	Directors interested	Software Consultation / Maintenance (Exp) Support Service (Income) Rent (Income) Rent Deposit Received	2,22,00,000 60,00,000 14,00,000 6,00,000	39,86,887 - - (6,00,000)	72,50,000 - - -	(26,81,849) - - -
7	CHNKD Prasad	Individual	3 (D)	Director	Remuneration Rent Expense Shares Allotted Rent Deposit Unsecured Loan	1,19,35,484 7,20,000 - - -	(17,05,638) (54,000) - - (2,18,73,448)	1,20,00,000 7,20,000 50,00,000 - 2,00,00,000	(22,67,972) (54,000) - 3,60,000 (2,18,73,448)
8	CH Jhansi Rani	Individual	3 (D)	Relative of Director	Salary Rent Expense Rent Deposit	35,80,645 4,80,000 -	(1,01,830) (36,000) 2,40,000	33,50,000 4,80,000 -	(2,36,029) (36,000) 2,40,000



S.No.	Name of the Party / Personnel	Concern	Ref. for Relationship as per AS-18	Details of Relation	Nature of Transaction	FY 2019-20		FY 2018-19	
						Transaction Value	Outstanding Dr/ (Cr)	Transaction Value	Outstanding Dr/ (Cr)
9	Annam Kalyan Srinivas	Individual	3 (D)	Director	Remuneration	59,67,742	(3,17,685)	58,25,000	(3,27,797)
10	CHDK Durga Rao	Individual	3 (D)	Director	Remuneration	38,79,032	(1,98,218)	38,00,000	(3,16,620)
11	Annam Subhash	Individual	3 (D)		Salary	-	-	15,25,000	-
12	Annam Rajesh	Individual	3 (D)		Salary	38,79,032	(2,20,786)	38,00,000	(2,52,476)
13	Annam Sowjanya	Individual	3 (D)		Salary	10,74,194	(74,370)	10,10,000	(80,460)
14	Annam Suchitra	Individual	3 (D)		Salary	10,74,194	(65,956)	10,10,000	(86,363)
15	CH Mohana Durga Rao	Individual	3 (D)		Salary	38,79,032	(2,45,384)	38,00,000	(2,77,996)
16	Supriya Padarthy	Individual	3 (D)	Relative of Director	Salary	10,74,194	(80,287)	10,10,000	(89,800)
17	Annam Bhavani	Individual	3 (D)		Salary	10,74,194	(71,738)	10,10,000	(83,227)
18	Lavanya Mankal	Individual	3 (D)		Salary	10,74,194	(1,23,793)	6,80,000	(1,25,776)
19	Ch Krishna Murty	Individual	3 (D)		Unsecured Loan	-	(11,616)	-	(11,616)
21	DEVAMANI VENKATA KANAKA DURGA HANISHA	Individual	3 (D)		Salary	11,93,548	(93,348)	12,00,000	(88,854)
22	RACHAMADUGU BALAJI BHARADWAJ	Individual	3 (D)		Salary	23,87,097	(1,86,897)	24,00,000	(1,59,026)
20	Oruganti Rama Krishna	Individual	KMP	CFO	Remuneration	8,81,142	(40,513)	8,95,863	(66,255)
23	KOTI BHASKARA TEJA MATT	Individual	KMP	CS	Remuneration	7,11,484	(47,394)	3,04,103	(65,606)
23	Kalamandir Foundation	Trust	3 (E)	Managing Trustee	Donations for CSR	1,00,80,130	-	1,06,31,420	-
24	Jinesh Kumar Sankhala	Individual	KMP		Sitting Fees	-	-	60,000	(1,36,000)
25	Naveen Nandigam	Individual	KMP	Non Exicutive	Sitting Fees	60,000	(54,000)	60,000	(1,08,000)
26	Sirisha Chintapalli	Individual	KMP	Directors	Sitting Fees	60,000	(54,000)		
27	Laxminivas Jaju	Individual	KMP		Sitting Fees	60,000	(1,64,500)		
28	Vanitha Nagulavari	Individual	KMP		Sitting Fees	-	-	60,000	(1,08,000)



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2020

Note No.	Particulars	FY 2019-20	FY 2018-19
31	Note: Earnings Per Share		
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	45,58,55,435	30,32,50,492
	No of Equity Shares	2,34,54,588	2,34,54,588
	Weighted Average no. of equity shares	2,34,54,588	2,34,18,972
	Basic and Diluted Earnings per share (INR)	19.44	12.95
	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.

