

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of **Sai Silks (Kalamandir) Limited** will be held on Tuesday, 30th November, 2021 at 10.30 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, 2021 along with the Notes thereon and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Annam Kalyan Srinivas (DIN: 02428313) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. Appointment of Statutory Auditors to fill the casual vacancy

To appoint Statutory Auditors of the Company and to fix remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Sagar & Associates, Chartered Accountants (Firm Registration Number: 003510S), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Kannegolla Krishna Rao & Co., Chartered Accountants.”

“RESOLVED FURTHER THAT M/s. Sagar & Associates, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold the office from 25th November, 2021, until the conclusion of the 13th Annual General Meeting of the Company, at such remuneration plus applicable taxes and out of pocket expenses if any, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

4. Appointment of Statutory Auditors

To appoint Statutory Auditors of the Company and to fix remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable

provisions, if any, M/s. Sagar& Associates, Chartered Accountants (Firm Registration Number: 003510S), be and are hereby appointed as Statutory Auditors of the Company, to hold the office from the conclusion of 13th Annual General Meeting till the conclusion of 18th Annual General Meeting, with respect to financial years beginning April 1, 2021 and ending on March 31, 2026 (5 years) at such remuneration plus applicable taxes, and out of pockets expenses if any, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

“RESOLVED FURTHER THAT Mr. Nagakanaka Durga Prasad Chalavadi, Chairman & Managing Director or Mr. Annam Kalyan Srinivas, Whole Time Director of the Company be and are hereby authorized to do all the acts, deeds and things, which are necessary to give effect to the aforesaid appointment and to file the requisite Forms / documents with the ROC by uploading the same on the portal of MCA using his DSC.”

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

**NagakanakaDurga Prasad Chalavadi
Chairman & Managing Director
DIN: 09129166**

Place: Hyderabad

Date: 25th November, 2021

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 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.
7. Explanatory Statement in respect of Special Business as required under Section 102 of the Companies Act, 2013 is annexed herewith.

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

Name of the director	Annam Kalyan Srinivas
Date of Appointment including terms and conditions of appointment	Retired by rotation in the AGM held on 30.09.2019 and reappointed thereat in accordance with the provisions of Section 152 of the Companies Act, 2013. Further, reappointed as Whole Time Director of the Company, for a period of 3 years, effective 01.04.2021.
Date of first appointment on the Board	01.04.2009
Date of Birth	16.07.1974 (Age: 47 years)
Expertise in Specific Functional areas	Extensive experience in retail textile industry. Mr. Kalyan Srinivas Annam has been instrumental in strategic planning, Brand Building and business development of our company. He leads all marketing, advertising and legal administration required for the company.
Educational Qualification	Post Graduate Diploma in Business Administration and Law Graduate.
Directorships in other Companies	Sai Retail India Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed Remuneration: Not exceeding Rs. 60 Lakhs per annum till 30.11.2021 and not exceeding 1.99 Crores per annum effective 01.12.2021, in addition to Insurance premium. Last drawn Remuneration: Rs. 44.03 Lakhs per annum For FY 2020-21
Shareholding in the Company as on 31.03.2021	He holds 15,15,400 Equity shares of Rs.10/- each
Relationship between Directors inter-se	Brother in law of Mr. Durgarao Doodeswara Kanaka Chalavadi and Mr. Nagakanaka Durga Prasad Chalavadi
Number of Meetings of the Board attended during the year	He has attended 11 Board Meetings during the financial year 2020-21.

Explanatory Statement

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

Item No.3 & 4

As the members are aware, M/s. Kannegolla Krishna Rao & Co., Chartered Accountants were appointed to the office of Statutory Auditors of the Company for a period of 5 years, i.e., till the conclusion of the AGM to be held in respect of FY 31.03.2022. However, the said Auditors have expressed their unwillingness to continue as the Statutory Auditors of the Company, for the remaining term of their tenure, vide their letter, dated 24.11.2021. This resulted in casual vacancy in the said office. In order to fill the said vacancy, the Board appointed M/s. Sagar & Associates, Chartered Accountants to the office of Statutory Auditors of the Company, who shall hold the office till the conclusion of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 139(8) of the Companies Act, 2013, any such appointment by the Board needs to be approved by the Company at a General Meeting. Hence the resolution is recommended for your consideration.

Further, since the tenure of aforementioned appointment would be till the conclusion of the ensuing Annual General Meeting only, as proposed vide Item No.3 to the said Notice, it is also proposed to appoint M/s. Sagar & Associates, Chartered Accountants to the office of Statutory Auditors of the Company for a period of 5 years, vide item No.4 to the said Notice. In other words, if appointed, M/s. Sagar & Associates, will hold the office from the conclusion of the ensuing 13th Annual General Meeting till the conclusion of 18th Annual General Meeting, i.e., with respect to financial years, beginning April 1, 2021 and ending on March 31, 2026.

Hence the resolutions laid at Item No.3 and 4 in the Notice attached hereto, are recommended for your consideration.

None of the Directors, Key Managerial Personnel or their relatives is interested or concerned, whether financially or otherwise in the said resolutions.

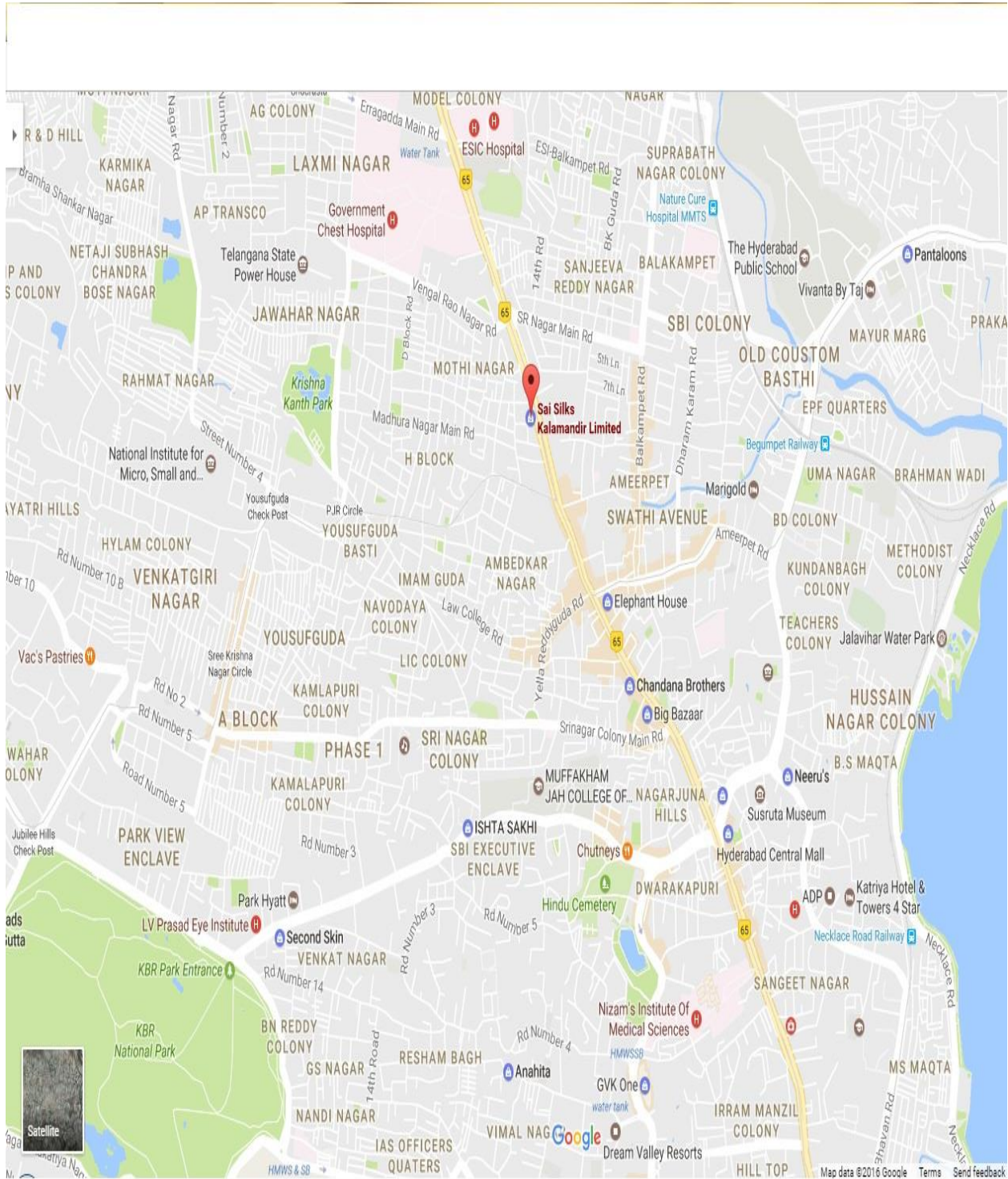
**By Order of the Board
For Sai Silks (Kalamandir) Limited**

**Nagakanaka Durga Prasad Chalavadi
Chairman & Managing Director
DIN: 09129166**

Place: Hyderabad

Date: 25th November, 2021

ROUTE MAP



DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors have immense pleasure in presenting the 13th Annual Report of your Company together with Audited Accounts for the financial year ended 31st March 2021.

1. FINANCIAL RESULTS:

(Rs. In Crores)

PARTICULARS	FY 2020-21	FY 2019-20
Gross Operating Income	677.25	1175.56
Increase / (Decrease) of stock	1.68	-27.40
Profit for the year before Exceptional Item, Depreciation & Taxation	30.64	73.83
Depreciation and Amortization expense	18.66	15.79
Profit before Exceptional Item & Taxation	11.98	58.04
Exceptional Item		
Profit before Taxation	11.98	58.04
Tax Expense	1.97	12.23
Deferred Tax	1.38	0.21
Profit after Taxation	8.63	45.59
Earnings Per Equity Share	3.66	19.44

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

Financial Performance

We all are well aware, FY 2020-21 goes down in the history as a nightmarish year of pandemic that has cast spiraling effect on each and every aspect of human race. The magnitude of the said calamity was so huge and engulfing that we had to rewrite our strategies and objectives, just to ensure the basic necessities of life and our very survival. In the said backdrop, it would be nothing short of a myth to describe the business performance of our Company in terms of numbers, ratios and year on year comparisons. Substantial period of the 1st half of the FY 2020-21 was marked by intermittent lockdowns and covid induced restrictions. However, commercial activities rebound during the 3rd quarter and we could report good performance in terms of sales and also profits. The festival seasons during the said 3rd and 4th quarter helped us clock a turnover of 677.25 Crores and a PAT of Rs.8.63 Crores for the FY 2020-21. Our conservative but shrewd business tactics, hard negotiations with our creditors and bankers, customer-friendly sales policies and our sustained recall value in the minds of our loyal customers helped us tide over the difficult times and helped us rebuild our confidence that honest service to the customers ensures the very existence of an organization. Further, it would not be out of context to mention that the ongoing pandemic has

taught many a lesson to our management. Our employees and senior managerial personnel have become more focused and rugged, capable of handling any unforeseen contingencies that may arise in the course of business. We are of the firm belief that FY 2021-22 would be turnaround year in the history of your Company.

Business Review

Sai Silks Kalamandir has been pioneering in the fashion retail space dominated by womens ethnic sarees and other product offerings.

Over the course of the years to come, the company would be focusing on expanding its ecommerce presence. By implementing new age commerce activities such as video , social commerce, along with omni channel inventory would be foreseen in the near future.

The company is building up a team to focus more on analysing the data to help it in purchases, planning, forecasting and analysing the patterns, which in turn would help the company to make more data & business driven decisions.

We are investing in a customer relationship management program that would help our reliable and trustworthy customers maintain a healthy communication channel and relationships.

Further, we are continuously in the process of adding more stores to help expand and grow our business across all of our formats.

The Brand “KLM” has been growing significantly which caters to the need of all 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.

Subsequent to close of FY 2020-21, your Company has opened the following new showrooms:

Sl. No.	Brand name / format	Location
1.	KLM Fashion Mall	Khammam, Telangana
2.	Varamahalakshmi (VML)	Bhimavaram, A. P.
3.	KLM Fashion Mall	Gajuvaka, A. P.

During the year under review and further subsequent to the close of FY 2020-21, your company has renovated the existing showrooms in the following manner.

Sl. No.	Existing Showrooms	Renovated Showrooms
1.	Kalamandir, A.S.Rao Nagar	Varamahalakshmi (VML), A.S.Rao Nagar

2.	KLMFashion Mall, Saroornagar	Renovated under new format	Varamahalakshmi (VML), Saroornagar (2)
3.	Kalamandir, Patny		Mandir, Patny

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

Kalamandir	Mandir	Varamahlakshmi	KLM Fashion Mall
7	3	17	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-19 pandemic in our country during the late March, 2020 is still alive in some form or the other. Despite the best efforts at all levels, it appears as if the said pandemic has made deep inroads in our life system. The pandemic has created snow-ball rolling effect on the global economy. Before, we could declare that the Covid -19 has been managed successfully, the deadly second wave engulfed one and all, indiscriminate of any age or any other criteria for that matter. While we are collectively and parallelly combating this pandemic, we are also slowly but steadily trying to recover and restore normalcy in our economy and also our lives. We have, to a certain extent, learned to adapt and align our work culture in tune with this Covid -19. Extracurricular activities and activities driven by rituals and traditions are being either avoided or restricted or deferred for the time being, thus adversely affecting our business. We, being an organized retailer, dealing extensively and intensively in textiles, have experienced our worst times. Customer's footfall reduced drastically during the FY 2020-21.

During first half of the current FY, we were mostly making stopgap arrangements vis a vis the ongoing tragedy. Further, we are also keeping our employees apprised of the developments in the Company and have been successful in retaining their confidence in the management. We reworked our strategies in order to tide over the catastrophic situation, prevailing then. Further, we have also aligned our internal policies in order to mitigate the impact of such calamities, in case we face such unforeseen contingencies anytime in future.

During the first quarter of the current FY (i.e., FY 2021-22), we could not sustain the momentum, primarily on account of pandemic which was at its historical peak across the country. Such uncertain devastating behaviors in the economy have made us rework our strategies. All said and done, in view of our past experience, as of now, it would be too early to commit anything as regards our future revenues or profitability.

However, your management is all geared up to face any challenge and overcome any contingency with absolute resilience. Hope, we find the light at the end of tunnel.

On the brighter note, your Board feels glad to inform that off late, especially during the recent festive season, the Company has made an excellent turnaround. We are confident of reporting healthy performance for the FY 2021-22.

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

Save and except the aforesaid, 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.

4. TRANSFER TO RESERVES:

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

5. NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the FY ended 31st March, 2021.

6. DIVIDEND:

As discussed elsewhere in this Report, your Company has been constantly expanding its operations and reach by opening new outlets under various brand names and formats. In view of the said, 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, 2021.

7. SHARE CAPITAL:

During the year under review, your company has issued and allotted 6,10,000 equity shares of Rs.10/- each at a price of Rs.100 per share (inclusive of Rs.90 per share towards premium) under Rights Issue, thereby raising the equity capital to Rs.24,06,45,880/- in order to meet the working capital requirements and capital expenditures.

8. BOARD MEETINGS:

The Board met 13 times during the Financial Year 2020-21 on the following dates:

25.05.2020, 14.07.2020, 10.08.2020, 04.09.2020, 28.09.2020, 23.10.2020, 20.11.2020, 16.12.2020, 19.01.2021, 03.02.2021, 26.02.2021, 05.03.2021 and 27.03.2021

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. 2020-21
Nagakanaka Durga Prasad Chalavadi	12/13
Annam Kalyana Srinivas	11/13
D K DurgaRao Chalavadi	10/13
Naveen Nandigam	5/13
Laxminivas Jaju	4/13
Sirisha Chinthapalli	4/13

9. 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	<ul style="list-style-type: none"> - Mr. Naveen Nandigam - Chairman - Mr. NagakanakaDurga Prasad Chalavadi - Mr. LaxminivasJaju
Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Mr. Naveen Nandigam- Chairman - Mr. LaxminivasJaju - Ms. SirishaChintapalli
Stakeholders Relationship Committee	<ul style="list-style-type: none"> - Mr. LaxminivasJaju- Chairman - Mr. Naveen Nandigam - Mr. NagakanakaDurga Prasad Chalavadi
Executive Management Committee	<ul style="list-style-type: none"> - Mr. NagakanakaDurga Prasad Chalavadi- Chairman - Mr. Ch D K DurgaRao - Mr. Annam KalyanaSrinivas
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> - Mr. Naveen Nandigam - Chairman - Mr. NagakanakaDurga Prasad Chalavadi - Mr. LaxminivasJaju

COMMITTEE MEETINGS:

Audit Committee:

The Committee met 4 times during the financial year under review i.e., on **25.05.2020, 04.09.2020, 16.12.2020 & 27.03.2021**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2020-21
Mr. Naveen Nandigam– Chairman	4/4
Mr. LaxminivasJaju	4/4
Mr. NagakanakaDurga Prasad Chalavadi	4/4

Nomination and Remuneration Committee:

The Committee met 3 times during the financial year under review i.e., on **25.05.2020, 16.12.2020 & 27.03.2021**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2020-21
Mr. Naveen Nandigam– Chairman	3/3
Mr. LaxminivasJaju	3/3
Mrs. SirishaChinthapalli	3/3

Stakeholders Relationship Committee

The Committee met 2 times during the financial year under review i.e., on **16.12.2020 & 27.03.2021.**

Attendance

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2020-21
Mr. LaxminivasJaju– Chairman	2/2
Mr. Naveen Nandigam	2/2
Mr. NagakanakaDurga Prasad Chalavadi	2/2

Executive Management Committee

The Committee met 1 time during the financial year under review i.e., on 25.05.2020

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2020-21
Mr.NagakanakaDurga Prasad Chalavadi- Chairman	1/1
Mr.DurgaRaoDoodeswara Kanaka Chalavadi	1/1
Mr. Annam Kalyana Srinivas	1/1

Corporate Social Responsibility Committee

The Committee met 2 times during the financial year under review i.e., on **14.07.2020 & 10.02.2021**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2020-21
Mr. Naveen Nandigam- Chairman	2/2
Mr. LaxminivasJaju	2/2
Mr. NagakanakaDurga Prasad Chalavadi	2/2

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Doodeswara Kanaka Durga Rao Chalavadi (DIN: 02689280) retired by rotation in the previous AGM held on 31.12.2020 and was reappointed thereat.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Annam Kalyan Srinivas (DIN: 02428313), 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 Directors were reappointed to their respective offices during the year under review:

Sl. No.	Name	Particulars
1.	Mr. NagakanakaDurga Prasad Chalvadi	reappointed to the office of Chairman and Managing Director for a period of 3 years effective 01.04.2021
2.	Mr. Annam Kalyana Srinivas	reappointed to the office of Whole Time Director for a period of 3 years effective 01.04.2021
3.	Mr. D K Durga Rao Chalavadi	reappointed to the office of Whole Time Director for a period of 3 years effective 01.04.2021

Apart from the aforesaid, there was no change in the office of Director / KMPs of the Company during the FY 2020-21.

11. DECLARATION BY INDEPENDENT DIRECTORS:

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

In compliance with schedule IV of the Companies Act, 2013 the Independent Directors held their meeting on 04.09.2020 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.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (3) (c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS:

a) STATUTORY AUDITORS

The shareholders in their meeting held on 30th September, 2017 appointed M/s. Kannegolla Krishna Rao & Co., Chartered Accountants, Eluru, (FRN: 001727S), as the Statutory Auditors of the Company for a period of 5 years i.e., till the conclusion of 14th Annual General Meeting. However, the said Auditors, vide their letter dated, 24.11.2020 have expressed their unwillingness to continue to hold their office for the remaining term of their tenure. In view of the said vacancy, the Board appointed M/s. Sagar & Associates, Chartered Accountants, Hyderabad as Statutory Auditors of the Company to hold the office from 25th November, 2021, until the conclusion of the 13th Annual General Meeting of the Company. The said appointment is subject to your approval. Further, it is also proposed to appoint M/s. Sagar & Associates to the office of Statutory Auditors for a period of 5 years. The Company has received consent to the said effect. Relevant resolutions form part of Notice attached hereto.

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.

With reference to the reported pending statutory dues, we would like to mention that the matter is self explanatory as referred at Note 38 of the Financial Statements attached herewith.

With reference to the reported theft of Company's cash by a security guard, we would like to mention that it was a stray incident that cannot be attributed to any specific reason. Necessary action was taken by the Company in the said matter. The same is also explained at Note No.45 of the Financial Statements attached herewith. Further, as a long term measure, all the existing systems were thoroughly reviewed in order to ascertain loopholes, if any and to ascertain the adequacy and strength thereof.

b) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, your Company has appointed LVNS 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, 2021 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 procedural without any malafide intention on the part of any one. We would ensure that such delays donot reoccur in future instances.

Further, as mentioned elsewhere in this Report, the Company undertook an “Ongoing Project” as part obligation under CSR, instead of spending the entire required amount in the FY itself.

d) COST RECORDS:

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

14. FIXED DEPOSITS:

The Company has neither accepted nor repaid any deposits during the financial year ended on 31.03.2021. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the financial year 2021. 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 / repaid to Directors during the FY ended 31st March, 2021 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, 2021
1.	Mr. NagakanakaDurga Prasad Chalavadi	(2,00,00,000)	18,73,448
2.	Mr. Krishna MurtyChalavadi	-	11,616

Further, written declarations received from Mr. NagakanakaDurga Prasad Chalavadiand and Mr. Krishna Murty Chalavadi havethat 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, are in place.