32 Note: Earnings in foreign currency

Export of Goods calculated on FOB basis - -

33 Note: Expenditure in foreign currency

- 17,79,082

34 Note: Tax Expense

The Tax Expenses for the year comprises of;

Income Tax	12,23,90,150	15,95,98,227
Current Year	12,23,90,150	14,88,62,270
Less : MAT Credit Entitlement	-	-
Net Current Tax	12,23,90,150	14,88,62,270
Previous Year	-	1,07,35,957
Deferred Tax	21,52,931	2,67,46,000

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.

35 (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*	30,81,67,911	25,02,01,398
later than one year and not later than five years	1,39,47,58,763	1,02,44,46,869
later than five years	2,48,15,54,704	1,76,50,96,204

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	56,27,01,656	32,47,90,868
On account of Notice Period	12,61,54,324	9,22,99,661
Lease payments recognized in the Statement of Profit and Loss (net)	30,01,49,992	22,58,90,776
Sublease payments received / receivable recognized in the Statement of Profit and Loss	1,15,39,462	46,26,207

* The above mentioned Lease payments for next one year in FY 19-20 column is with anticipated discount on lease rentals due to COVID-19

36 Note: Capital and Other commitments

FY 2019-20 **FY 2018-19**

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	58,58,70,702
(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-2020

Note No.37

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

Sl No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	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 7.85%)
2	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 7.85%)
3	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. Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	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%)



1.1 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	On demand DP Margins : Paid Stock-25% Debtors - 100%	1 Year MCLR+0.95% In Case of SLC/Adhoc: 1% over the ROI on CC [On the date of Sanction 1 year MCLR is 7.85%]
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 Collateral security as detailed below	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%]

1.2 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, Vijavawada	State Bank of India	Title deed No. 3191, 3192 Dated 09 and 10.08.2000
3	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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4	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, Kukatpally viillage & Municipality, Balanagar Mandal, RR District (AP).	State Bank of India	Being a Cellar + G + 4 Floors commercial Building totally admeasuring 9610 sft. And other civil works there on.
5	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
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 Collateral of 8.50 Crores	Existing 2.40 Cr and Addl 6.10 Cr		State Bank of India	
8	30% Pledge of paid up Shares of the company held by Promoters			State Bank of India	
9	Open Plot (Admeasuring 540 Sq Yards)	Sai Readymades	Plot no. OS-2, Ramky Pearls in Sy no.143,144,145,146,147,149,150,151, 152,153,154,155 & 156, Kukatpalli, Medchal-Malkajgiri Dist., Hyd.,TG	CANARA Bank	Market Value of Rs. 4.70 Cr CANARA Bank accepted as collateral for Rs. 4.00 Cr (85% of M.V) By MODT
10	Open Plot (Admeasuring 540 Sq Yards)	Sai Readymades	Plot no. OS-13, Ramky Pearls in Sy no.143,144,145,146,147,149,150,151, 152,153,154,155 & 156, Kukatpalli, Medchal-Malkajgiri Dist., Hyd.,TG	CANARA Bank	Market Value of Rs. 4.70 Cr CANARA Bank accepted as collateral for Rs. 4.00 Cr (85% of M.V) By MODT
11	Term Deposit of Rs. 2.12 Cr.			CANARA Bank	By Pledge
12	Pledged 1.75 crore equity shares worth Rs. 17.50 crores held by the promoters			CANARA Bank	By Pledge

* As per the terms of Sanction relating to replacement of cash collateral with the EM of immovable property, the company has identified two property having Market Value of Rs. 9.40 Cr during the FY 19-20. The CANARA Bank accepted them at 85% of its market value as a collateral security (i.e for an amount of Rs. 8 Cr.). The term deposit of Rs. 2.12 Cr is continuing as cash collateral out of Rs. 10 Cr which was given as cash collateral at the time of last sanction.



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1.3 Personal Guarantees of the following persons:

SI No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy	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	Sri Chalavadi DK Durga Rao S/o C Krishna Murthy	State Bank of India, Canara Bank
5	Sri Annam Veikata Rajesh S/o A, Chandra Sekhar	State Bank of India
6	Sri S Mohan Rao, S/o Venkateswarlu	State Bank of India
7	Smt S Swarnalatha W/O S Mohan Rao	State Bank of India
8	Smt T R Saroja D/o Late T S Ramaiah	State Bank of India
9	Smt M R Sowmya W/O Girija Shanker	State Bank of India
1	Corporate Gaurantor Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India

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

SI.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 instalments of Rs.1,45,457/- each commencing from 15 Sep'18	8.79%
5	Toyota FSIL Vehiclle Loan- Innova-NHYD1076175	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Jul'16	9.25%
6	Toyota FSIL Vehiclle Loan- Innova-NHYD1077164	Innova	Repayable in 60 monthly instalments of Rs.41,406/- each commencing from 02Aug'16	9.25%
7	Toyota FSIL Vehiclle Loan- Innova-NHYD1082159	Innova	Repayable in 60 monthly instalments of Rs.41,406/- each commencing from 20Sep'15	9.25%



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8	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%
9	Kotak Mahindra Vehicle Loan - Jaguar Cf-13123058	Jaguar	Repayable in 60 monthly installments of Rs.98,270/- each commencing from 01Aug'16.	8.98%
10	Kotak Mahindra Vehicle Loan - Volvo - Cf 12806991	Volvo	Repayable in 60 monthly installments of Rs.90,515/- each commencing from 05May'16.	9.39%
11	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%
12	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%
13	Canara Bank-Creta Car Vehicle Loan - 4929603000020	Hyundai Creta	Repayable in 84 monthly installments of Rs. 24,895/- each commencing from May'2019.	9.15%
14	Canara Bank-MG Car Vehicle Loan - 4929603000023	MG	Repayable in 84 monthly installments of Rs. 26,939/- each commencing from Nov'2019.	8.65%
15	Canara Bank-Skoda Car Vehicle Loan - 4929603000022	Skoda	Repayable in 84 monthly installments of Rs. 52,927/- each commencing from Oct'2019.	8.90%
16	Canara Bank-Innova Crysta Vehicle Loan - 4929603000024	Innova	Repayable in 84 monthly installments of Rs. 34,370/- each commencing from Jan'2020.	8.65%
17	HDFC Bank-BMW Vehicle Loan - 96977239	BMW	Repayable in 60 monthly installments of Rs.2,38,130/- each commencing from Jan'2020.	8.50%
18	Daimler Financial Services India Private Ltd - Benz Car Vehicle Loan_10130378	Benz	Repayable in 60 monthly installments of Rs.1,54,888/- each commencing from Dec'2019.	7.66%
19	Toyota FSIL-Toyota Vellfire Vehicle Loan--NHYP1184355	Vellfire	Repayable in 60 monthly installments of Rs.1,89,910/- each commencing from Apr'2020.	8.31%



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2020

Note No

Particulars

38 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.

39 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

40 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.

41 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.

42 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.

43 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.

44 The retail industry as a whole has been adversely impacted by the spread of COVID-19. The Operations of the company were impacted to certain extent owing to the complete Lock down imposed from 22-03-2020. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society associated with it. The company has begun restoration of store operations from last week of May-20 and has been opening the stores, as permitted by the Government and Local/Regulatory authorities, with controlled movement, maintaining social distancing, taking appropriate hygiene measures and following the directions of regulatory authorities. The Company believes that the pandemic is not likely to impact the recoverability of the carrying value of its assets. The Company is closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Results.

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

K. Gopal
CA. S.S. Gopal Gupta
 Partner
 Membership No. 211147
 F. No. 001727S
Place: Hyderabad
 Date: 4th Sep, 2020

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

Obandu
Ramakrishna Oruganti
 Chief Financial Officer


Sai Silks (Kalamandir) Limited
 Hyderabad
M K Bhaskara Teja
 Chief Executive Officer
 Company Secretary

Note No.45: 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.

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. Property, Plant and Equipment, Depreciation and Intangible Assets(AS 10&26);

Property, Plant and Equipment 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 date 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 date on 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.

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 taxes 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.

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 Standard-14 issued by the Institute of Chartered Accountants of India.