15. 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.

16. CORPORATE SOCIAL RESPONSIBILITY:

Its since ages that we have been undertaking CSR activities in different spheres, whether mandated by any law or not. It has been a volunteer endeavor on our part to do our bit to the society we live in. As far as FY 2020-21 is concerned, our entire focus was on combating the Covid 19 and helping the needy in whatever manner we could do. We undertook distribution of food packets for police personnel and frontline workers. We also helped people access medical facilities and get timely treatment. All this was done as a humanitarian gesture on our part, during the worst times in the history of mankind. Apart from the said, we also undertook various philanthropic activities, predominantly in the areas of Child Education 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 areas as per the contemporary needs of the society. While identifying such areas, it ensures that the same are in alignment with the Company's Policy in general. Further, the Committee also supervises the progress of CSR activities of the Company. During the Covid-19 period, it played instrumental role in providing charitable services.

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.89,14,870 towards CSR Activities.

During the financial year ended 31st March, 2021, your Company together with KALAMANDIR FOUNDATION spent a total amount of Rs .12,98,275. The primary reason for the said shortfall in spending is shift in the focus of the Company during the pandemic situation. The Company utilized its spending towards contemporary requirements, i.e., medical and food related needs of the people. The CSR Committee and the CSR Foundation were busy addressing issues which required immediate attention and action. Thus, though the Company took up various charitable activities of

mass help during the hours of crisis, the same cannot be categorized under the CSR spending in terms of Section 135 of the Companies Act, 2013. Thus, resulting in technical shortfall.

In order to compensate the said shortfall, the Company undertook an ongoing project for the remaining portion of its obligation. The Company opened a special account with SBI, Ammerpet Branch and transferred an amount of Rs.76.17 lacs pertaining to the said ongoing Project, to be spent in a phased manner as per the requirements of the project, as provided under Section 135 (6) of the Companies Act, 2013.

The Report on CSR activities for FY 2020-21 is appended to this Report as "Annexure III".

17. 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.

18. ANNUAL RETURN:

In accordance with section 134(3)(a) of the Companies Act 2013, a copy of Annual Return in the prescribed format i.e., Form MGT-7 along with attachments is placed on the website of the Company, <https://store.kalamandir.com/pub/media/porto/web/images/AnnualReturn2020-21.pdf>

19. 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, 2021.

However, all the related party transactions entered into during the financial year 2020-21 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.

20. 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.

21. 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, 2021 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.

22. 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.

23. 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.

The Board evaluated the performance of the managing Director / Whole Time Directors at the time of their reappointments.

24. 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 ***Annexure VII*** to this Report.

25. 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.

26. 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 2020-21, save and except an instance of cash theft as reported at para X in Annexure A to their Report.

27. ACKNOWLEDGEMENTS:

Your Board members extend their hearty appreciation for the sustained 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, who have provided their unflinching support during the tough times 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: 25.11.2021

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: 2020-21 (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: 25.11.2021**

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 /transaction s: 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

Sai Retail India Ltd (Enterprise over which Directors having significant influence)	Sub lease (Expenses)	5 years	Sub lease of premises, (Kismatpur @ Rs. 1,50,000 per month) from 1 st July 2020	25.05.2020	9,00,000
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 (Chairman & Managing Director)	Rent	5 years 5 years 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 3. Flat no:8 – Rs.40,000 per month from Feb 2021	20-04-2015 01.04.2014 Renewed on 14.03.2019 19.01.2021	6,00,000
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	Rent	5 years	Lease rentals for Office premises 1. Vizag – Rs. 60,000 per month 2. Rajahmundry–	27-03-2017	Nil

significant influence)			Rs. 25,000 per month		
Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Software & software maintenance services	3 years	Software licensing & servicing agreement Rs.18.5 lacs per month subject to maximum of 30 lacs per month.	04.09.2020	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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The CSR is being reported from 01 April, 2020 to 31 March, 2021.

1. 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. During the pandemic, the Company identified several areas for charitable services, especially food distribution and medical help.

Areas Identified for CSR activities:

The areas where the Company intends to focus its CSR activity are listed below. This is not an exhaustive 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 has been formed at Malls/ Stores/ Shopping Complexes and at Corporate and Registered Office to identify various projects / Programmes suitable as per the policy of the Company. These identified projects / Programmes are scrutinized by the CSR Committee and selected for implementation.

Monitoring:

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

2. Composition of the CSR Committee:

- Mr. Naveen Nandigam (Independent Director)
- Mr. Naga Kanaka Durga Prasad Chalavadi(Managing Director)
- Mr. LaxminivasJaju(Independent Director)

3. The web-link where composition of CSR Committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company:

weblink: <https://store.kalamandir.com/pub/media/porto/web/images/CSRPolySSKL.pdf>

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – (attach report): **Not applicable**
5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any : **Not applicable**
6. Average Net Profit of the Company as per Section 135 (5) of the Act : **Rs. 44,57,43,487**
7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act : **Rs. 89,14,870**

(b) Surplus arising out of the CSR projects or programmes

or activities of the previous financial years : Nil

(c) Amount required to be set-off for the financial year, if any : **Nil**

(d) Total CSR Obligation for the financial year (7a +7b -7c) : **Rs. 89,14,870**

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in Rupees)	Amount unspent (in Rupees)				
	Total amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under schedule vii as per the second provision of Section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs12,98,275	Rs 76,16,595		-	-	-

(b) Details of CSR amount spent against ongoing projects for the Financial year: NIL

S No	Name of the Project	Item from the List of Activities in Schedule vii to the Act	Local Area (Yes/No)	Location of the Project		Project Duration (inRs.)	Amount allocated for the Project	Amount transferr ed to unspent CSR Account for the Project
				State	Distri ct			
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

(c)Details of CSR amount spent against other than ongoing projects for the FY: Rs.12,98,275

Sl . No	Name of the Project	Item from the list of activitie s in schedul e VII to the Act.	Loca l area (Yes / No).	Location of the project		Amount spent for the project (in Rs.).	Mod e of impl ementati on - Dire ct (Yes /No) .	Mode of implementation - Through implementing agency.	
				Stat e	District			Name	CSR registra tion number.
1	Promoting Education	Child Educatio n	yes	Tela ngan a	Hydera bad	5,01,933	No	Kalam andir Found ation	CSR000 09299
2	Health, hygiene and safe drinking water	Health and Hygiene	yes	Tela ngan a	Hydera bad	1,74,892	No	Kalam andir Found ation	CSR000 09299
3	Poverty, Hunger, Malnutriti on	Poverty, Hunger, Malnutri tion	yes	Tela ngan a	Hydera bad	2,89,800	Yes	-	-
4	Poverty,	Poverty,	No	Andh	Guntur	233750	Yes	-	-

	Hunger, Malnutrition	Hunger, Malnutrition		ra Pradesh					
5	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	No	Tamil Nadu	Kanchi	22900	Yes	-	-
6	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	No	Karnataka	Marathahalli	75000	Yes	-	-

(d) Amount spent in administrative overheads : **Nil**

(e) Amount spent on impact assessment, if applicable: **Not applicable**

(f) Total amount spent for the financial year (8c+8d+8e) : **Rs. 12,98,275**

(g) Excess amount for set off, if any: **Nil**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

FY 2018-19 : Nil

FY 2019-20 : Nil

FY 2020-21 : Rs 76,16,595

(b) Details of CSR amount spent in the financial year for ongoing projects

of the preceding financial year(s) : **Nil**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not applicable**

11. **Specify the reason (s), if the Company has failed to spend two percent of the average net profit as per Section. 135(5) :**

The primary reason for the said shortfall in spending is shift in the focus of the Company during the pandemic situation. The Company utilized its spending towards contemporary requirements, i.e., medical and food related needs of the people. The CSR Committee and the CSR Foundation were busy addressing issues which required immediate attention and action. Thus, though the Company took up various charitable activities of mass help during the hours of crisis, the same cannot be categorized under the CSR spending in terms of Section 135 of the Companies Act, 2013. Thus, resulting in technical shortfall.

In order to compensate the said shortfall, the Company undertook an ongoing project for the remaining portion of its obligation. The Company opened a special account with SBI,

Ammerpet Branch and transferred an amount of Rs.76.17 lacs pertaining to the said ongoing Project, to be spent in a phased manner as per the requirements of the project, as provided under Section 135 (6) of the Companies Act, 2013.

For and on behalf of the Board of Directors

Naga Kanaka DurgaPrasadChalavadi
Chairman and Managing Director
(DIN: 01929166)

Place: Hyderabad

Date: 25.11.2021

Naveen Nandigam
Chairman CSR Committee
(DIN: 02726620)

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2021

[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, 2021 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:

I 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, 2021, 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, the Company undertook an “Ongoing Project” as part of its CSR activities pertaining to FY 2020-21, instead of spending the required CSR amount during the said Financial Year itself.
- 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.

The Company had to temporarily suspend its business operations, during the period commencing April, 2020 which continued till late May, 2020 in view of the Covid 19 induced Lockdown in the country.

Further, attention is drawn to Notes to Financial Statements, which describes the management assessment of the impact of Covid -19 pandemic.

**For Kasat & Associates
Company Secretaries**

**Anand Kumar C. Kasat
Proprietor
M.No. 11175
C.P. No: 17420**

UDIN: F011175C001537986

Place: Hyderabad

Date: 25th November, 2021

[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.

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.
2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
4. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
5. I believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. I have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

8. 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.

9. The Secretarial Audit period, (i.e., FY 2020-21), was mostly under the impact of Covid-19. Further, during the later part of the quarter ended 31st March, 2021, the said pandemic hit more furiously and continued to wreak havoc till recently, thus forcing me to redesign my audit programme and approach. Further, for verification of documents and cross checks, as required, I had to rely on the management representations and assurances, wherever required, for forming my opinion and reporting.

**For Kasat & Associates
Company Secretaries**

**Anand Kumar C. Kasat
Proprietor
M.No. 11175
C.P. No: 17420**

UDIN: F011175C001537986

Place: Hyderabad

Date: 25th November, 2021

Policy for selection of Directors and determining Directors Independence

1. Introduction:

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

2. Scope:

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

3. Terms and References:

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

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

4. Policy:

4.1 Qualifications and Criteria

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

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

- General understanding of the Company’s business perspective;
- Educational and professional background

- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

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

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

4.2 Criteria of Independence

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

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

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- c. who has or had no pecuniary relationship with the Company, its Holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or

fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

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

4.3 Other directorships / committee memberships

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

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

For and on behalf of the Board of Directors

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

**Place: Hyderabad
Date: 25.11.2021**

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 longterm 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: 25.11.2021

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

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

Place: Hyderabad
Date: 25.11.2021

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 2021, the Statement of Profit & Loss and the Cash Flow Statement 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, 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.



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

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.

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 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
 - (i) planning the scope of our audit work and in evaluating the results of our work; and
 - (ii) to evaluate the effect of any identified misstatements in the financial statements.
7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure - A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
- 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 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
FRN: 001727S


CA. Krishna Rao Kannegolla
(Partner)
Membership No. 015053



Place: Hyderabad
Date: 05th Jul 2021

UDIN: 21015053 AA AAVI 717

KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



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cakatya1122@gmail.com

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial Statements as at March 31st, 2021, we report that:

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

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 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.
- 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)

- The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- 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.
- 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) 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. Therefore paragraph 3 (iii) of the order is not applicable.

(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, the company has generally been regular in depositing undisputed statutory dues including Income-tax, Tax deducted at source, Goods and service tax, Employee State Insurance, Professional Tax and other material statutory dues applicable to it, 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 2021 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 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. the Company doesn't have any loans or borrowing from Government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has received loans from Banks during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company. But on the Company, it was noticed that a security guard has stolen the cash an amount of Rs. 8,95,000/- and reported the same at Kukatpalli, Cyberabad police station. This fact was clearly disclosed by the company in its financials under note no. 45.



- (xi) According to the information and explanations given 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. But the company has issued 6,10,000 shares having face value of Rs. 10/- per share under rights issue at the price of Rs. 100/- per share.
- (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
FRN: 001727S

CA. Krishna Rao Kannegolla
(Partner)
Membership No. 015053



Place: Hyderabad
Date: 05th Jul 2021

UDIN: 21015053AAAAV1717



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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 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kannegolla Krishna Rao & Co.,
Chartered Accountants
FRN: 001727S



CA. Krishna Rao Kannegolla
(Partner)
Membership No. 015053

Place: Hyderabad
Date: 05th Jul 2021

UDIN: 21015053AAAAAVI717.

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-2021

(Amount INR)

Particulars	Note No.	As At 31.03.2021	As At 31.03.2020
A Equity and Liabilities:			
Shareholders' funds			
Share capital	1	24,06,45,880	23,45,45,880
Reserves and Surplus	2	2,25,64,42,559	2,11,52,26,100
Money received against share warrants			
Share application money pending allotment	3	-	-
Non-current liabilities			
Long-term borrowings	4	57,35,57,940	34,58,35,470
Deferred tax liabilities (net)		16,79,63,152	15,40,91,794
Other long-term liabilities	5	55,14,729	50,49,919
Long-term provisions	6	2,99,93,943	2,98,81,165
Current liabilities			
Short-term borrowings	7	1,39,56,49,298	1,18,03,48,838
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,07,59,87,804	1,70,06,17,444
Other current liabilities	9	35,81,97,734	47,88,35,171
Short-term provisions	10	1,94,45,036	4,91,10,975
TOTAL		6,12,33,98,074	6,29,35,42,755
B Assets:			
Non-current assets			
Property, Plant and Equipment	11		
Tangible assets		1,58,72,54,448	1,71,79,23,385
Intangible assets		9,76,01,057	11,93,81,628
Capital work-in-progress		2,11,90,498	-
Intangible assets under development		-	-
Non-Current Investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	12	3,41,80,059	1,92,75,830
Other Non-Current Assets	13	47,54,19,352	33,22,80,881
Current assets			
Current investments		-	-
Inventories	14	3,66,96,78,640	3,71,51,43,723
Trade receivables	15	3,43,20,340	1,69,24,620
Cash and Bank Balances	16	3,15,84,215	18,07,45,084
Short-term loans and advances	17	17,10,49,006	18,25,82,218
Other Current Assets	18	11,20,460	92,85,387
TOTAL		6,12,33,98,074	6,29,35,42,755

Other relevant Notes to Financial Statements

26 to 46

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

For 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. Krishna Rao Kannegolla

Partner - UDIN- 21015053AAAAAVI117

Membership No. 015053

P. No. 001727S

Place: Hyderabad

Date: 5th Jul, 2021

Ramakrishna Oruganti

Chief Financial Officer

M K Bhaskara Teja

Company Secretary

Statement of Profit and Loss for the year ended 31-Mar-2021

		(Amount INR)	
Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
A Continuing Operations:			
I Revenue from operations	19	6,77,24,76,299	11,75,56,00,944
II Other income	25	1,32,02,030	2,79,19,616
III Total Revenue (I + II)		6,78,56,78,328	11,78,35,20,561
IV Expenses			
Cost of materials consumed		-	-
Purchases of stock-in-trade	20	4,45,15,97,816	8,73,46,18,685
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	1,68,34,483	(27,40,08,382)
Employee benefits expense	22	86,24,37,193	1,06,83,48,532
Finance Costs	24	24,06,95,725	26,93,66,781
Depreciation and amortisation expense	11	18,66,10,189	15,79,03,997
Other expenses	23	90,76,56,624	1,24,68,92,432
Total Expenses		6,66,58,32,030	11,20,31,22,046
V Profit / (Loss) before exceptional & extraordinary items and tax (III - IV)		11,98,46,298	58,03,98,515
VI Exceptional items		-	-
VII Profit / (Loss) before extraordinary items and tax (V - VI)		11,98,46,298	58,03,98,515
VIII Extraordinary items		-	-
IX Profit / (Loss) before tax (VII - VIII)		11,98,46,298	58,03,98,515
X Tax expense:		3,35,29,839	12,45,43,081
Provision for Income Tax			
Income Tax			
Current tax		1,96,47,670	12,23,90,150
Less: MAT credit entitlement		-	-
Net current tax		1,96,47,670	12,23,90,150
Previous Year Tax		10,811	-
Deferred Tax		1,38,71,358	21,52,931
XI Profit/(Loss) from continuing operations (IX - X)		8,63,16,459	45,58,55,435
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)		8,63,16,459	45,58,55,435
XVI Earnings per equity share:			
- Basic (Face Value Rs. 10 per share)		3.66	19.44
- Diluted (Face Value Rs. 10 per share)		3.66	19.44
Other relevant Notes to Financial Statements	26 to 46		

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

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

For and on behalf of the board

CA. Krishna Rao Kannegolla
Partner - DIN - 21015053AAAAV1717
Membership No. 015053
F. No. 001727S

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

Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

Place: Hyderabad
Date: 5th Jul, 2021

Ramakrishna Oruganti
Chief Financial Officer

M K Bhaskara Teja
Company Secretary

Sai Silks (Kalamandir) Limited

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

Cash Flow Statement for the year ended 31-Mar-2021

(Amount INR)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A. Cash flow from Operating activities		
Net Profit before tax as per Profit and loss account	11,98,46,298	58,03,98,515
Adjustments		
(Profit) / Loss on sale of fixed assets (net)	89,600	1,55,983
Depreciation and Amortisation Expense	18,66,10,189	15,79,03,997
Preliminary Expenditure Written Off	-	2,95,000
Interest Income	(38,41,585)	(56,14,844)
Other Income	(99,79,111)	(2,09,72,674)
Finance Costs	24,06,95,725	26,93,66,781
Effect on Exchange Rate Change	5,29,065	(14,88,081)
	53,39,50,182	98,00,44,676
(Increase)/Decrease in Trade and Other Receivables	(1,73,95,720)	4,23,99,941
(Increase)/Decrease in Inventories	4,54,65,083	(30,40,91,582)
Changes in Short Term Loans & Advances	1,15,33,212	1,05,89,200
Changes in Other Current Assets	81,64,927	61,49,617
Increase/(Decrease) in Trade Payables	(62,46,29,640)	28,06,65,355
Increase/(Decrease) in Other Current Liabilities	(12,06,37,437)	4,42,20,993
Increase/(Decrease) in Short Term Provisions	1,18,534	3,08,974
Cash generated from Operations	(16,34,30,858)	1,06,02,87,175
Direct Taxes paid	(4,94,42,954)	(23,42,70,039)
Net Cash from Operating activities	(21,28,73,812)	82,60,17,136
B. Cash flow from Investing Activities		
(Purchase) / Sale of Fixed Assets (Net)	(3,42,50,281)	(47,40,87,406)
Capital Work-in-progress	(2,11,90,498)	-
Changes in Long Term Loans & Advances	(1,49,04,229)	57,30,980
Changes in Other Non Current Assets	(14,31,38,471)	(10,93,19,240)
Increase/(Decrease) in Other Long Term Liabilities	4,64,810	37,40,639
Increase/(Decrease) in Long Term Provisions	1,12,778	32,61,470
Interest Income	38,41,585	56,14,844
Other Income	99,79,111	2,09,72,674
Cash flow before exceptional items	(19,90,85,196)	(54,40,86,038)
Exceptional Items	-	-
Net Cash from Investment Activities	(19,90,85,196)	(54,40,86,038)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	6,10,00,000	-
Proceeds / (Repayment) from Long Term Borrowings	22,77,22,470	(5,77,76,887)
Proceeds / (Repayment) from Short Term Borrowings	21,53,00,460	11,69,500
Finance Costs	(24,06,95,725)	(26,04,33,002)
Effect on Exchange Rate Change	(5,29,065)	14,88,081
Net cash used in financing activities	26,27,98,139	(31,55,52,309)
Net (Decrease) / Increase in cash and cash equivalents	(14,91,60,869)	(3,36,21,212)
Cash and cash equivalents at the beginning of the year	18,07,45,084	21,43,66,295
Cash and Cash equivalents at the end of the year	3,15,84,215	18,07,45,084

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 on Cash Flow Statements notified under section 133 of the Companies Act, 2013.

Approved by audit report of even date

For Kannegolla Krishna Rao & Co.,

Chartered Accountants

Chartered

Accountants

CA. Krishna Rao Kannegolla

Partner - DIN - 21015053AAAAA V1717

Membership No. 015053

F. No. 001727S

Place: Hyderabad

Date: 5th Jul, 2021

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

Ramakrishna Oruganti

Chief Financial Officer

M K Bhaskara Teja

Company Secretary

Sai Silks (Kalamandir) Limited

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

Notes forming part of Financial Statements As At 31-Mar-2021**Note 1 Share Capital**

(Amount INR)

S. No	Particulars	As At 31.03.2021		As At 31.03.2020	
		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	2,40,64,588	24,06,45,880	2,34,54,588	23,45,45,880
	Total	2,40,64,588	24,06,45,880	2,34,54,588	23,45,45,880

(a) Reconciliation of number of shares:

S.No.	Particulars	As At 31.03.2021		As At 31.03.2020	
		Number	Amount	Number	Amount
1	Equity Shares outstanding at the beginning of the year	2,34,54,588	23,45,45,880	2,34,54,588	23,45,45,880
2	Equity Shares Issued during the year	6,10,000	61,00,000		
3	Equity Shares bought back during the year				
4	Equity Shares outstanding at the end of the year	2,40,64,588	24,06,45,880	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 31.03.2021		As At 31.03.2020	
		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	71,07,600	29.54%	64,97,600	27.70%
2	Chalavadi Jhansi Rani	53,60,088	22.27%	53,60,088	22.85%
3	Perumalla Dhanalakshmi	29,31,900	12.18%	29,31,900	12.50%
4	Chalavadi Devamani	22,24,200	9.24%	22,24,200	9.48%
5	Chalavadi D K Durga Rao	16,16,500	6.72%	16,16,500	6.89%
6	Annam Kalyan Srinivas	15,15,400	6.30%	15,15,400	6.46%
7	Rupamani Nagakanakadurgasri Harshada C	25,00,000	10.39%	25,00,000	10.66%

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

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




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

(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 other than 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-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
2	Note: Reserves and Surplus		
	Securities Premium Account		
	As per last Balance Sheet	28,86,62,920	28,86,62,920
	(+) Additions during the year on account of shares issued during the year	5,49,00,000	-
	Closing Balance	34,35,62,920	28,86,62,920
	Profit and Loss Account		
	As per last Balance Sheet	1,82,65,63,180	1,37,07,07,746
	(+) Net Profit for the current year	8,63,16,459	45,58,55,435
	(+) Transfer from Reserves		
	(-) Net Loss for the current year		
	(-) Proposed Dividends		
	(-) Interim Dividends		
	Closing Balance	1,91,28,79,639	1,82,65,63,180
	Total	2,25,64,42,559	2,11,52,26,100
3	Share Application money pending allotment	-	-





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-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
4	Note: Long Term Borrowings		
	Secured		
	Term Loans from Banks *		
	Total Outstanding of Term Liabilities	73,51,50,116	41,87,10,771
	Less: Current meturities of which shown seperately in note no. 9	(19,22,72,546)	(10,69,38,869)
	Long Term Portion of Term Liabilities - A	54,28,77,570	31,17,71,902
	Vehicle Loans from Banks #		
	Total Outstanding of Vehicle Loans	4,14,45,462	4,78,96,158
	Less: Current meturities of which shown seperately in note no. 9	(1,07,65,092)	(1,38,32,590)
	Long Term Portion of Vehicle Loans - B	3,06,80,370	3,40,63,568
	Total (A + B)	57,35,57,940	34,58,35,470

* 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

Other Liabilities pertains to:

Trade / Security amounts Received

55,14,729	50,49,919
55,14,729	50,49,919

6 Note: Long Term Provisions

Provisions for Employee Benefits *

1,98,59,943 1,87,42,165

Provisions for Taxes (previous Years)

- -

Provisions - Others**

1,01,34,000 1,11,39,000

2,99,93,943 2,98,81,165

* 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

1,39,37,64,234 1,15,84,63,774

Loans repayable on demand from Others

- -

Working Capital Loans from Banks

- -

Unsecured

Loans from Related Parties **

18,85,064 2,18,85,064

Other Loans and Advances

- -

Deposits

- -

Other Loans & Advances

- -

1,39,56,49,298 1,18,03,48,838

** Loans from Related Parties consists of

S.No.	Name of the Related Party	As At 31.03.2021	As At 31.03.2020
1	Chalavadi Naga Kanaka Durga Prasad	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 and conditions:

Terms & Conditions

Rate of Interest

Particulars

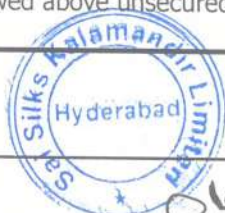
Nil

Security

Unsecured

Terms of Repayment

Repayable on Demand



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-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
----------	-------------	------------------	------------------

8 Note: Trade Payables

Total outstanding dues of micro enterprises and small enterprises *	-	-
Dues to Others	1,07,59,87,804	1,70,06,17,444
	1,07,59,87,804	1,70,06,17,444

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

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

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

9 Note: Other Current Liabilities

Current Maturities of Long Term Debt (Secured)

Termloans from Banks*	19,22,72,546	10,69,38,869
Vehicle Loans from Banks#	1,07,65,092	1,38,32,590
Finance Lease	-	-
Interest Accrued & Due on Loans	-	-
Interest Accrued & But not Due on Loans	-	89,33,779
Advances received from Customers	1,61,51,216	1,43,85,959
Other Payables ~	13,90,08,880	33,47,43,974
	35,81,97,734	47,88,35,171

* 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).

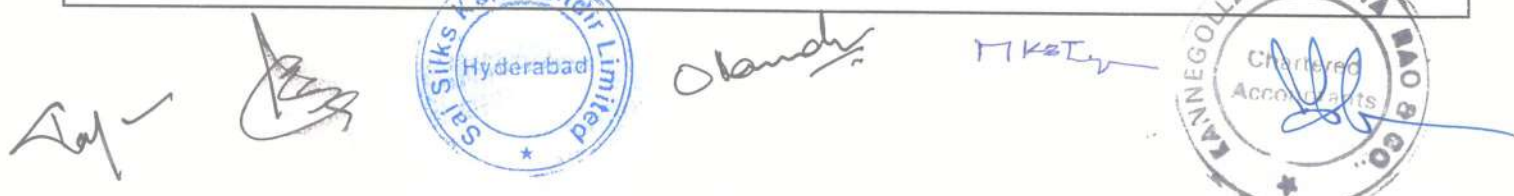
~ Other Payables include

Statutory Liabilities	1,34,16,809	1,13,67,278
Otherthan Statutory Liabilities	12,55,92,071	32,33,76,696

10 Note: Short Term Provisions

Provisions for Employee Benefits		
Provision for Gratuity*	18,87,601	17,69,067
Provisions - Others:		
Provision for Taxes	1,75,57,435	4,73,41,908
	1,94,45,036	4,91,10,975

* Provisions for Employee Benefits comprises "Provision for Gratuity " which is based on Actuarial Valuation as detailed in Note no. 28.



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-2021
Note 11 Property, Plant and Equipment

(Amount INR)

S. No.	Particulars	Gross Block							Other Adj.	Balance As At 31.03.2021
		Balance As At 01.04.2020	Additions	Disposals	Acquisitions through business combination	Reclassified as held for sale	Revaluation increase	Effect of foreign exchange difference		
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	26,91,86,140	30,98,287	-	-	-	-	-	-	-	27,22,84,427
Taken under finance lease	-	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-	-
(b) Plant & Machinery										
Owned	36,03,11,600	23,73,312	-	-	-	-	-	-	-	36,26,84,912
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	6,74,20,189	57,92,474	-	-	-	-	-	-	-	7,32,12,662
Taken under finance lease	-	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-	-
(e) Furniture and Fixtures										
Owned	1,39,20,28,759	1,79,05,068	-	-	-	-	-	-	-	1,40,99,33,827
Taken under finance lease	-	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-	-
(f) Vehicles										
Owned	11,05,73,215	98,06,451	1,24,93,882	-	-	-	-	-	-	10,78,85,785
Taken under finance lease	-	-	-	-	-	-	-	-	-	-
Given under operating lease	-	-	-	-	-	-	-	-	-	-
Total (A)	2,31,43,03,567	3,89,75,591	1,24,93,882	-	-	-	-	-	-	2,34,07,85,276
Previous Year	(1,84,26,06,530)	(47,43,61,907)	(26,64,870)	-	-	-	-	-	-	(2,31,43,03,567)
B Intangible assets										
Computer Software	1,40,22,188	22,380	-	-	-	-	-	-	-	1,40,44,568
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	22,380	-	-	-	-	-	-	-	22,29,37,474
Previous Year	(22,29,15,094)	-	-	-	-	-	-	-	-	(22,29,15,094)
Grand Total (A + B)	2,53,72,18,661	3,89,97,971	1,24,93,882	-	-	-	-	-	-	2,56,37,22,750



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S. No.	Particulars	Accumulated depreciation and impairment							Net block	
		Balance As At 01.04.2020	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as 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 31.03.2021	Balance As At 31.03.2020
		11	12	13	14	15	16	17	18=sum(11:17)	20= (1 - 11)
A Tangible assets :										
(a)	Civil Works									
	Owned	2,82,59,731	58,07,410	-	-	-	-	-	23,82,17,286	24,09,26,410
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
(b)	Plant & Machinery									
	Owned	8,47,61,406	2,23,26,341	-	-	-	-	-	25,55,97,164	27,55,50,194
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
(c)	Wind Mill									
	Owned	4,38,01,777	49,53,483	-	-	-	-	-	6,60,28,403	7,09,81,886
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
	Computers & Peripherals									
	Owned	4,52,10,412	1,12,65,052	-	-	-	-	-	5,64,75,464	2,22,09,777
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
(e)	Furniture and Fixtures									
	Owned	35,78,62,681	10,80,59,908	-	-	-	-	-	94,40,11,238	1,03,41,66,078
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
(f)	Vehicles									
	Owned	3,64,84,175	1,23,95,045	76,56,592	-	-	-	-	6,66,63,157	7,40,89,041
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Given under operating lease	-	-	-	-	-	-	-	-	-
	Total (A)	59,63,80,182	16,48,07,238	76,56,592	-	-	-	-	75,35,30,828	1,58,72,54,448
	Previous Year	(46,29,45,594)	(13,56,68,974)	(22,34,386)	-	-	-	-	(59,63,80,182)	(1,37,96,60,936)
B Intangible assets										
	Computer Software	98,95,339	9,25,045	-	-	-	-	-	32,24,183	41,26,849
	Brand (Kalamandir)	9,31,35,799	2,06,77,960	-	-	-	-	-	9,30,79,147	11,37,57,107
	Brand (KLM Fashions)	5,02,328	1,99,945	-	-	-	-	-	7,02,273	14,97,672
	Total (B)	10,35,33,466	2,18,02,951	-	-	-	-	-	12,53,36,417	11,93,81,628
	Previous Year	(8,12,98,444)	(2,22,35,022)	-	-	-	-	-	(10,35,33,466)	(14,16,16,650)
C Capital Work in Progress										
	Grand Total (A + B + C)	69,99,13,648	18,66,10,189	76,56,592	-	-	-	-	87,88,67,245	1,88,73,05,012



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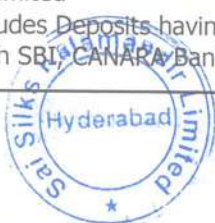
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Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016

Notes forming part of Financial Statements As At 31-Mar-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
12	Note: Long Term Loans & Advances		
	(a) Capital Advances		
	Secured, considered good	-	-
	Unsecured, considered good	3,41,80,059	1,92,75,830
	Doubtful	-	-
	(b) Security Deposits	-	-
	(c) Loans & Advances to related parties	-	-
	(d) Loans & Advances to Employees	-	-
	(e) Prepaid Expenses	-	-
	(f) Advance Income Tax/TDS (Unsecured, Considered good)	-	-
	(g) MAT Credit Entitlement	-	-
	(h) Balances with Government Authorities	-	-
	(i) Other Loans & Advances		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	(j) Doubtful	-	-
		3,41,80,059	1,92,75,830
	Less: Provision for other doubtful loans & advances		
		3,41,80,059	1,92,75,830
	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	-	-
	(c) Accruals	-	-
	(d) Other Non-current Assets		
	Electricity Deposits	1,97,13,587	1,97,13,587
	Rent Deposit*	26,98,45,824	26,49,10,324
	Telephone Deposit	34,335	34,335
	In Deposit Accounts^	18,56,01,106	4,74,05,635
	Other Deposits	2,24,500	2,17,000
		47,54,19,352	33,22,80,881
	* Rent Deposit Includes:		
	- Deposit to SSS Marketing	12,00,000	12,00,000
	- CH N K D Prasad	6,00,000	3,60,000
	- CH Jahnsi Rani	2,40,000	2,40,000
	- Sai Retail India Limited	9,00,000	-

^ Deposit accounts includes Deposits having original maturity greater than one year held as collateral security against borrowings with SBI, CANARA Bank and HDFC Bank.



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-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
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) *	3,66,82,26,040	3,68,50,60,523	
Goods-in-transit	-	-	-
(e) Stores and spares	-	-	-
Goods-in-transit	-	-	-
(f) Loose tools	-	-	-
Goods-in-transit	-	-	-
(g) Packing Material	14,52,600	3,00,83,200	
Goods-in-transit	-	-	-
	3,66,96,78,640	3,71,51,43,723	
* 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	3,43,20,340	1,69,24,620	
Doubtful	-	-	-
	3,43,20,340	1,69,24,620	
Less: Provision for doubtful trade receivables	-	-	-
	3,43,20,340	1,69,24,620	
* 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	1,72,99,445	10,18,73,397	
(ii) Cheques, drafts on hand	-	-	-
(iii) Cash on hand	1,42,84,769	7,88,71,687	
(b) Other Bank balances	-	-	-
In Deposit Accounts	-	-	-
	3,15,84,215	18,07,45,084	



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-2021

Note No.	Particulars	As At 31.03.2021	As At 31.03.2020
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	5,50,25,357	4,49,64,288
	Doubtful	-	-
	(d) Prepaid expenses - Unsecured, considered good *	1,34,87,029	1,02,22,102
	(e) Balances with government authorities		
	Unsecured, considered good		
	GST Credit	7,44,46,406	10,67,78,053
	(f) Inter-corporate deposits	-	-
	MAT Credit entitlement - Unsecured, considered good	-	-
	(h) Advance to Suppliers	2,80,90,214	2,06,17,775
	(i) Other Loans & Advances		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Doubtful	-	-
		<u>17,10,49,006</u>	<u>18,25,82,218</u>
	Less: Provision for other doubtful loans and advances	-	-
		<u>17,10,49,006</u>	<u>18,25,82,218</u>
	* "Prepaid Expenses" pertains to Insurance Premium, Annual Maintenance Contracts.		
18	Note: Other Current Assets		
	(a) Unbilled revenue	-	-
	(b) Unamortised expenses	-	-
	(c) Accruals	-	-
	(d) Other Current Assets *	11,20,460	92,85,387
		<u>11,20,460</u>	<u>92,85,387</u>
	* Other Current Assets include		
	Interest Accrued But Not due on FDs	11,20,460	1,64,853
	Discount Receivable	-	91,20,534
	Rental Debtors	-	-



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-2021

Note No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
19	Note: Revenue from Operations		
	Sale of products		
	Domestic	6,77,14,71,299	11,75,45,95,944
	- Sales through Showrooms	6,71,03,35,047	11,74,68,58,750
	- Sales through Online OMNI Channel	62,13,211	77,37,194
	- Sales through Online E-Com Channel	5,49,23,041	-
	Export	-	-
	Other operating revenues	10,05,000	10,05,000
		6,77,24,76,299	11,75,56,00,944
	Sales of traded goods under broad heads:		
	Description	For the year ended 31.03.2021	For the year ended 31.03.2020
	Sarees and other textiles products	6,77,14,71,299	11,75,45,95,944
	Others	-	-
	Total	6,77,14,71,299	11,75,45,95,944
20	Note: Purchases		
	Purchases	4,45,08,90,990	8,73,32,94,025
	Less : Discount / Rate Difference	1,500	24,338
		4,45,08,89,490	8,73,32,69,686
	Add : Carriage-in-wards	7,08,326	13,48,999
		4,45,15,97,816	8,73,46,18,685
	Purchases of traded goods under broad heads:		
	Description		
	Sarees and other textiles products	4,45,08,89,490	8,73,32,69,686
	Others	-	-
	Total	4,45,08,89,490	8,73,32,69,686
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)	3,66,82,26,040	3,68,50,60,523
	Work-in-progress		
	Stock-in-trade		
		3,66,82,26,040	3,68,50,60,523
	<u>Inventories at the beginning 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		
	Packing Matrial		
		3,68,50,60,523	3,41,10,52,141
	Net increase / (decrease)	(1,68,34,483)	27,40,08,382

Net increase / (decrease)



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-2021

Note No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
22	Note: Employee Benefit Expenses		
	Salaries and wages	79,61,10,541	95,82,12,946
	Directors Remuneration	1,61,78,710	2,17,82,258
	Staff Bonus	2,72,69,273	3,99,10,646
	Staff welfare expenses	1,73,65,068	3,65,34,361
	Contribution to provident and other funds *	42,77,289	73,32,877
	Prov. for Gratuity	12,36,312	45,75,444
		86,24,37,193	1,06,83,48,532
	* includes contribution to Employee provident fund, Employee State Insurance Scheme		
23	Note: Other Expenses		
	<u>Administration Expenses</u>		
	Audit Fee	3,00,000	1,00,000
	Directors Sitting Fee	1,80,000	1,80,000
	Rent	25,74,41,619	30,01,49,992
	Rent cum Commission	51,13,710	73,00,000
	Electrical Charges	10,95,19,275	15,51,57,930
	Insurance	1,40,99,874	1,37,43,352
	Professional Charges	3,75,02,200	5,15,02,183
	Security Charges	1,28,57,982	2,36,33,072
	Printing, Postage & Stationery	48,17,270	90,16,013
	Telephone & Internet Charges	54,55,890	49,68,521
	Travelling Expenses	46,39,314	1,02,44,951
	Computer Software Maintenance	71,39,799	22,72,252
	Conveyance	1,55,52,654	1,75,50,542
	Festival & Functional Expenses	14,07,151	46,98,310
	Generator maintenance	36,40,836	49,77,023
	Office & Stores Maintenance	5,09,68,787	8,11,15,293
	Repairs & Maintenance	18,40,00,533	12,66,21,449
	Subscription	2,44,256	36,823
	Rates & Taxes	1,31,58,266	2,22,88,722
	Vehicle Maintenance / Repairs	24,11,972	29,01,986
	<u>Selling & Distribution Expenses</u>		
	Advertisement	8,71,82,103	27,61,01,411
	Business Promotion	2,28,08,997	2,15,43,992
	Packing Material	6,27,64,382	9,17,12,827
	Alteration, Rolling & Polishing Charges	31,51,475	79,99,437
	CSR Expenditure	12,98,275	1,07,81,352
	Amalgamation Expenses Written Off	-	2,95,000
		90,76,56,624	1,24,68,92,432



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-2021

Note No.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
24	Note: Finance Costs		
	Interest Expense		
	Interest on WC & TL	18,10,94,162	17,70,10,326
	Interest on Others *	1,01,17,893	71,10,832
	Interest on TDS & Income Tax	1,23,06,311	2,17,02,983
	Other Borrowing Costs:		
	Loan Processing Charges	60,49,066	43,45,492
	Bank Charges (Incl Cash Pickup & CC Swiping Charges)	3,11,28,293	5,91,97,148
		24,06,95,725	26,93,66,781
	* "Interest on Others" include Interest on Vehicle Loans, Trade deposits and Hire purchase		
25	Note: Other Income		
	Interest from Deposits	38,41,585	56,14,844
	<u>Other Non-Operating Income:</u>		
	Rent Received	99,79,111	1,15,39,462
	Other Incomes	-	94,33,212
	Forex Gain / (Loss)*	(5,29,065)	14,88,081
	Profit / Loss on Sale of Fixed Assets	(89,600)	(1,55,983)
		1,32,02,030	2,79,19,616

*Forex Gain / (Loss) is arrived by year-ending valuation of advances made in foreign currency as per AS-11.

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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2021

Note No.	Particulars	FY 2020-21	FY 2019-20
26	Note: Auditors Remuneration		
	Payments to Auditors comprises:		
	As Auditors - Statutory Audit	2,25,000	75,000
	For taxation matters	75,000	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	1,41,82,513	17,87,361
	DTA Provision for the period on Gratuity	3,11,155	(3,65,569)
	Total Deferred Prov. For the period	1,38,71,358	21,52,931

28 Note: Retirement Benifits :

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 2020-21	FY 2019-20
Opening defined benefit obligation	2,05,11,233	1,59,35,788
Current services cost	32,35,962	35,88,258
Interest cost	13,86,559	12,19,088
Benefits paid		-
Actuarial (gains)/losses on obligation	(33,86,210)	(2,31,901)
Closing defined benefit obligation	2,17,47,544	2,05,11,233
GRATUITY LIABILITY		
Short Term Liability	18,87,601	17,69,068
Long Term Liability	1,98,59,943	1,87,42,165
TOTAL NET LIABILITY	2,17,47,544	2,05,11,233

Assumptions :

Date of Valuation	31.03.2021	31.03.2020
Normal Retirement age	60 years	60 years
Salary Growth Rate (Per Annum)	4.00%	4.00%
Discount Rate (Per Annum)	6.92%	6.76%
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	12.06 Years	12.21 Years



Sai Silks (Kalamandir) Limited**Notes forming part of Financial Statements As At 31-Mar-2021****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.

Every 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. But during the FY 2020-21, due to the impact of COVID-19 the company has undertaken only a little. The details are as follows.

Particulars	FY 2020-21
Average Profits for the last 3 Years	44,57,43,487
2% of Average required to be spent	89,14,870
Amount Spent by the Company during the Year for CSR	12,98,275
Excess / (Short) Spent	(76,16,595)

Track of Previous Years:

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Average Profits for the last 3 Years	32,80,42,285	22,90,52,231	18,87,45,271
2% of Average required to be spent	65,60,846	45,81,045	37,74,905
Amount Spent by the Company during the Year for CSR	1,07,81,352	1,21,56,737	78,14,181
Excess / (Short) Spent	42,20,506	75,75,692	40,39,276

During the FY 2020-21, we have spent lesser amount than required by the statute due to the Difficulties faced because of COVID-19 Pandemic. But as per our previous years track, the company spent more on CSR expenditure than what the statute specified as detailed above.



Sai Silks (Kalamandir) Limited

Notes forming part of Financial Statements As At 31-Mar-2021

Note Nr 30 Related Party Disclosures

S.No.	Name of the Related Party	Nature of Relationship
1	Naga Kanaka Durga Prasad Chalavadi	MD & Whole Time Director
2	Kalyana Srinivas Annam	Executive Director
3	Doondeswara Kanaka Durga Rao Chalavadi	Executive Director
4	Rama Krishna Oruganti	Key Managerial Personnel (CFO)
5	Koti Bhaskara Teja Matte	Key Managerial Personnel (CS)
6	Naveen Nandigam	Non Executive / Independent Director
7	Sirisha Chintapalli	Non Executive / Independent Director
8	Laxminivas Jaju	Non Executive / Independent Director
9	Jhansi Rani Chalavadi	Relative of Director
10	Venkata Rajesh Annam	Relative of Director
11	Sowjanya Annam	Relative of Director
12	Suchitra Annam	Relative of Director
13	Mohana Durga Rao Chalavadi	Relative of Director
14	Supriya Padarthy	Relative of Director
15	Bhavani Annam	Relative of Director
16	Lavanya Mankal	Relative of Director
17	Krishna Murty Chalavadi	Relative of Director
18	Devamani Venkata Kanaka Hanisha Chalavadi	Relative of Director
19	Balaji Bharadwaj Rachamadugu	Relative of Director
20	Sai Readymades	Enterprise over which Directors having Significant Influence (EDS)
21	Sai Retail India Limited	Enterprise over which Directors having Significant Influence (EDS)
22	SSS Marketing	Enterprise over which Directors having Significant Influence (EDS)
23	Sai Swarnamandir Jewellers Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
24	Sumaja Creations	Enterprise over which Directors having Significant Influence (EDS)
25	K Factory	Enterprise over which Directors having Significant Influence (EDS)
26	Kalamandir Foundation	Enterprise over which Directors having Significant Influence (EDS)
27	Kalamandir International Pvt Ltd	Enterprise over which Directors having Significant Influence (EDS)
28	Varamahalakshmi Holdings Pvt Ltd.	Enterprise over which Directors having Significant Influence (EDS)
29	Soul of Pluto Tech LLP	Enterprise over which Directors having Significant Influence (EDS)



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Transactions with Related Parties:

S.No.	Nature of Transaction	FY 2020-21			FY 2019-20				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total
1	Purchases	4,42,18,74,175	-	-	4,42,18,74,175	8,68,94,79,435	-	-	8,68,94,79,435
2	Rent (Expense)	34,74,000	5,90,000	3,40,000	44,04,000	21,24,000	7,20,000	4,80,000	33,24,000
3	Rent (Income)	13,20,000	-	-	13,20,000	15,20,000	-	-	15,20,000
4	Commission (Expense)	18,00,000	-	-	18,00,000	18,00,000	-	-	18,00,000
5	Salary / Remuneration	-	1,72,02,497	1,56,40,784	3,28,43,281	-	2,35,54,884	2,02,90,324	4,38,45,208
6	Advertisement (Expense)	2,14,57,417	-	-	2,14,57,417	20,70,24,002	-	-	20,70,24,002
7	Donation	6,76,825	-	-	6,76,825	1,00,80,130	-	-	1,00,80,130
8	Unsecured loan Taken	-	(2,00,00,000)	-	(2,00,00,000)	-	-	-	-
9	Shares Alloted	-	6,10,00,000	-	6,10,00,000	-	-	-	-
10	Software Consultation / Maintenance (Exp)	2,22,00,129	-	-	2,22,00,129	2,22,00,000	-	-	2,22,00,000
11	Other Incomes	-	-	-	-	78,00,000	-	-	78,00,000
12	Rent Deposits Given	9,00,000	2,40,000	-	11,40,000	-	-	-	-
13	Rent Deposits Received	-	-	-	-	6,00,000	-	-	6,00,000
Balances with Related Parties As At 31.03.2020:									

S.No.	Nature of Transaction	FY 2020-21			FY 2019-20				
		EDS	KMP	Relative of Director	Total	EDS	KMP	Relative of Director	Total
1	Short Term Borrowings	-	18,73,448	11,616	18,85,064	-	2,18,73,448	11,616	2,18,85,064
2	Trade Payables	1,06,20,04,380	-	-	1,06,20,04,380	4,76,761	-	-	4,76,761
3	Other Payables	(26,10,496)	22,93,451	12,66,684	9,49,638	12,01,17,289	26,35,948	13,00,389	12,40,53,626
4	Other Current Liabilities	4,52,779	-	-	4,52,779	79,803	-	-	79,803
5	Rent Deposits Given	21,00,000	6,00,000	2,40,000	29,40,000	12,00,000	3,60,000	2,40,000	18,00,000
6	Rent Deposits Received	6,00,000	-	-	6,00,000	6,00,000	-	-	6,00,000

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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2021
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 2020-21		FY 2019-20	
						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) Rent Deposits	4,42,18,74,175 24,54,000 1,20,000 9,00,000	(1,06,15,27,619)	8,68,94,79,435 11,04,000 1,20,000 -	- - - -
2	SSS Marketing	Partnership	3 (E)	Relative of Director Interested	Commission paid Rent Deposit	18,00,000 -	(4,52,779)	18,00,000 -	(79,803) 12,00,000
3	Sumaja Creations	Proprietary	3 (E)	Relative of Director Interested	Advertisement Manpower Service (Income)	2,14,57,417 -	(63,04,125)	20,70,24,002 18,00,000	(12,33,84,647) -
4	Varamahalakshmi Holdings Pvt Ltd.	Private Limited	3 (E)	Directors interested	Rent Expense	10,20,000	6,40,328	10,20,000	(7,19,529)
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	2,22,00,129 - - 12,00,000 -	82,74,293 - - - (6,00,000)	2,22,00,000 60,00,000 14,00,000 6,00,000	39,86,887 - - - (6,00,000)
7	Naga Kanaka Durga Prasad Chalavadi	Individual	3 (D)	Director	Remuneration Rent Expense Shares Allotted Rent Deposit Unsecured Loan Salary	88,06,452 5,90,000 6,10,00,000 2,40,000 (2,00,00,000) 26,42,002	(13,60,295) (1,09,500) - 6,00,000 (18,73,448) (1,55,862)	1,19,35,484 7,20,000 - - - 35,80,645	(17,05,638) (54,000) - 3,60,000 (2,18,73,448) (1,01,830)
8	Jhansi Rani Chalavadi	Individual	3 (D)	Relative of Director	Rent Expense Rent Deposit	3,40,000 -	(73,000) 2,40,000	4,80,000 -	(36,000) 2,40,000

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S.No.	Name of the Party / Personnel	Concern	Ref. for Relationship as per AS-18	Details of Relation	Nature of Transaction	FY 2020-21		FY 2019-20	
						Transaction Value	Outstanding Dr/ (Cr)	Transaction Value	Outstanding Dr/ (Cr)
9	Kalyana Srinivas Annam	Individual	3 (D)	Director	Remuneration	44,03,226	(2,98,431)	59,67,742	(3,17,685)
10	Doondeswara Kanaka Durga Rao Chalavadi	Individual	3 (D)	Director	Remuneration	29,69,032	(2,37,126)	38,79,032	(1,98,218)
11	Venkata Rajesh Annam	Individual	3 (D)		Salary	28,69,435	(2,02,774)	38,79,032	(2,20,786)
12	Sowjanya Annam	Individual	3 (D)		Salary	7,92,582	(58,503)	10,74,194	(74,370)
13	Suchitra Annam	Individual	3 (D)		Salary	7,94,614	(71,287)	10,74,194	(65,956)
14	Mohana Durga Rao Chalavadi	Individual	3 (D)		Salary	28,69,435	(1,96,909)	38,79,032	(2,45,384)
15	Supriya Padarth	Individual	3 (D)	Relative of Director	Salary	8,22,195	(89,801)	10,74,194	(80,287)
16	Bhavani Annam	Individual			Salary	7,94,614	(76,185)	10,74,194	(71,738)
17	Lavanya Mankal	Individual			Salary	7,94,614	(1,29,599)	10,74,194	(1,23,793)
18	Krishna Murty Chalavadi	Individual	3 (D)		Unsecured Loan	-	(11,616)	-	(11,616)
19	Devamani Venkata Kanaka Durga Hanisha Chalavadi	Individual	3 (D)		Salary	10,87,099	(99,799)	11,93,548	(93,348)
20	Balaji Bharadwaj Rachamadugu	Individual	3 (D)		Salary	21,74,194	(1,12,966)	23,87,097	(1,86,897)
21	Rama Krishna Oruganti	Individual	KMP	CFO	Remuneration	3,62,367	(61,801)	8,81,142	(40,513)
22	Koti Bhaskara Teja Matte	Individual	KMP	CS	Remuneration	4,81,420	(59,799)	7,11,484	(47,394)
23	Kalamandir Foundation	Trust	3 (E)	Managing Trustee	Donations for CSR	6,76,825	-	1,00,80,130	-
24	Naveen Nandigam	Individual	KMP	Non Exicutive Directors	Sitting Fees	60,000	(55,500)	60,000	(54,000)
25	Sirisha Chintapalli	Individual	KMP		Sitting Fees	60,000	(55,500)	60,000	(54,000)
26	Laxminivas Jaju	Individual	KMP		Sitting Fees	60,000	(55,500)	60,000	(1,64,500)



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2021

Note No.	Particulars	FY 2020-21	FY 2019-20
31 Note: Earnings Per Share			
	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR)	8,63,16,459	45,58,55,435
	No of Equity Shares	2,40,64,588	2,34,54,588
	Weighted Average no. of equity shares	2,36,06,232	2,34,54,588
	Basic and Diluted Earnings per share (INR)	3.66	19.44
	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		-	-
34 Note: Tax Expense			
	The Tax Expenses for the year comprises of;		
	Income Tax	1,96,58,481	12,23,90,150
	Current Year	1,96,47,670	12,23,90,150
	Previous Year	10,811	-
	Deferred Tax	1,38,71,358	21,52,931
	Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income. 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.	FY 2020-21	FY 2019-20
	Future minimum lease payments		
	not later than one year*	37,75,89,598	30,81,67,911
	later than one year and not later than five years	1,45,20,77,267	1,39,47,58,763
	later than five years	2,26,76,77,350	2,48,15,54,704
	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	41,71,60,585	56,27,01,656
	On account of Notice Period	12,94,90,498	12,61,54,324
	Lease payments recognized in the Statement of Profit and Loss	25,74,41,619	30,01,49,992
	Sublease payments received / receivable recognized in the Statement of Profit and Loss	99,79,111	1,15,39,462
	The Lease payments recognized in the Statement of Profit and Loss is after reduction of discounts availed on lease rentals due to COVID-19 for FY 2020-21. But, we are not anticipating such discounts for the FY 2021-22 as of now.		
36 Note: Capital and Other commitments		FY 2020-21	FY 2019-20
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8,00,00,000	-
	(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-2021

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	STATE BANK OF INDIA Corporate Loan	1st charge on fixed assets of the company excluding showrooms financed by CANARA Bank	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule. 2. Pari-Passu 2nd Charge on entire current assets of the company (Both Present & Future) along with CANARA Bank for TL sanctioned by it of Rs.22 Cr.	Repayable in 20 Quarterly installments of Rs. 1.50 Cr per Quarter.	6 Months MCLR + 3.15% With Monthly Reset (On the date of Sanction 6 Month MCLR is 6.95%) Currently ROI is 10.10% PA
2	STATE BANK OF INDIA CCECL (Common Covid Emergency Credit Line)	Extension of Charge on Existing Primary Security	Extension of Charge on Existing Primary Security & Collateral Security	Repayable in 24 Months, Comprising of 6 months moratorium and repayable in 18 monthly installments of Rs. 55.60 Lacs per Month from 31.10.2020.	1 year MCLR = 7.40% PA at the time of Sanction (i.e on Apr-2020)
3	STATE BANK OF INDIA GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, Comprising of 12 months moratorium and repayable in 48 monthly installments of Rs. 50.67 Lacs per Month from the month of Jan-2022.	6 Months MCLR + 1% (i.e. 100 Bps) With 6 month Reset (On the date of Sanction 6 Month MCLR is 6.95%) Currently ROI is 7.95% PA
4	Canara Bank Term Loan	Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation	1. Fixed assets of all showrooms and Intangible assets on Pari-passu 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%)
5	Canara Bank GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, Comprising of 12 months moratorium and repayable in 48 monthly installments of Rs. 10.63 Lacs per Month from the month of Jan-2022.	1 Year MCLR + 0.6% (On the date of Sanction (Jan-2021) 1 Year MCLR is 7.35%) Currently ROI is 7.95% PA
6	HDFC Bank Term Loan (Business Loan)	Nil	Nil	Repayable in 24 Monthly installments of Rs. 3,52,526 PM from May-2021.	ROI is 11.85% PA



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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)	Pari Passu 1st Charge by way of Hypothecation of entire current assets of the company (Both Present & Future) along with CANARA Bank for CC Limit sanctioned by it of Rs. 8.00 Cr.	1st Charge by way of Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as detailed in the below schedule along with Cash Collateral of Rs. 8.50 Cr & Pledge of 30% Paid up shares of the Company held by the promoters	On demand DP Margins : Paid Stock-25% Debtors - 100%	6 Months MCLR + 0.95% With Monthly Reset (On the date of Sanction 6 Month MCLR is 6.95%) Currently ROI is 7.90% PA In Case of SLC, ROI is (Effective ROI on CC + 1%) 1 Year MCLR+4.5%
2	Canara Bank (CC)	Hypothecation of stocks, other current assets of the company on Pari Passu 1st Charge Basis	1. Fixed assets of all showrooms and Intangible assets on Pari Passu 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%	[On the date of Sanction 1 year MCLR is 8.60%]
3	HDFC Bank (CC)	Pari Passu 1st Charge on stocks, Book Debts	Fixed Deposit of Rs. 7.50 Cr	On demand DP Margins : Paid Stock-25% (Less than 180 Days) Debtors - 100%	1 Year MCLR + 1.25% [On the date of Sanction 1 year MCLR is 7.25%] Currently ROI is 8.50% PA

1.2 Personal Guarantees of the following persons:

Sl No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank
2	Sri Annam Kalyan Srinivas S/o A Chandra Sekhar	State Bank of India , Canara Bank, HDFC Bank
3	Sri Chalavadi DK Durga Rao S/o C Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank
4	Sri Annam Venkata Rajesh S/o A Chandra Sekhar	State Bank of India
5	Sri Annam Subhash Chandra Mohan 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
Corporate Gaurantor		
1	Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India



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1.3 Schedule of Collateral property

Sl no	Type	Belonging To	Address	Offered to	Others
1	Residential Plot (Admeasuring 332.00 Sq.Yds)	Subhash Chandra Mohan. Annam	Plot No.6p, 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 Plots of Open Lands (Admeasuring 400.00 Sq. Yds (200.00 Sq. Yds Each))	Ch.N.K.D.Prasad (MD)	D. No. 40-1/1-14e, NTS Nos. 42 & 43, Rev. Ward No.11, Block No.2, Adj. to SVR Neuro Hospital, Mogalrajapuram, Vijayawada	State Bank of India	Title deed No. 3191, 3192 Dated 09 and 10.08.2000
3	Open 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
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	H no. 222/MIG/1, (M.C.K no. 15-24-222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, Kuakalpally 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, Bannikoppa 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 the 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, Kukatapalli, Medchal-Malkajigiri 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, Kukatapalli, Medchal-Malkajigiri 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 17.50 Lacs equity shares worth Rs. 1.75 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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Sai Readymades Limited
Hyderabad
K.Rishna Rao & Co.

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

Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate
1	HDFC Vehicle Loan - 59724332	Tata Tiago	Repayable in 36 monthly installments of Rs.16,337/- each commencing from 07 Sep'18	9.50%
2	HDFC Vehicle Loan - 96977239	BMW	Repayable in 60 monthly installments of Rs.2,38,130/- each commencing from Jan'2020.	8.50%
3	HDFC Vehicle Loan - 112686183	Vellfire	Repayable in 60 monthly installments of Rs.1,93,309/- each commencing from Oct'2020.	7.75%
4	Yes Bank Vehicle Loan - 396709	Jaguar F Pace	Repayable in 36 monthly installments of Rs.1,45,457/- each commencing from 15 Sep'18	8.79%
5	Toyota FSIL 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 - NHYD1077164	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 02Aug'16	9.25%
7	Toyota FSIL Vehiclle Loan - NHYD1082159	Innova	Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Sep'16	9.25%
8	Toyota FSIL Vehiclle Loan - NHYD1184355	Vellfire	Repayable in 60 monthly installments of Rs.1,89,910/- each commencing from Apr'2020.	8.31%



Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate
9	Kotak Mahindra Bank Vehicle Loan - 12806897	Benz	Repayable in 60 monthly installments of Rs.1,28,380/- each commencing from 05May'16	9.38%
10	Kotak Mahindra Bank Vehicle Loan - 12806991	Volvo	Repayable in 60 monthly installments of Rs.90,515/- each commencing from 05May'16.	9.39%
11	Kotak Mahindra Bank Vehicle Loan - 13265958	Land Rover	Repayable in 60 monthly installments of Rs.1,10,607/- each commencing from 05Sep'16.	9.13%
12	Canara Bank Vehicle Loan - 4929603000020	Hyundai Creta	Repayable in 74 monthly installments of Rs. 24,967/- each commencing from Sep'2020.	8.35%
13	Canara Bank Vehicle Loan - 4929603000022	Skoda	Repayable in 78 monthly installments of Rs. 51,934/- each commencing from Sep'2020.	7.90%
14	Canara Bank Vehicle Loan - 4929603000024	Innova	Repayable in 81 monthly installments of Rs. 33,205/- each commencing from Sep'2020.	7.50%
15	Daimler Financial Services India Private Ltd Vehicle Loan - 10139378	Benz	Repayable in 60 monthly installments of Rs.1,54,888/- each commencing from Dec'2019.	7.66%



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Sai Silks (Kalamandir) Limited
Notes forming part of Financial Statements As At 31-Mar-2021

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 amalgamated 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.

45 During the FY 20-21, the company found a theft of cash for an amount of Rs. 8,95,000/- on 12-Dec-2020 and informed to Police station at Kukatpalli, Cyberabad & registered FIR vide no. 961/2020 dt 13-Dec-2020.

As per my audit report of even date

For Kannegolla Krishna Rao & Co.,
 Chartered Accountants

CA. Krishna Rao Kannegolla

Partner - UDIN-21015053 AAAA V 1717

Membership No. 015053

F. No. 001727S

Place: Hyderabad

Date: 5th Jul, 2021

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

Ramakrishna Oruganti
 Chief Financial Officer

M K Bhaskara Teja
 Company Secretary

Note No.46: 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.



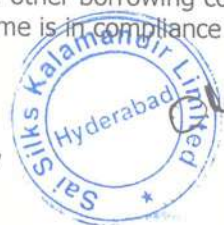
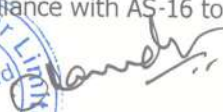


3. Property, Plant and Equipment, Depreciation and Intangible Assets (AS 10 & 26);

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.



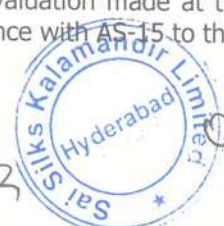



9. **Miscellaneous Expenditure (AS 26);**

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

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.



Name	Sai Silks (Kalamandir) Limited	Financial Year	2020-2021
D.O.B.	03.07.2008	Assessment Year	2021-2022
Address	6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016	Status	Public Limited Company
Bank Name	State Bank of India	PAN No.	AAMCS1175P
A/c No		Ward / Circle	DCIT/ACIT,CIR-3(1),HYD
MICR Code			

STATEMENT OF TOTAL INCOME

Income from Business or Profession

Net Profit as per Profit and Loss A/c		11,98,46,298
Add: Depreciation provided in the books of accounts	18,66,10,189	
Add: Preliminary Expenses Written Off (5th year)	-	
Add: Amalgamation Expenses Written Off (5th Year)	-	
Add :Interest on Tax & TDS	1,23,06,311	
Add : Fees & Penalties	68,639	
Add: Donation	12,98,275	
Add: Wealth Tax	-	
Add: Gratuity(sec 40A(7))	12,36,312	
		20,15,19,726
		32,13,66,024
Less : Depreciation as per IT Act, 1961	24,30,51,160	
Less : Preliminary Expenses Written Off u/sec 35D (5th year)	-	
Less : Preliminary Expenses Written Off u/sec 35D (2nd year)	-	
Less : Profit / (Loss) on Sale of Assets	(89,600)	
		24,29,61,560
		7,84,04,464
Less: Chapter VIA Deductions		
Sec 80G		3,38,413
Taxable Income		7,80,66,052
		7,80,66,050
		7,80,66,050
Tax Payable thereon @ 22% as per Sec 115BAA		1,71,74,531
Tax payable-Maximum of		
Tax Payable as per Computation	1,71,74,531	
Tax payable u/sec 115JB	-	
(115JB not applicable as we have adopted Sec 115BAA)		1,71,74,531
Add: Surcharge @ 10%		17,17,453
		1,88,91,984
Add : Health & Education Cess @4%		7,55,679
		1,96,47,663
		1,96,47,663
Rounded Off		1,96,47,670
Less: Advance Tax Paid		
Less: TDS		9,24,213
Less: TCS		33,02,481
Less: MAT Credit		-
Tax Payable (Net of Adv Tax, TDS & TCS)		1,54,20,976
Add: Interest 234A		
234B		
234C		
		-
Tax Payable/ (Refund)		1,54,20,976



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